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Statement of

William W. Beach
Commissioner
Bureau of Labor Statistics

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Nonfarm payroll employment increased by 164,000 in July, and the unemployment rate was unchanged at 3.7 percent. Notable job gains occurred in professional and technical services, health care, social assistance, and financial activities.

The July increase in payroll employment was in line with the average monthly job gain in the first half of the year (+165,000), but below the average monthly job gain of 223,000 for 2018. (Incorporating revisions for May and June, which decreased employment by 41,000, monthly job gains have averaged 140,000 over the past 3 months.)

Employment in professional and technical services rose by 31,000 in July; the industry has added 300,000 jobs over the past 12 months. Employment in computer systems design and related services rose by 11,000 over the month. Although it represents about one-fourth of the jobs in professional and

technical services, computer systems design accounted for about one-third of the job growth in professional and technical services both over the month and over the year.

Health care added 30,000 jobs in July, in line with average monthly job growth over the prior 12 months. The July gains occurred almost entirely in ambulatory health care services (+29,000), notably in home health care (+11,000).

In July, employment in social assistance rose by 20,000, mostly in individual and family services (+13,000). Over the year, social assistance has added 143,000 jobs.

Financial activities employment grew by 18,000 in July. Within the industry, insurance carriers and related activities added 11,000 jobs.

Mining employment declined by 5,000 in July, after showing little net change in recent months.

Employment in manufacturing changed little in July (+16,000). Thus far this year, job growth in the industry has been markedly slower than in 2018. Employment growth in manufacturing has averaged 8,000 per month through July of this year, compared with 22,000 per month in 2018. The manufacturing workweek declined by 0.3 hour to 40.4 hours in July and is down by 0.6 hour since a recent peak in August 2018. Manufacturing hours are at their lowest point since November 2011. In July, factory overtime edged down by 0.2 hour to 3.2 hours.

Construction employment was essentially flat in July (+4,000). Thus far this year, job growth in construction has slowed to an average of 15,000 per month, compared with 26,000 per month in 2018.

Employment changed little over the month in other major industries--including wholesale trade, retail trade, transportation and warehousing, information, leisure and hospitality, and government.

Average hourly earnings of all employees on private nonfarm payrolls rose by 8 cents in July to \$27.98, following an 8-cent gain in June. 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 12 consecutive months. From June 2018 to June 2019, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.7 percent (on a seasonally adjusted basis).

Turning to measures from the survey of households, the unemployment rate was unchanged at 3.7 percent in July, and the number of unemployed people was little changed at 6.1 million. The unemployment rate has been 4.0 percent or lower since March 2018.

Among the unemployed, the number of people looking for work for less than 5 weeks rose by 240,000 in July to 2.2 million. This was offset by a decline in the number of people searching

for work for 27 weeks or more, which fell by 248,000 to 1.2 million. These long-term unemployed accounted for 19.2 percent of the unemployed.

Both the labor force participation rate, at 63.0 percent in July, and the employment-population ratio, at 60.7 percent, were little changed over the month and over the year.

In July, 4.0 million people were working part time for economic reasons, down by 363,000 over the month and by 604,000 over the year. These involuntary part-time workers accounted for 2.5 percent of the employed in July, down from 2.9 percent a year earlier.

Among those neither working nor looking for work in July, 1.5 million were considered marginally attached to the labor force, essentially unchanged 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 368,000 in July, down by 144,000 from a year earlier.

In summary, nonfarm payroll employment increased by 164,000 in July, and the unemployment rate held at 3.7 percent.