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Statement of

Kathleen P. Utgoff  
Commissioner  
Bureau of Labor Statistics

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Both the unemployment rate, at 5.7 percent, and nonfarm payroll employment, at 130.8 million, were little changed in August. Payroll employment has risen slightly since April, and the unemployment rate has shown no clear trend.

The number of unemployed was 8.1 million in August, little different from the level in the prior month. Among the jobless in August, 2.8 million persons had been unemployed for 15 weeks or more. After steadily rising since May 2001, this measure has declined by 320,000 over the past 2 months.

Turning to data from our establishment survey, payroll employment changed little in August (+39,000). Employment rose in services, government, and construction, but these gains were largely offset by losses in manufacturing and

retail trade. Employment in other major private-sector industries showed no substantial change in August.

Employment in the services industry rose by 100,000 in August, compared to an average monthly gain of 62,000 in the prior 5 months. Over the month, employment in help supply services increased by 51,000; this follows a loss of 30,000 in July. Despite July's decline, employment in the industry has been on an upward trend since February, rising by 165,000. In health services, employment rose by 26,000 in August, about in line with the average for the prior 12 months.

Government employment was up by 41,000. Job gains in Federal and local governments more than offset losses in State education. Employment in the Federal government rose by 20,000 in August, with the Transportation Security Administration accounting for most of the increase.

In August, construction employment rose by 34,000, reversing a loss of 30,000 jobs in the prior month. The level of employment in the industry is essentially the same as in April.

After 4 months of losses that averaged 18,000, the number of factory jobs fell more sharply in August, declining by 68,000. Job losses were widespread over the month. Within durable goods manufacturing, the largest

employment declines were in electrical equipment, industrial machinery, and fabricated metals. In nondurable goods manufacturing, the number of jobs in rubber and plastics decreased by 7,000, offsetting an identical gain in the prior month.

Retail employment fell by 55,000 in August, following an increase of 33,000 in the prior month. Declines were concentrated in department stores. Since reaching a peak in June 2001, the number of jobs in retail trade has decreased by 295,000.

Average weekly hours of production or nonsupervisory workers edged up by 0.1 hour over the month, following a decline of 0.3 hour in the prior month. In August, the manufacturing workweek and factory overtime were up by 0.1 hour and 0.2 hour, respectively. Average hourly earnings of private production or nonsupervisory workers increased by 4 cents over the month. Over the year, average hourly earnings increased by 3.1 percent.

To summarize, both the unemployment rate and the number of workers on nonfarm payrolls were little changed in August. Job growth accelerated in services, but manufacturing employment had its largest decline since the beginning of the year.