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Statement of

Philip L. Rones  
Acting Commissioner  
Bureau of Labor Statistics

Friday, September 1, 2006

Nonfarm payroll employment rose by 128,000 in August, and the unemployment rate was essentially unchanged at 4.7 percent. The employment increase was about in line with the average monthly gain of 117,000 for the 4-month period from April to July. During the 12-month period ending in March, job growth averaged 169,000 per month. Average hourly earnings rose by 2 cents, or 0.1 percent, in August.

In the service-providing sector, education and health services employment grew by 60,000; health care contributed 35,000 of the net increase, and social assistance added 13,000 jobs. Over the year, health care employment expanded by 286,000. Within health care, hospitals added 14,000 jobs over the month. Employment also increased in doctors' offices, home health care services, and outpatient care centers.

Several other service-providing industries contributed to job growth in August. Employment in food services and drinking places continued to trend up, although the pace of job growth has moderated in recent months. Employment growth also continued at a slower pace in financial activities.

Within professional and business services, employment continued to trend up over the month in management and technical consulting; computer systems design; and architectural and engineering services. Employment in temporary help services, however, has shown little change thus far this year.

In retail trade, job losses continued in department stores in August (-9,000). Over the past 5 months, department stores have shed 47,000 jobs.

In the goods-producing sector, construction employment edged up in August (+17,000), following several months in which employment was little changed. Employment in nonresidential specialty trade contracting continued to expand over the month. However, other components of the construction industry have shown little or no job growth in recent months. Employment in mining rose by 5,000 in August, mostly in oil and gas extraction and in related support activities.

Manufacturing employment edged down over the month, largely due to job losses in motor vehicles, wood products, and furniture and related products. Manufacturing hours were down 0.1 hour to 41.3 hours, and factory overtime held at 4.5 hours.

Average hourly earnings for private production and nonsupervisory workers rose by 2 cents (0.1 percent) in August, following gains of 8 cents in July and 7 cents in June. Over the 12-month period ending in August, average hourly earnings have risen by 3.9 percent.

Most major labor market indicators from our household survey showed little or no change in August. Both the unemployment rate and the number of unemployed persons were essentially unchanged at 4.7 percent and 7.1 million, respectively. The labor force participation rate held at 66.2 percent, and the employment-population ratio was 63.1 percent.

In summary, payroll employment rose by 128,000 in August, and the unemployment rate was about unchanged at 4.7 percent.