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Statement of

William W. Beach Commissioner Bureau of Labor Statistics

Friday, September 6, 2019

Nonfarm payroll employment rose by 130,000 in August, and the unemployment rate remained unchanged at 3.7 percent. Employment in federal government rose, largely reflecting the hiring of temporary workers for the 2020 Census. Other notable job gains occurred in health care and financial activities, while employment declined in mining.

Payroll employment growth has moderated this year. Monthly job growth has averaged 158,000 through August, compared with 223,000 per month in 2018. (Incorporating revisions for June and July, which decreased employment by 20,000, monthly job gains have averaged 156,000 over the past 3 months.)

In August, employment rose in federal government (+28,000), mainly due to the hiring of 25,000 temporary workers in preparation for the 2020 Census. Health care added 24,000 jobs in August. Hospitals added 9,000 jobs over the month, and employment continued to trend up in ambulatory health care services (+12,000). Health care has added 392,000 jobs over the year.

Financial activities employment grew by 15,000 in August, following a large increase in July (+20,000). Within the industry, insurance carriers and related activities added 7,000 jobs over the month.

Employment in professional and business services continued to trend up in August (+37,000). Monthly job growth in the industry has averaged 34,000 thus far this year, below the average increase of 47,000 per month in 2018. Employment in computer systems design and related services rose by 10,000 in August, in line with recent growth. Management of companies and enterprises also added 10,000 jobs over the month.

In August, employment in social assistance continued to trend up (+13,000). Over the past 6 months, social assistance has added 100,000 jobs, mostly in individual and family services.

In August, mining employment declined by 6,000. Mining has lost 12,000 jobs since May, with losses concentrated in support activities for mining.

Retail trade employment changed little in August (-11,000). General merchandise stores (which include department stores,

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warehouse clubs, and supercenters) lost 15,000 jobs over the month and 80,000 jobs over the year. Building material and garden supply stores added 9,000 jobs over the month.

Employment in manufacturing remained little changed in August (+3,000). So far in 2019, job growth in the industry has been markedly slower than in 2018. Employment growth in manufacturing has averaged 6,000 per month through August of this year, compared with 22,000 per month in 2018. The manufacturing workweek increased by 0.2 hour to 40.6 hours in August, after declining by 0.3 hour in July.

Employment also showed little change over the month in construction, in transportation and warehousing, and in leisure and hospitality. Job growth in these industries has moderated thus far in 2019 compared with 2018.

Average hourly earnings of all employees on private nonfarm payrolls rose by 11 cents in August to \$28.11, following 9-cent gains in both June and July. Over the past 12 months, average hourly earnings have risen by 3.2 percent; the over-the-year percent change has been 3.0 percent or above for 13 consecutive months. From July 2018 to July 2019, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.8 percent (on a seasonally adjusted basis).

Turning to measures from the survey of households, the unemployment rate remained unchanged at 3.7 percent in August,

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and the number of unemployed people was essentially unchanged at 6.0 million. The unemployment rate has been 4.0 percent or lower since March 2018.

Among the unemployed, the number of people searching for work for 27 weeks or more, at 1.2 million, was little changed in August. These long-term unemployed accounted for 20.6 percent of the unemployed.

Both the labor force participation rate, at 63.2 percent in August, and the employment-population ratio, at 60.9 percent, edged up by 0.2 percentage point over the month.

Among the employed, the number of people working part time for economic reasons was 4.4 million in August, as an increase of 397,000 followed a similarly-sized decline the month before. These involuntary part-time workers accounted for 2.8 percent of the employed in August, the same as a year earlier.

Among those neither working nor looking for work in August, 1.6 million were considered marginally attached to the labor force, little changed from a year earlier. (People who are marginally attached to the labor force had not 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 467,000 in August, little changed from a year earlier.

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In summary, nonfarm payroll employment rose by 130,000 in August, and the unemployment rate held at 3.7 percent.