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Statement of

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Nonfarm payroll employment increased by 144,000 in August, with job gains in several service-providing industries. The unemployment rate, at 5.4 percent, was little changed over the month. Since its recent low point in August 2003, nonfarm payroll employment has grown by about 1.7 million. A little more than half of that growth occurred from March through May of this year. During that period, job gains averaged nearly 300,000 per month; growth slowed in June and July (+96,000 and +73,000, as revised).

Hurricane Charley struck Florida during the August survey reference period. BLS made additional data collection efforts for the hurricane-affected counties to ensure that payroll survey response rates were at normal levels. Our examination of the survey data suggests that there were no discernable weather-related effects on

national employment as measured by the establishment survey. This was likely due to the fact that the storm hit late in the reporting period for most of our survey respondents. For the storm to have affected payroll employment, people would have had to have been off work for an entire pay period and not paid for the time missed. (In the household survey, people who miss work for weather-related events are counted as employed whether or not they are paid for the time off.)

In August, health care and social assistance employment rose by 42,000. Over the year, this sector has added 307,000 jobs, representing nearly one-fifth of overall nonfarm job growth during this period. In the health care component, the August increase included gains in both hospitals and ambulatory health care services (such as doctors' offices and outpatient care centers). The over-the-month employment increase in social assistance followed no net job gain over the prior 3 months.

Elsewhere in the service-providing sector, employment in computer systems design services and in rental and leasing increased over the month. Securities and commodities brokerages also added jobs in August. Employment in the credit intermediation industry, which includes mortgage brokers, was little changed following a

small decline in July. Temporary help payrolls remained relatively flat for the third straight month. From April 2003 to May 2004, this industry added 293,000 jobs.

In the goods-producing sector, manufacturing employment was up by 22,000 in August, but this increase mostly reflected auto workers returning to work from the larger-than-usual annual retooling shutdowns in July. Employment in other manufacturing industries showed little change in August; factory hours and overtime were flat.

Construction employment edged up in August, following little change in June and July. Employment in mining was about unchanged over the month.

Average hourly earnings of private production or nonsupervisory workers rose by 5 cents over the month, following a 6-cent increase in July, as revised. Over the year, average hourly earnings increased by 2.3 percent.

Most measures from our household survey showed little change in August. The unemployment rate, at 5.4 percent, and the number of unemployed persons, at 8.0 million, were little changed over the month. The unemployment rate is down from its recent high of 6.3 percent in June 2003; most of this decline occurred in the second half of last year.

Labor force participation edged down over the month following an increase in July. The labor force

participation rate has been at or near 66.0 percent since late last year.

To summarize the August labor market developments, nonfarm payroll employment increased by 144,000, and the unemployment rate was little changed at 5.4 percent.