

---

Transmission of material in this statement is embargoed until  
8:30 a.m. (ET) July 2, 2020.

---

Statement of

William W. Beach  
Commissioner  
Bureau of Labor Statistics

Thursday, July 2, 2020

Nonfarm payroll employment increased by 4.8 million in June, and the unemployment rate declined by 2.2 percentage points to 11.1 percent. These improvements reflect the continued resumption of economic activity that had been curtailed in March and April due to the coronavirus (COVID-19) pandemic and efforts to contain it.

In June, employment continued to rise in several major industry sectors, with the largest gain in leisure and hospitality. Notable gains also occurred in retail trade, education and health services, other services, manufacturing, and professional and business services.

To put the June employment gain of 4.8 million in context, substantial job losses related to the coronavirus pandemic started in March, as employment fell by 1.4 million. This was followed by deeper job cuts in April, when payroll employment declined by 20.8 million, as revised. By May, some pandemic-

related restrictions on economic activity began to be lifted, and employment rose by 2.7 million, as revised.

This rebound in business activity accelerated in June. Nevertheless, total nonfarm employment is 14.7 million, or 9.6 percent, lower than in February. Furthermore, although unemployment continued to fall in June, the unemployment rate and the number of unemployed people are up by 7.6 percentage points and 12.0 million, respectively, since February.

The response rate for the household survey continued to be adversely affected by pandemic-related issues. The response rate for the establishment survey also was below normal for June. The impacts of the pandemic on the household and payroll surveys are detailed in the June Employment Situation news release and accompanying materials (available on the BLS website at [www.bls.gov/news.release/empsit.nr0.htm](http://www.bls.gov/news.release/empsit.nr0.htm)). For both surveys, we were still able to obtain estimates that meet BLS standards for accuracy and reliability.

Taking a closer look at the June payroll data, employment in leisure and hospitality increased by 2.1 million, accounting for about two-fifths of growth in total nonfarm employment. Within the industry, employment in food services and drinking places rose by 1.5 million. This followed an increase of the same magnitude in May. Despite the gains in May and June, employment in food services and drinking places remains 3.1

million lower than in February. Employment in amusements, gambling, and recreation increased by 353,000 in June, and the accommodation industry added 239,000 jobs.

Retail trade employment increased by 740,000 in June but is 1.3 million lower than in February. Job growth occurred among all component industries in June. Notable job gains occurred in clothing and accessories stores (+202,000), general merchandise stores (+108,000), motor vehicle and parts dealers (+84,000), furniture and home furnishings stores (+84,000), and miscellaneous store retailers (+70,000).

In June, employment in education and health services increased by 568,000 but is down by 1.8 million from February. In June, health care employment rose by 358,000, with gains in offices of dentists (+190,000), offices of physicians (+80,000), offices of other health practitioners (+48,000), and outpatient care centers (+24,000). Elsewhere in health care, job losses continued in nursing care facilities (-18,000). Employment in social assistance increased by 117,000, with gains in child day care services (+80,000), individual and family services (+28,000), and vocational rehabilitation services (+9,000). Employment in private education rose by 93,000.

Employment in the other services industry rose by 357,000 in June, with about three-fourths of the gain occurring in

personal and laundry services (+264,000). Since February, employment in the other services industry is down by 752,000.

Manufacturing employment increased by 356,000 in June, after an increase of 250,000 in May. Over the past 2 months, the industry has recovered less than half of the 1.4 million jobs lost in March and April. Most of the recent changes in manufacturing employment have occurred in durable goods manufacturing; in June, employment increased in motor vehicles and parts (+196,000), miscellaneous durable goods manufacturing (+26,000), and machinery (+18,000). Job gains in the nondurable goods component occurred in plastics and rubber products (+22,000), miscellaneous nondurable goods manufacturing (+16,000), and apparel (+9,000).

In June, professional and business services added 306,000 jobs. On net, employment in the industry is 1.8 million below its February level. In June, employment gains occurred in temporary help services (+149,000), services to buildings and dwellings (+53,000), and accounting and bookkeeping services (+18,000). Job losses occurred in computer systems design and related services (-20,000) and in travel arrangement and reservation services (-8,000).

Construction employment rose by 158,000 in June, after increasing by 453,000 in the prior month. Over the past 2 months, construction has recovered more than half of the

cumulative job losses from March and April. In June, the majority of the job growth occurred in specialty trade contractors (+135,000), with gains about equally split between the nonresidential (+71,000) and residential (+64,000) components. Construction of buildings added 32,000 jobs over the month, while heavy and civil engineering construction lost jobs (-10,000).

Employment in transportation and warehousing increased by 99,000 in June, following losses of 28,000 in May and 560,000 in April. Over the month, notable job gains occurred in warehousing and storage (+61,000) and couriers and messengers (+21,000).

In June, wholesale trade employment rose by 68,000, with increases in the durable goods (+39,000) and nondurable goods (+27,000) components. Employment in wholesale trade is 317,000 lower than its February level.

Employment in financial activities rose by 32,000 in June, with real estate adding 18,000 jobs. Since February, employment in financial activities is down by 237,000.

Government employment was little changed in June (+33,000), following declines of 533,000 in May and 952,000 in April. In June, an employment gain in local government education (+70,000) was partially offset by losses in state government (-25,000).

Employment in mining fell by 10,000 in June, mostly in support activities for mining (-7,000). The mining industry has

lost 123,000 jobs since a recent peak in January 2019, although most of this decline has occurred since February 2020.

Average weekly hours for all private-sector workers fell by 0.2 hour in June, following an increase of 0.5 hour in May. The average workweek for manufacturing rose by 0.5 hour in June. Since estimates of average weekly hours take into account the size of each industry's employment, one should continue to be cautious when interpreting changes in the workweek at the total private level. In particular, large employment changes in industries with shorter or longer than average workweeks can complicate monthly comparisons of the average weekly hours figures.

Similarly, changes in average hourly earnings in recent months must be interpreted with caution. Average hourly earnings of all employees on private nonfarm payrolls declined by 35 cents in June to \$29.37, following a decrease of 31 cents in May and a gain of \$1.34 in April. The increase in average hourly earnings in April largely reflects the disproportionate number of lower-paid workers who went off payrolls, which put upward pressure on the total private average hourly earnings estimate. Some of these workers returned to payrolls in May and June, putting downward pressure on average hourly earnings, though the effect is more muted given the smaller magnitude of employment changes in the past 2 months.

Turning to the labor market indicators from the household survey, the unemployment rate declined by 2.2 percentage points to 11.1 percent in June, and the number of unemployed people decreased by 3.2 million to 17.8 million. Both measures have decreased for 2 consecutive months, although they remain much higher than in February (+7.6 percentage points and +12.0 million, respectively).

June's unemployment decline occurred primarily among people on temporary layoff. There were 10.6 million people on temporary layoff in June, down by 4.8 million. The number of permanent job losers rose by 588,000 to 2.9 million. The number of unemployed reentrants to the labor force increased by 711,000 to 2.4 million. (Reentrants are people who previously worked but were not in the labor force prior to beginning their job search.)

In June, the unemployment rate fell for adult men (10.2 percent), adult women (11.2 percent), teenagers (23.2 percent), Whites (10.1 percent), Blacks (15.4 percent), and Hispanics (14.5 percent). The rate for Asians (13.8 percent) was little changed.

Among the unemployed, the number of people searching for work less than 5 weeks fell by 1.0 million to 2.8 million in June. The number of unemployed people who were jobless 5 to 14 weeks decreased by 3.3 million to 11.5 million and accounted for 65.2 percent of the unemployed. The number of people who were

jobless 15 to 26 weeks increased by 825,000 to 1.9 million. The number searching for work for 27 weeks or more rose by 227,000 to 1.4 million.

The labor force participation rate increased by 0.7 percentage point in June to 61.5 percent but is 1.9 percentage points below its February level. Total employment, as measured by the household survey, rose by 4.9 million over the month to 142.2 million. The employment-population ratio increased by 1.8 percentage points to 54.6 percent but is 6.5 percentage points lower than in February.

The number of people who usually work full time and the number who usually work part time both increased by 2.4 million over the month, to 118.9 million and 23.2 million, respectively.

In June, the number of people at work part time for economic reasons (also referred to as involuntary part-time workers) decreased by 1.6 million to 9.1 million, after little change in May. In June, the number of workers affected by this type of underemployment was more than double its February level.

The number of people not in the labor force who currently want a job declined by 767,000 in June to 8.2 million, following a decline of 954,000 in May. This measure remains 3.2 million higher than in February.

Among those who were not in the labor force in June but wanted a job, 2.5 million were considered marginally attached to



the labor force, little changed over the month. (People who are marginally attached to the labor force had not actively looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months.) Discouraged workers, a subset of the marginally attached who believed no jobs were available for them, numbered 681,000 in June, essentially unchanged over the month.

As in March, April, and May, special instructions sent to household survey interviewers in June called for employed people absent from work due to coronavirus-related business closures to be classified as unemployed on temporary layoff. Again in June, not all such workers were so classified. However, the degree of misclassification declined considerably in June.

BLS and Census Bureau staff have been reviewing survey responses that might have been misclassified. The misclassification hinges on a question about the main reason people were absent from their jobs. If people who were absent due to temporary, pandemic-related closures were recorded as absent due to "other reasons," they could have been misclassified. When interviewers record a response of "other reasons," they also add a few words describing that other reason. The review of these brief descriptions found that the share of responses that may have been misclassified was much smaller in June than in prior months. BLS and the Census Bureau

are continuing to investigate the misclassification and are taking additional steps to address the issue.

As is our usual practice, no ad hoc actions were taken to reassign survey responses; the data were accepted as recorded. If all the workers who were recorded as employed but absent from work due to "other reasons" (over and above the number absent for other reasons in a typical June) had been classified as unemployed on temporary layoff, the overall unemployment rate would have been about 1 percentage point higher than reported (on a not seasonally adjusted basis). Our research, which is ongoing, indicates that this is an upper bound on the effect of misclassification on the unemployment rate and probably overstates the size of the misclassification error. Additional information is available online at [www.bls.gov/cps/employment-situation-covid19-faq-june-2020.pdf](http://www.bls.gov/cps/employment-situation-covid19-faq-june-2020.pdf).

Summarizing the labor market developments in June, nonfarm payroll employment increased by 4.8 million, and the unemployment rate declined to 11.1 percent.