Nonfarm payroll employment rose by 223,000 in May, and the unemployment rate edged down to 3.8 percent. Over the month, employment continued to trend up in several industries, including retail trade, health care, and construction.

Incorporating revisions for March and April, which increased nonfarm payroll employment by 15,000 on net, monthly job gains have averaged 179,000 over the past 3 months.

In May, retail trade employment increased by 31,000, with job gains in general merchandise stores (+13,000) and in building material and garden supply stores (+6,000). Retail trade has added 125,000 jobs over the year.

Health care employment rose by 29,000 over the month and is up by 318,000 over the year. In May, ambulatory health care services added 18,000 jobs, and employment in hospitals continued to trend up (+6,000).
Construction employment continued to trend up in May (+25,000). Nonresidential specialty trade contractors accounted for most of the job growth over the month with a gain of 15,000. Over the past year, construction employment has expanded by 286,000, with nonresidential specialty trade contractors representing 41 percent of the growth.

Employment in professional and technical services continued its upward trend in May (+23,000). This industry has added 206,000 jobs over the past 12 months.

Employment in transportation and warehousing expanded by 19,000 in May. Within the industry, job gains occurred in warehousing and storage (+7,000) and in couriers and messengers (+5,000). Over the past 12 months, transportation and warehousing has added 156,000 jobs.

Manufacturing employment trended up in May (+18,000). Job growth continued to be concentrated in the durable goods component, including a gain of 6,000 in machinery. Over the past 12 months, manufacturing has added 259,000 jobs, with about three-fourths of this growth occurring in durable goods industries.

Mining employment increased by 6,000 over the month. Since a recent low point in October 2016, employment in mining has grown by 91,000.
Employment in other major industries—wholesale trade, information, financial activities, leisure and hospitality, and government—showed little change in May.

Average hourly earnings of all employees on private nonfarm payrolls rose by 8 cents in May to $26.92. Over the past 12 months, average hourly earnings have increased by 2.7 percent. From April 2017 to April 2018, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 2.4 percent (on a seasonally adjusted basis).

Turning to data from the survey of households, the unemployment rate edged down to 3.8 percent in May, and the number of unemployed declined by 281,000 to 6.1 million. Over the year, the unemployment rate has declined by 0.5 percentage point and the number of unemployed has fallen by 772,000.

The number of unemployed people searching for work for 27 weeks or longer was 1.2 million in May, little changed over the month but down by 476,000 over the year. In May, these long-term unemployed accounted for 19.4 percent of the total unemployed.

Both the labor force participation rate, at 62.7 percent, and the employment-population ratio, at 60.4 percent, changed little in May.

Among the employed, the number of people working part time for economic reasons, also referred to as involuntary part-time
workers, was 4.9 million in May. This measure has held fairly steady since last fall.

Among those neither working nor looking for work in May, 1.5 million were considered marginally attached to the labor force, little different from a year earlier. Discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, numbered 378,000 in May, also little different 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.)

In summary, nonfarm payroll employment rose by 223,000 in May, and the unemployment rate edged down to 3.8 percent.