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Statement of

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The unemployment rate was 5.9 percent and nonfarm payroll employment stood at 130.7 million in June, little changed from May. The labor market has been in a holding pattern in recent months, with nonfarm payroll employment essentially flat since February and no significant change in the unemployment rate since April. Although the number of unemployed has not changed significantly in the past 2 months, long-term unemployment has continued to climb.

There were 8.4 million unemployed persons in June, about the same number as in the prior month, but approximately 2 million more than a year earlier. The unemployment rate, at 5.9 percent, was little changed over the month. Among the jobless, the number of persons unemployed for 15 weeks or more rose to 3.1 million, nearly double the number of such persons in June 2001.

Nonfarm payroll employment was essentially unchanged in June (+36,000). Within the services division, health services added 34,000 jobs over the month, primarily in hospitals. Employment in help supply services was basically flat in June, following 3 consecutive monthly increases. Engineering and management services shed 21,000 jobs, erasing the gains in this industry over the previous 3 months.

Manufacturing employment edged down by 23,000 in June, about in line with losses posted in the prior 2 months. Although employment in the industry continued to decline, losses have moderated in recent months. From the start of the recession (March 2001) through January 2002, the average monthly employment decline was 115,000. In February and March, losses averaged 63,000 per month; from April through June, they averaged 24,000 per month. The manufacturing workweek increased by two-tenths of an hour to 41.1 hours in June, the highest level since January 2001. Factory overtime also increased over the month, edging up one-tenth of an hour to 4.3 hours.

Average hourly earnings for production or nonsupervisory workers on private nonfarm payrolls were up by 6 cents over the month to \$14.76. Over the year, average hourly earnings increased by 3.3 percent.

In summary, data from both the establishment and household surveys showed little change in June, continuing the pattern of recent months. Although none of the major industry groups has shown substantial employment growth, the large job losses that characterized much of 2001 have abated.