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Statement of

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Friday, July 6, 2018

Nonfarm payroll employment rose by 213,000 in June, and the unemployment rate increased to 4.0 percent. Job gains occurred in professional and business services, manufacturing, and health care, while retail trade lost jobs.

Incorporating revisions for April and May, which increased nonfarm payroll employment by 37,000, monthly job gains have averaged 211,000 over the past 3 months.

Employment in professional and business services rose by 50,000 in June. Over the year, employment in the industry is up by 521,000, with gains in employment services, computer systems design, services to buildings and dwellings, and architectural and engineering services.

Manufacturing employment increased by 36,000 in June. Job gains occurred in durable goods components, including fabricated metal products (+7,000), computer and electronic products

(+5,000), and primary metals (+3,000). Motor vehicles and parts also added jobs over the month (+12,000), after declining by 8,000 in May. Over the year, manufacturing has added 285,000 jobs, with about three-fourths of the gain in durable goods industries.

Health care employment increased by 25,000 over the month and is up by 309,000 over the year. Hospitals added 11,000 jobs in June, and employment in ambulatory care services continued to trend up (+14,000).

Construction employment continued to trend up in June (+13,000). The industry has added 282,000 jobs over the year.

Employment in mining also continued on an upward trend in June (+5,000). Mining employment has expanded by 95,000 since a recent low point in October 2016, almost entirely in support activities for mining.

Retail trade employment declined by 22,000 in June, mostly offsetting a gain (+25,000) in the prior month. Employment in the industry has been about unchanged since February.

Employment in other major industries--wholesale trade, transportation and warehousing, information, financial activities, leisure and hospitality, and government--showed little or no change over the month.

Average hourly earnings of all employees on private nonfarm payrolls rose by 5 cents in June to \$26.98. Over the past 12

months, average hourly earnings have increased by 2.7 percent. From May 2017 to May 2018, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 2.7 percent (on a seasonally adjusted basis).

Turning to data from the survey of households, the unemployment rate rose from 3.8 percent to 4.0 percent in June. The number of unemployed people increased by 499,000 to 6.6 million.

Among the unemployed, the number of people searching for work for 27 weeks or longer rose by 289,000 to 1.5 million in June. These long-term unemployed accounted for 23.0 percent of the total unemployed.

The labor force participation rate edged up by 0.2 percentage point to 62.9 percent in June; this measure has shown little movement on net over the year. The employment-population ratio was unchanged at 60.4 percent in June and has been essentially flat since February.

Among the employed, the number of people working part time for economic reasons, also referred to as involuntary part-time workers, changed little over the month at 4.7 million.

Among those neither working nor looking for work in June, 1.4 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 359,000 in June, down by 155,000 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 213,000 in June, and the unemployment rate increased to 4.0 percent.