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Statement of

Kathleen P. Utgoff  
Commissioner  
Bureau of Labor Statistics

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Nonfarm payroll employment rose by 169,000 in August, following a gain of 242,000 in July (as revised). The unemployment rate, at 4.9 percent in August, was little changed; the jobless rate has decreased by 0.5 percentage point since February. Payroll employment has increased by 2.2 million over the year. In August, job growth continued in several industries, with notable gains in health care, accommodations and food services, and construction. Manufacturing employment edged down over the month. (Hurricane Katrina struck Florida and the Gulf Coast after the August survey reference period, and therefore did not affect August estimates from the payroll and household surveys.)

Health care added 26,000 jobs in August. Employment in the industry has increased by 264,000 over the year. Over the month, employment rose in hospitals and ambulatory health care services, such as doctors' offices.

Employment growth continued in accommodations and food services. Over the year, employment in food services has increased by 280,000.

Wholesale trade employment continued to trend up in August. Since its most recent trough in August 2003, the industry has added 150,000 jobs. Most of this gain occurred in durable goods and in electronic market components. Retail trade employment was little changed in August, following a large increase in July. Over the year, the industry has added 224,000 jobs. Employment in financial activities rose by 15,000 in August and by 184,000 over the year.

Employment continued to expand in professional and business services in August. Over the year, the industry added 507,000 jobs. In August, employment in temporary help was about unchanged; job growth in the industry has slowed since last fall.

Within the goods-producing sector, employment in construction rose by 25,000 in August and has increased by 277,000 over the year. Nearly three-fourths of August's

job gain occurred among specialty trade contractors. Employment in mining edged up over the month and has risen by 67,000 since its most recent trough in April 2003. Much of the increase over this period has been in support activities for oil and gas.

Manufacturing employment edged down in August; over the year, factory job losses have totaled 110,000. Over the month, employment continued to decline in motor vehicles and parts. Since May, this industry has shed 37,000 jobs. Both the factory workweek, at 40.5 hours, and factory overtime, at 4.5 hours, were unchanged over the month.

Average hourly earnings of private production or nonsupervisory workers rose by 2 cents in August to \$16.16, following a 7-cent increase in July. Over the year, average hourly earnings have grown by 2.7 percent.

Turning to data from the household survey, the unemployment rate was little changed in August at 4.9 percent but has trended down since February, when it was 5.4 percent. The jobless rate for adult women declined over the month, while the rates for the other major worker groups showed little or no change from July.

Total employment continued to trend up in August. The employment-to-population ratio, at 62.9 percent, is 0.6 percentage point higher than it was in February.

As part of our mission reporting on America's workers each month, and in recognition of Labor Day this coming Monday, I would like to highlight a few characteristics of our Nation's labor force, which now totals nearly 150 million workers.

The American labor force is demographically diverse. Women make up nearly half of the labor force (46 percent in 2004). By race and ethnicity, non-Hispanic whites make up the largest share of the labor force (70 percent). Hispanics are the next largest group accounting for 13 percent of the total, followed by non-Hispanic blacks and Asians (11 and 4 percent, respectively). About 1 in 7 labor force participants in the U.S. are immigrants. Between 2000 and 2004, these foreign-born workers have accounted for about half of the net labor force growth.

Looking at education and the type of occupations workers hold, three-fifths of employed persons age 25 and over have some post-secondary schooling. One-third of workers have a college degree or more. Only 10 percent have less than a high school diploma. A little over a third of employed individuals work in management or

professional occupations and about one-fourth hold sales and office jobs. Sixteen percent are service workers, and 13 percent are employed in production and transportation occupations. Natural resources, construction, and maintenance occupations account for the remainder.

Returning to August's labor market developments, nonfarm payroll employment rose by 169,000, and the unemployment rate was 4.9 percent.