Nonfarm payroll employment rose by 207,000 in July, and the unemployment rate held at 5.0 percent. Over the year, payroll employment has increased by 2.2 million, of which 2.0 million was in the private sector. In July, job gains occurred in many service-providing industries.

Retail trade employment grew by 50,000 in July, with gains widespread among the component industries. Employment in retail trade has increased by 352,000 since its recent low in June 2003. In July, employment rose in clothing and clothing accessories stores and in building material and garden supply stores. Automobile dealers also added jobs, as special incentives to buyers raised sales volume.

Employment in food services and drinking places increased by 30,000 over the month and has expanded by
262,000 since July 2004. This industry accounted for the vast majority of the job growth in leisure and hospitality, both over the month and over the year.

Health care employment rose by 29,000 in July and has increased by 256,000 over the year. Over the month, job growth continued in hospitals, nursing and residential care facilities, and ambulatory health care services (which includes doctors’ offices and outpatient clinics).

Elsewhere in the service-providing sector, employment increased by 23,000 in professional and technical services. Job gains continued over the month in architectural and engineering services and in management and technical consulting services. Financial activities employment also continued to grow (21,000). Within finance, employment in credit intermediation remained on an upward trend, increasing by 93,000 over the year. Real estate employment rose by 10,000 over the month and by 54,000 over the year.

In July, temporary help services employment was flat and has shown little net change since April.

In the goods-producing sector, construction employment continued to trend up. Thus far this year, job gains in construction have averaged 21,000 per month, about in line with the average monthly increase during 2004. Employment in manufacturing was flat in July. A decline in motor
vehicles and parts manufacturing (-11,000) reflected larger-than-normal shutdowns for annual retooling. The factory workweek was unchanged at 40.4 hours in July; factory overtime rose by 0.1 hour to 4.5 hours per week.

Average hourly earnings of private production or nonsupervisory workers rose by 6 cents over the month to $16.13, following a 4-cent increase in June. Over the year, average hourly earnings grew by 2.7 percent.

Looking at some of our measures obtained from the survey of households, the unemployment rate remained at 5.0 percent in July, down from 5.5 percent a year earlier. The unemployment rate for blacks declined from 10.3 to 9.5 percent over the month. Jobless rates for most other major worker groups showed little or no change in July but several have declined over the year. For instance, the rate for Hispanics fell by 1.3 percentage points over the past 12 months. The number of unemployed persons, at 7.5 million, was little changed over the month but was down by 687,000 over the year.

In July, both the number of employed persons and the civilian labor force rose. The employment-population ratio--the proportion of the civilian population age 16 and over that is employed--is up by half a percentage point since February.
To summarize the data for July released today, employment increased over the month, with widespread gains in the service-providing sector. The unemployment rate held at 5.0 percent.