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Statement of

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Bureau of Labor Statistics

Friday, May 3, 2002

Good morning. I appreciate this opportunity to comment on the April employment and unemployment data that we released this morning.

The unemployment rate rose from 5.7 to 6.0 percent in April, and nonfarm payroll employment was little changed (+43,000). Job declines in manufacturing continued to moderate and services employment rose. Mining's oil and gas component also added workers, as did transportation and the finance, insurance, and real estate industry. April's gains were largely offset by a sharp decline in construction employment.

The rise in the unemployment rate was concentrated among adult women, whose jobless rate increased from 5.0 to

5.4 percent. The rate for adult men also edged up over the month.

The level of unemployment increased by 483,000, with the number of long-term unemployed (those jobless 27 weeks and longer) rising by 161,000, to 1.5 million. The number of long-term unemployed has more than doubled since it began trending up a year and a half ago.

Turning to the data from our establishment survey, nonfarm employment has been essentially unchanged over the past 3 months. In contrast, monthly job losses averaged 144,000 from March 2001 through January 2002. (The over-the-month change in payroll employment for March 2002 has been revised from +58,000 to -21,000.)

Manufacturing employment declined by 19,000 in April; factory job losses have moderated dramatically since January. Over the month, employment rose slightly in industrial machinery and was unchanged in electronic equipment, in contrast to the large monthly job losses of the prior year in each of these industries. In April, employment rose in fabricated metals (5,000) and in furniture and fixtures (3,000), but was down by 8,000 in motor vehicles. Within nondurable manufacturing, job losses in printing and publishing (-4,000) eased, while the employment decline in chemicals (-7,000) was the largest in

a string of 9 monthly decreases. In April, the factory workweek was unchanged at 41.0 hours, and factory overtime edged up by 0.1 hours to 4.3 hours; both measures of hours are substantially higher than their recent low points reached last November.

Elsewhere in the goods-producing sector, construction employment declined by 79,000, following seasonal adjustment, with the bulk of the decrease (-61,000) occurring in special trade contractors. Job losses in construction have totaled 155,000 thus far this year. Mining employment increased by 7,000 over the month, mostly in the oil and gas component.

In the service-producing sector, transportation employment grew by 18,000, following a decline of 12,000 in March. The April gains were spread throughout much of the industry. In contrast to the strength in transportation, communications employment declined by 13,000, principally in telephone communications.

Employment in finance, insurance, and real estate grew by 18,000 in April, largely offsetting the job declines of February and March. Insurance employment rose by 9,000 over the month, the first job increase since last September. Real estate added 6,000 jobs in April, and the

employment level is now equal to the series peak reached last May.

The services industry added 87,000 jobs in April, following an increase of 72,000 jobs in March. This marked the first time the industry has had substantial consecutive monthly increases in over a year. Help supply services, which supplies temporary personnel on a contractual basis, added 66,000 jobs, the second month in a row of strong job growth. Health services employment also rose in April (15,000), although at a slower pace than in recent months. Employment in engineering and management services rose by 14,000, the largest monthly increase since last June. The overall job growth in services was tempered by employment declines in amusements and recreation (-24,000) and agricultural services (-11,000); in both industries, seasonal hiring in April was less than normal. Employment in computer services declined by 7,000 for the second consecutive month.

Retail trade employment was about unchanged in April. Eating and drinking places added 31,000 jobs over the month, but employment remains below the recent peak reached in July 2001. Employment in food stores continued to trend downward.

Wholesale trade employment was about unchanged over the month. In recent months, job declines in the industry, as in manufacturing, have moderated. Government employment also was essentially unchanged in April.

Finally, I would note that average hourly earnings for production and nonsupervisory workers in the private sector rose by 2 cents in April to \$14.69. Wage gains have been somewhat smaller so far this year than during 2001. Over the past 12 months, average hourly earnings were up 3.4 percent.

In summary, payroll employment was little changed in April for the third month in a row. The unemployment rate rose to 6.0 percent over the month, from 5.7 percent in March.

My colleagues and I now would be glad to answer your questions.