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Statement of

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Commissioner  
Bureau of Labor Statistics

Friday, June 3, 2005

Nonfarm payroll employment edged up by 78,000 in May, following an increase of 274,000 in April. The unemployment rate was essentially unchanged at 5.1 percent. Payroll job growth averaged 176,000 over the past 2 months, in line with the average monthly increase for the 12-month period ending in March. In May, job growth continued in health care and construction.

In the service-providing sector, health care employment rose by 26,000 in May, following an increase of similar magnitude in April. The job growth in each month was concentrated in doctors' offices and in hospitals.

In May, employment in both financial activities and temporary help services was about unchanged. There has been very little employment growth in temporary help since last October. Employment was little changed in leisure and

hospitality in May. In April, this industry had a sizable job gain that reflected earlier-than-normal seasonal hiring.

In the goods-producing industries, construction employment was up by 20,000 in May, following an increase of 48,000 in the prior month. In May, 26,000 jobs were added in residential specialty trade contracting. Employment in nonresidential specialty trade contracting declined over the month, after a substantial increase in April.

Manufacturing employment was essentially unchanged in May. After some months of modest job growth in the spring and summer of last year, factory employment has trended down and has nearly returned to its recent low point of February 2004. The manufacturing workweek was down by one-tenth of an hour in May, and factory overtime held at 4.4 hours.

Average hourly earnings of private production or nonsupervisory workers rose by 3 cents in May to \$16.03, following a 5-cent increase in April. Over the year, average hourly earnings grew by 2.6 percent.

Turning to some of the measures from our household survey, the unemployment rate was essentially unchanged in May at 5.1 percent. The jobless rate has trended down over

the past year; last May, it was 5.6 percent. The labor force participation rate was 66.1 percent in May, about the same as a year earlier. The number of discouraged workers (persons outside the labor force who had stopped looking for work because they believed their job search efforts would be unsuccessful) declined by 84,000 over the year to 392,000 (not seasonally adjusted).

In May, 1.5 million persons had been unemployed for 27 weeks or longer. While the number of unemployed who had been jobless for such a long time period has trended down over the past year and a half, the long-term unemployed still account for about 1 in 5 unemployed persons.

To summarize May's labor market data, nonfarm payroll employment edged up by 78,000, following a much larger increase in April. The unemployment rate was basically unchanged over the month at 5.1 percent.