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THE EMPLOYMENT SITUATION: AUGUST 2003

HEARING

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

ONE HUNDRED EIGHTH CONGRESS

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C O N T E N T S

Opening Statements of Members

Senator Robert F. Bennett, Chairman 1
Senator Jack Reed 3
Representative Jim Saxton, Vice Chairman 4
Representative Pete Stark, Ranking Minority Member 5

Witnesses

Statement of Kathleen P. Utgoff, Commissioner, Bureau of Labor Statistics, Accompanied by Kenneth V. Dalton, Associate Commissioner, Office of Prices and Living Conditions; and John Galvin, Associate Commissioner, Employment and Unemployment Statistics 6

Submissions for the Record

Prepared Statement of Senator Robert F. Bennett, Chairman 21
Prepared Statement of Representative Jim Saxton 21
Prepared Statement of Representative Pete Stark, Ranking Minority Member 22
Spiegel Online interview with George A. Akerlof, Professor of Economics, University of California, Berkeley submitted by Representative Stark 24
Prepared Statement of Commissioner Utgoff, together with Press Release No. 03–467, entitled, "The Employment Situation: August 2003," Bureau of Labor Statistics, Department of Labor 29
Questions submitted by Senator Bennett to Commissioner Utgoff 58
Response of Commissioner Utgoff to questions submitted by Senator Bennett . 60
Response of Commissioner Utgoff to questions asked by Representative Saxton 65

THE EMPLOYMENT SITUATION: AUGUST 2003

FRIDAY, SEPTEMBER 5, 2003

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, DC.

The Committee met, pursuant to notice, at 9:35 a.m., in Room 628, Dirksen Senate Office Building, the Honorable Robert Bennett, Chairman of the Committee, presiding.

Present: Senators Bennett, Reed, and Sarbanes; Representatives Saxton, Stark, and Maloney.

Staff Present: Donald Marron, Tim Kane, Colleen Healy, Gary Blank, Melissa Barnson, Rebecca Wilder, Chris Frenze, Brian Higginbotham, Nan Gibson, Bob Keleher, Rachel Klastorin, Wendell Primus, Matthew Solomon, Chad Stone.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT, CHAIRMAN

Senator Bennett. The Committee will come to order. I will begin by warning our witnesses that Congress is getting in the way of the Committee's work. There's usually safety in scheduling a Friday morning hearing because the House isn't usually in session on Friday morning, and the Senate very often is not. This morning the House is holding a vote. It started at 9:15. And the Senate just started a vote, which I will have to go respond to within the next few minutes.

Mr. Saxton, who is the Vice Chairman of the Committee, is on his way, we're told. We're never quite sure in the Congressional world what "on his way" really means in terms of time.

But I will make my opening statement. I hope someone out there is listening or watching when there are no members of the Committee here to respond, but the witnesses at least will be here.

I understand Mr. Stark is on his way, and that he too has an opening statement. So we will do our best to maximize the amount of time when members are here and hope that at some time after about 10:15 or so everyone can be here and everyone can participate.

During the month of August, when the Congress was out of session, the economy was very much in session. It not only kept operating, it kept improving, and many measures suggest that the economy may in fact have fully turned the corner, and that the recovery, which has been so sluggish, has now achieved traction, as the politicians like to say.

This morning, we're going to face the interesting statistics that we have from the Bureau of Labor Statistics. The unemployment

rate declined slightly but not significantly in a statistical fashion from 6.2 percent to 6.1 percent. However, the payroll survey indicates that although unemployment—as a percentage—declined, 93,000 jobs were lost.

The thing that I want to get into in this hearing is the fact that there is a discrepancy between the household survey, which is used to determine the unemployment rate, and the payroll survey, which is used to determine how many jobs are lost.

The chart that I'm now displaying here takes as its beginning point November of 2001. That date was chosen because it is the official date of the end of the recession according to the Bureau that makes decisions as to when recessions start and end.

If you take the payroll survey, which is the lower line in red, there's been a steady loss of jobs since the end of the recession. That is the number that is most commonly reported in the press. However, if you take the blue line, which is the household survey, that indicates that in fact, since the end of the recession, a number of jobs have been added.

Now for the uninitiated that don't understand the difference between the payroll survey and the household survey, one of which I was until my staff prepared me for this hearing, the payroll survey is conducted by calling businesses and asking them if they have added to or subtracted from their payrolls.

The household survey is taken by calling people at home and saying, do you have a job? That's an over simplification of the methodology but is straightforward enough for our purposes.

The two should be the same, if they are both accurate. The fact that they are as widely divergent as that chart indicates, says that we need to probe behind the raw numbers and get more information as to what is really going on.

I would hope that the Commissioner, the Bureau of Labor Statistics, Kathleen Utgoff, who is with us this morning, can help us understand this. I'm not coming at this, Commissioner Utgoff, in any way in an adversarial situation. I'm coming at it with the desire to achieve some understanding.

Those of us who are, at least by our job description, policymakers, need to be sure that we are acting on the best possible information and the most accurate statistics we can have. So it is a bit of an anomaly that today's news reports that the unemployment rate declined while the number of jobs went down.

If we take the household survey as our benchmark, then we can say the unemployment rate declined while the number of jobs increased.

The first statement, the unemployment rate goes down while the number of jobs decreases, is counterintuitive. It doesn't mean it's wrong but it's counterintuitive.

The second statement that says the unemployment rate goes down, and the number of new jobs created goes up, feels like it's the more accurate one.

I would hope in this hearing we can have a discussion of that in some depth, and get an understanding of how these surveys are conducted, how the Bureau of Labor Statistics might enlighten us as to why the disparity between the two, and get us on the track

of having a clearer picture of what's really going on with the job information.

One other point that I would make is that these numbers, that is, employment numbers, are always a lagging indicator of economic health. The tendency on the part of a business man or woman, when the economy starts to go soft, is to delay laying people off as long as possible in the hope that the soft figures are simply a one-time anomaly and not a signal of things to come. So unemployment stays low even as the economy starts slipping into a recession.

Conversely, when the economy starts coming out of a recession, and we are in a recovery, as we are now, business people are loath to make new hires until they're absolutely sure that the recovery is going to be strong. Once again, the unemployment number is always the last indicator to change and turn in the direction of the other economic statistics that are before us.

With that information, at least as I have it before us, that concludes the things that I want to discuss in an opening statement. The five lights are on telling me that I'd better get to the floor, and Senator Reed, who has been the Vice Chairman of this Committee, is here and is trustworthy, so I'm happy to turn it over to him.

Senator Bennett. I'm fairly sure that he would have a somewhat different view than the one I've just expressed but I'm willing to hear it.

Senator Reed.

[The prepared statement of Senator Bennett appears in the Submissions for the Record on page 21.]

Senator Reed. I'm going to make a brief statement, Mr. Chairman, and then I'm going to vote also. May I make a brief statement?

Senator Bennett. Absolutely, and we'll go over together.

OPENING STATEMENT OF SENATOR JACK REED

Senator Reed. Thank you very much, Mr. Chairman.

Thank you, Commissioner, for joining us this morning.

It seems that this report is more bad news. Unemployment was essentially unchanged and still at recessionary levels. The Chairman did point out that employment tends to be a lagging variable, but there are some indications that there are structural changes going on which might suggest that unemployment might not come back as robustly in the next few months, even if there is an expansion of the economy. That's something I think we hopefully can touch upon in our questions.

Nearly 9 million people are unemployed in August, even though I do feel, as the Chairman does, that this might be the last indicator that changes. For most families it's the first thing they look at. Can they get jobs, can their children get jobs? Are jobs still being shed in their communities? I think it's terribly important.

What I think is also of significance in these numbers is it appears that payroll employment plunged again. As the protracted slump in payrolls continues intact really to become the most extensive, really, since the 1930s. Payroll employment shrank by 93,000 jobs, for the seventh consecutive month. Indeed, government payrolls shrank. I would suspect that is a combination of federal, state,

and municipal because I noted today that the federal workforce is the largest it's been in over a decade because of security considerations primarily.

These payroll declines where pervasive factory payrolls are down for the 37th consecutive month. I met with a manufacturer yesterday from my home state of Rhode Island, and he pointed out that the company is doing pretty well but they're not going to be hiring. In fact, they expect to be making more money in a year with fewer people.

These are some of the changes I'm sensing out in the communities as I talk to people. I note also the productivity numbers for manufacturing were significantly higher, yet employment is declining. So we're looking at some very significant changes that affect whether or not people have jobs.

Again, one other number that I think is significant, total weekly hours recorded on private, non-farm payrolls which some would say is the most influential monthly indicator of the economy's health, fell by .1 percent in August. This is not good news for people who are looking for work and who are looking for that sort of sense that there is a recovery. We're sort of in the initial phases, I think it could go either way. But if there is a recovery, without jobs, then we're not doing our part to give people the opportunity to work.

I thank the Chairman for his comments. Thank you.

Senator Bennett. The hearing will stand in recess.

[Recess.]

OPENING STATEMENT OF REPRESENTATIVE JIM SAXTON, VICE CHAIRMAN

Representative Saxton. [presiding.] It's a pleasure to join in welcoming you again before the Joint Economic Committee.

The August unemployment data reflects the past weaknesses in the economy. Payroll employment declined by 93,000 including a 44,000 drop in the manufacturing sector. Meanwhile, the unemployment rate slipped to a level of 6.1 percent.

The data show that the consecutive monthly declines in manufacturing employment account for most of the unemployment losses in recent years. These declines began in the second half of 2000. Measures of manufacturing output and activity indicate that the manufacturing sector started contracting about that time.

The other indicators show that an economic slowdown was underway in 2000. In the wake of the bursting of the stock market bubble in the first quarter of 2000, business investment and economic growth also fell sharply in the last two quarters of 2000.

As Joseph Stiglitz, President Clinton's Chairman of the Council of Economic Advisers said, "the economy was slipping into recession even before Bush took office and the corporate scandals that are rocking America began much earlier."

Although the economy has been expanding since the end of 2001, the pace of economic growth has been disappointing until very recently.

The weakness of business investment after the bursting of the stock market bubble has been a major drag on economic growth. Fortunately, President Bush and the Congress succeeded in low-

ering the tax burden on the struggling economy and providing important incentives for business to invest.

Data released in the last several months indicate that the long-awaited rebound in business investment has finally begun and second quarter GDP is much stronger than expected at 3.1 percent.

Many economists expect that a period of strong economic growth will emerge over the next several quarters. A sustained period of such economic growth is what is needed to expand payrolls once again and this must remain the top priority of economic policy.

Let me turn, at this point, to Mr. Stark to any comments he may have at this time. Then we'll turn to the Commissioner.

[The prepared statement of Representative Saxton apprears in the Submissions for the Record on page 21.]

OPENING STATEMENT OF REPRESENTATIVE PETE STARK, RANKING MINORITY MEMBER

Representative Stark. I'd like to thank the distinguished Vice Chairman. It's a joy to be with one of the few Republicans in the whole world who doesn't have a miserable record, and it's a pleasure to be here with you this morning.

I'd like to also thank the Chairman in absentia. I know he's voting and will be with us shortly.

And welcome, Commissioner Utgoff. Thank you for testifying today. I'd hope to have Dr. George Akerloff, an economics professor from Berkeley, here. He was quoted as saying that the president's fiscal policies is a form of looting and his economic policies are the worst in our 200-year history. And I thought we could talk about that a little. But I'll just submit an interview that he did for the record, if I may, Mr. Chair.

The Bureau of Labor Statistics August report continued to paint a disappointing labor market picture. While the unemployment rate was essentially unchanged at 6.1 percent, the jobless recovery drags on as another 93,000 payroll jobs were lost in August. Nearly 9 million Americans remain unemployed with nearly 2 million out of work for 6 months or more.

I'd refer you to chart one. Probably I'm the only person in the room who was there when that left hand negative column occurred, and I'm still here when the little red column on the right occurs. But basically this Administration belongs in what we're going to call the job loss hall of shame. It's the only Administration in 70 year, since Herbert Hoover, with a decline in private sector jobs.

Now we'll go to chart two, since the 1930s. The longest it's taken to recover private sector jobs lost in recession has been 33 months. This is during the original Bush 1990 to 1991 recession, and subsequent jobless recovery. As you can see, the current slump is just dragging along and not catching up.

In order for the current president not to surpass the achievement of his father, the economy would have to create 818,000 jobs a month between now and the end of the year, a rather unlikely piece of job creation. The one job that's been created, as a result of the president's policy, is a new Assistant Secretary of Commerce to focus on manufacturing. But the collapse of manufacturing jobs is a serious problem that requires our serious attention, not a cynical campaign offensive.

A much better way for the Administration to show their concern for the unemployed in the near term would be to provide additional weeks of and broadened coverage of the unemployment insurance benefits.

We've lost 3.3 million private sector jobs since President Bush took office and there are still no signs of a jobs recovery. The unemployment rate is not anticipated to fall quickly from its current level. The Congressional Budget Office [CBO] expects that the unemployment rate will average 6.2 percent, its current level—for the calendar year 2003 and 2004.

I learned this morning that in Iraq, we're paying 120 bucks a month to the unemployed Iraqi military to keep their economy moving. And here we are with millions of people who get no unemployment benefits in our country. It just doesn't seem right.

The Congressional Budget Office [CBO] also says the record of unemployment growth over the past 2 years has been even worse than in the jobless recovery of 1991 to 1993. I hope, Commissioner, you'll be able to characterize the current jobless recovery and put it into the proper historical context for us.

Thank you, Mr. Chairman. I look forward to your testimony, Madame Commissioner.

[The prepared statement of Representative Stark appears in the Submissions for the Record on page 22; a Spiegel Online interview with Dr. Akerloff appears in the Submissions for the Record on page 24.]

Representative Saxton. Commissioner, thank you for being with us. The floor is yours. We are anxious to hear your testimony this morning.

OPENING STATEMENT OF KATHLEEN P. UTGOFF, COMMISSIONER, BUREAU OF LABOR STATISTICS, ACCOMPANIED BY KENNETH V. DALTON, ASSOCIATE COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; AND JOHN GALVIN, ASSOCIATE COMMISSIONER, EMPLOYMENT AND UNEMPLOYMENT STATISTICS

Dr. Utgoff. Mr. Vice Chairman and Members of the Committee, thank you for this opportunity to comment on the employment and unemployment data that we released this morning.

The unemployment rate, at 6.1 percent, was essentially unchanged in August. Non-farm payroll employment declined by 93,000 over the month. Manufacturers again made substantial job cuts, and employment in several other industries continued to trend down. On the positive side, employment continued to trend up in health care and construction.

Manufacturing employment fell by 44,000 in August. Job losses continued to be pervasive, with some of the more notable over-the-month declines occurring in textiles and apparel, wood products, and electrical equipment. In the past 3 years, some 2.7 million manufacturing jobs have been lost, including a decline of 431,000 this year. In August, the factory work week was unchanged at 40.1 hours.

Within the information sector, the telecommunications industry continued to shed jobs. Employment in this industry has declined by 212,000 from its peak of 1.3 million in March 2001. Other sec-

tors in which employment continued to trend down over the month were wholesale trade and transportation and warehousing.

Offsetting some of these losses, employment in the health care industry resumed growth, after showing little change in July. Health care has added over a quarter of a million jobs in the past twelve months.

Construction sector employment was up by 19,000 in August and has increased by 122,000 over the past 6 months. Temporary help employment continued to trend up, although the increases in July and August were notably smaller than the gains in May and June.

Average hourly earnings increased by 2 cents in August, following a 5-cent increase in July. Over the year, hourly earnings have risen by 2.9 percent.

Turning to data from our household survey, the number of unemployed persons and the unemployment rate were essentially unchanged over the month. The long-term unemployed continued to make up a little more than one-fifth of the jobless.

The civilian labor force was little changed over the month. Over the year, the number of persons marginally attached to the labor force was up. The subset of these persons who cited discouragement over job prospects as their reason for not searching for work also rose over the year. In August, they numbered half a million.

As a side note, I would like to point out that the blackout, which affected parts of the northeast and midwest, beginning August 14th, occurred during the survey periods for both our payroll and household surveys. While this event caused significant disruptions to economic activities, it is unlikely to have had any effect on the employment estimates from either of our surveys.

In the establishment survey, persons paid for any part of the pay period that included the 12th were considered employed. In the household survey, persons who worked any part of that week, as well as those who were prevented working because of the blackout, were also considered employed.

Business closings resulting from the blackout did reduce the number of hours people worked. However, some people received pay for the hours not worked, and the payroll survey measures hours paid rather than hours actually worked.

In addition, the blackout required some workers to put in extra hours, and other workers made up the time they lost. Thus, while the net effect from the blackout on payroll hours estimates cannot be quantified, it is likely to have been small. In fact, the measure of average weekly hours was unchanged over the month.

Before closing, I would like to comment on employment trends as measured by the payroll and household surveys, an issue that has been receiving some attention recently. I know the Chairman talked about it in his opening statement.

Since November 2001, the NBER-designated trough of the most recent business cycle, payroll employment has fallen while non-agricultural wage and salary employment from the household survey has been essentially flat. That's a slightly different measure than the one that was on the original graph, because we take out agricultural workers and self-employed workers who are not included in the payroll survey. So we try to make them more comparable.

Some observers have speculated that the household survey provides a better indication of the trend in employment at and around points in the business cycle. It is our judgment that the payroll survey provides more reliable information on the current trend in wage and salary employment. The payroll survey has a much larger sample than the household survey—400,000 business establishments covering about one-third of the total non-farm payroll employment. Moreover, the payroll survey estimates are regularly anchored to he comprehensive count of non-farm payroll employment derived from the unemployment insurance tax records.

To summarize the August data released today, payroll employment declined over the month, and the unemployment rate, at 6.1 percent, was about unchanged.

Thank you.

My colleagues and I would be glad to answer any questions that you have.

[The prepared statement of Commissioner Utgoff, together with Press Release No.03–467, entitled, "The Employment situation: August 2003," appears in the Submissions for the Record on page 29.]

Representative Saxton. Commissioner, thank you very much.

Commissioner, let me start with a question. Recent data on GDP growth, investment, durable goods orders, and other indicators show that the economy is in fact accelerating. That's great news.

Some forecasters are projecting growth, as a matter of fact, for the third and fourth quarter in excess of 5 percent. That's optimistic and America is very pleased to see those kinds of projections.

However, isn't it the case that labor market indicators often lag behind improvements in the economy?

Dr. Utgoff. That's true.

Representative Saxton. I had my staff look at this point, Commissioner. Maybe you can just verify these facts for us. We've had a number of recessions and we have identified four major recessions. One in the early 1970s, one in 1981–1982, another recession in 1990–91 and the most recent recession.

They all have one characteristic with regard to labor statistics. That is that following the official end of the recession, in 1971, for example, it appears, from information that we have here, that there was no significant diminution of the unemployment rate for approximately 18 months.

At the close of the official end of the 1980 recession, it would appear that there was no significant diminution of the unemployment rate for 18 months.

At the close of the 1991 recession, it would appear that the unemployment rate actually accelerated—went up—for the better part of 2 years.

And so with the end of the most recent recession in November 1991, we continue to see the same kind of pattern that was exhibited in 1970–71, 1980–81, 1991–92, and again in this recession. Would you speak to those four recessions and verify or say whether or not what I'm reading into these statistics is correct.

Dr. Utgoff. As you mentioned before, the unemployment rate is a lagging indicator and I can't verify the exact numbers that you

gave. In general, post-recession movements in the unemployment rate differ historically.

Representative Saxton. So you wouldn't take exception with the examples that I gave over those four decades of unfortunate slow economic times, recessions?

Dr. Utgoff. Let me get back with you and check exactly those numbers. I don't have them here with me today. We will get back to you as soon as possible to verify those.

Representative Saxton. Thank you. Let me go on to another issue. As the economic outlook improves, many businesses will tend to be conservative about hiring decisions and delay expanding their workforce until they are certain the economic rebound will be sustained. Isn't this a typical pattern that we'll be expecting to see in the current situation?

Dr. Utgoff. Yes. Employers tend to add hours and temporary help workers before they add employees.

Representative Saxton. In addition to that, isn't it also true that in the current set of economic circumstances, one of the positive issues that we have seen develop is a dramatic increase in productivity?

Dr. Utgoff. Yes. Productivity has been very high.

Representative Saxton. So in addition to the uncertainties that always seem to follow a recession, the follow-on to this recession also includes an element of increased productivity which would tend to diminish somewhat the necessity to rehire laid off workers.

Dr. Utgoff. That's correct.

Representative Saxton. Thank you. I'll go on to another issue. In recent weeks, some people have realized that the manufacturing employment decline is the main factor behind the overall decline of payroll employment in recent years.

First of all, hasn't manufacturing employment tended downward for several decades, independent of economic conditions?

Dr. Utgoff. That's correct.

Representative Saxton. In recent years, isn't it true that economic employment has been on a downward trend since 1998?

Dr. Utgoff. Yes.

Representative Saxton. Wasn't the most recent expansion peak in the manufacturing employment actually reached in 1998, and we've been in a continuous decline since 2000?

Dr. Utgoff. I think there's been about 37 months of continuous decline, so that would be roughly in—let us look at that up for you.

Representative Saxton. Go ahead.

[Pause.]

Dr. Utgoff. Mr. Galvin tells me that the most recent peak was in July 2000.

Representative Saxton. So the decline has been underway since July of 2000?

Dr. Utgoff. That's correct.

Representative Saxton. With the release of today's data, can you tell us how well the two surveys are tracking one another?

Dr. Utgoff. Over the last year, they've been tracking each other fairly closely. In the prior year, from November through November, they had diverged.

Representative Saxton. I know Chairman Bennett is particularly interested in this point, and he'll be back soon. I think I'll stop there and he can pick up on this issue when he feels like it.

[Laughter.]

I heard your great interview on television this morning, Mr. Chairman, and we just began to touch on the issue of why the household and the payroll survey don't seem to be tracking each other. But inasmuch as you're interested in that issue, I was just saying that I would leave that for you.

Senator Bennett [presiding.] Thank you very much. I appreciate your indulgence while we voted. Has Mr. Stark been heard from as the ranking member?

Representative Stark. More than you'll ever want.

[Laughter.]

Representative Saxton. Mr. Stark read his opening statement but has not asked questions yet.

Senator Bennett. Then let's go directly to Dr. Utgoff.

Dr. Utgoff. I've already made it.

Senator Bennett. So we are on the question period. You've just completed yours. You've not completed yours. Have you given an opening statement or been heard from at all?

Representative Maloney. I just have questions.

Senator Bennett. Do you want to flip a coin?

Representative Stark. Why don't I ask a question. Do you want to make an opening statement?

Senator Bennett. I did, unimpeded by any wisdom from the minority side.

Representative Stark. I said in my opening statement that it's nice to be with a few of the Republicans in this world who don't have miserable records, and I'm just happy to be here with you this morning and thank you for calling the hearing.

The question basically follows from what Representative Saxton was discussing. Let's see if I have this straight.

We're 29 months after the start of the recession, and in July the number of private sector jobs was more than 3 million lower than it was when the recession began. Jump in here and correct me if I'm wrong.

Today's report doesn't change that very much. So this, according to my figures, is the largest job deficit that has lasted so long after the start of a recession since the 1930s. I was here then so I know that; none of the rest of you were.

Senator Bennett. Don't be too sure.

[Laughter.]

Representative Stark. More than a million jobs have been lost since November of 2001, which is, I guess, when the recession officially ended. So I made the statement that no other post- or business cycle recovery has had such persistent job losses, and that this job slump is worse than the jobless recovery following the 1991 recession, and basically doesn't look like the typical patterns we've had in the past.

Am I correct that there's nearly a gap of 3 percent between the private payroll employment at the beginning of the recession and now? And when was the last time in your knowledge that we had a gap that large, this late after the start of the recession?

Dr. Utgoff. I think it's usual for me to divide the period you're talking about into the recessionary period, and the post-recessionary period.

It is the post-recessionary period that has been very weak, and we continue to have job losses, 21 months after the end of the recession, which is greater than previous recessions.

Representative Stark. Since the 1930s?

Dr. Utgoff. Yes.

Representative Stark. So I'm just making the bad news worse. Thank you. Mr. Chairman, I'm at a loss for what else to ask.

Senator Bennett. Senator Reed discussed this whole thing as well when he was here. I don't want to put words in his mouth, but as I understand it from his questions, or from his comments, whether or not there's something structural going on here, we are in a new economy. There are arguments as to what that term means, and there are many definitions of it, but we have the example in the second quarter of 2003. Productivity went up 6.7 percent, which is an absolutely—that's the number that sticks in my mind. I don't know if that's exactly right.

Dr. Utgoff. It's 6.8.

Senator Bennett. Productivity went up 6.8 percent. Now, my memory says, from what I learned in college, that if productivity went up 6.8 percent, GDP would have to grow at 7 percent in order to create new jobs.

There's no way in the world GDP is going to grow at 7 percent with productivity that high. I don't expect the productivity number to stay that high, by any means, but even if we have productivity at—pick a nice sounding number of 3.5 percent, and GDP is growing at 3 percent, which, historically, is pretty good growth, doesn't that mean even though GDP is growing at 3 percent, we are shedding jobs?

Dr. Utgoff. Yes, in general, the economy has to grow faster than the rate of productivity growth.

Senator Bennett. All the indications are that the economy is now growing quite rapidly. The very strong numbers out of the second quarter of 2003 have led to higher forecasts for the third and fourth quarters and for 2004.

But if productivity continues to be this high, we will have the situation of a very robust and strongly-growing economy without creating new jobs, and that does indicate, as Senator Reed probed, some structural changes in the economy.

I know this is not your job, but do you have any observations about what might be happening in a structural way, that would give us numbers that are different from those that we have seen in the old industrial economy, as compared to the new information economy?

Dr. Utgoff. I don't have any exact figures, but we do know, for instance, the manufacturing industry, where there has been the bulk of the job losses, has become much more capital-intensive, and is really a different kind of an industry than it was 10 or 20 years ago, much more capital-intensive, with higher productivity.

Senator Bennett. Can we go back to the chart that I put up in my opening statement and get a comment from you about the difference between the Household Survey and the Payroll Survey, and

any kind of guess on your part or any statistical work that is being done in your Bureau as to which of those numbers is the more accurate?

Dr. Utgoff. As I said in my statement, when you weren't here, we did try to address this in the statement. In general, we believe the Payroll Survey is a much better measure of trends in the economy, because it is a much bigger sample.

The Household Survey is for 60,000 households. The Payroll Survey is for 400,000 business establishments, and it covers a third of all workers.

But can I add a few things that will put that graph in perspective?

Senator Bennett. Sure.

Dr. Utgoff. One of the things is that the Household Survey data shown, are unadjusted for a one-time change in the population that was given to us by Census and that we include in our numbers, so you have to adjust that, and it would bring employment figures from the Household Survey down somewhat.

The two surveys are very different. A big difference in them is that the Household Survey includes agricultural workers and self-employed, and the Payroll Survey does not do that.

If someone works two jobs, they would be included twice in the Payroll Survey and only once in the Household Survey. So what we try to do regularly is make this an apples-to-apples comparison and do the adjustments.

For the last year, if you make those adjustments, there's been very little difference between the Household and Payroll Surveys. There was a difference in the previous year, but in the past year, they've tended to move together; they've been very close.

Senator Bennett. When you say "very close," are they very close on job loss or are they very close on job gain? That's the big problem here.

Dr. Utgoff. The difference is about 150,000 job loss.

Senator Bennett. In other words, the Payroll Survey, to take what you just said, the Payroll Survey is 150,000 jobs better when you make the adjustment? That is, there are 150,000 more jobs than there would otherwise be?

Dr. Utgoff. No. The difference between the two surveys is that one is a slight loss, and the Payroll jobs in the last year were down 560,000.

Senator Bennett. Right.

Dr. Utgoff. When you adjust for all the differences I talked about and a few additional ones, the Household employment was down by 425,000, so that the difference is between 100,000 and 200,000.

Senator Bennett. About 140,000 difference?

Dr. Utgoff. Yes.

Senator Bennett. I think it's important that we pursue trying to get as accurate as we can. The reason I focus on the Household Survey is that that's the survey you use to come up with unemployment figures.

Dr. Utgoff. Right.

Senator Bennett. So there is a bit of a disconnect in the news—and I talked about that on this morning's television interview—in

that the methodology you use to come up with the 6.1 percent figure for unemployment is the Household Survey.

Then in the news reports as to the specific number of jobs lost, they then switch to the Payroll Survey, so you're always getting the two laid side-by-side before an unsuspecting public that thinks they're working off the same database, and, in fact, they are two different databases.

I understand there's more statistical noise in the Household Survey than there is in the Payroll Survey, and I think the Household Survey probably is the more erratic of the two. But that then raises the question, why don't you use the Payroll Survey for the unemployment number?

Dr. Utgoff. Because it's only people on the payroll. We count the number of jobs that are on the payroll of employers. We don't have a similar estimate of people who are unemployed, so we don't have the ratio. All we know is jobs that are paid for.

Senator Bennett. All right, the bottom line, as I am hearing, is that the Payroll number, in terms of actual job loss, is probably more nearly correct than the Household Survey number, but it's always artificially lower than reality, because there are always people who are self-employed, and there are always people in the agricultural sector, and while you are double-counting those who have two jobs in the Payroll Survey, the number that would come from the Household Survey is greater than the duplication. Is that a fair summary of what you're telling me?

Dr. Utgoff. That's correct.

Senator Bennett. I think that's useful. My time is up.

Ms. Maloney.

Representative Maloney. Thank you, Mr. Chairman. Thank you for your testimony. By all accounts, Labor Day was not a happy day for roughly 9 million jobless Americans.

And, sadly, with the news that you're giving us today, the Labor Department shows that we are losing even more jobs, 93,000 last month, the largest job loss since March. My colleague, Representative Saxton, and others, have pointed out that some indicators are that the economy is improving, yet it's a jobless recovery.

As my colleague, Mr. Stark, pointed out, since President Bush took office, the number of unemployed Americans has grown by 3.2 million, and that this is the most dismal record since Herbert Hoover.

We've been talking about the different surveys. There is yet another survey out, the one from the Census Bureau, the American Community Service Survey. That estimates that the unemployment rate in 2002 was 7.4 percent, which, of course, was much higher than the standard measure, than the one that we've been given with the Household and Payroll Surveys.

Do you understand what the discrepancy is between the American Community Survey and these other surveys? Why is the American Community Survey two points higher, roughly?

Dr. Utgoff. They're very different surveys. The survey that we use to calculate the unemployment rate is the Current Population Survey. People actually go to the household. The American Communities Survey is a written response from filling out a form, from

the respondent, and there are other statistical differences between them.

But perhaps the most important is that the American Communities Survey does much less probing about the reasons for being unemployed than the BLS Household Survey. The ACS has tended to show higher unemployment rates than the BLS for the last several years.

Representative Maloney. Not going into the reasons for the survey would not account for why the number is 2 percent higher. If they ask a person, are you unemployed or not, and the statistic that they're handing out is how many people are unemployed, they're just saying who's unemployed. They're not saying why they're unemployed.

I think you need to look further as to why there's such a huge difference between the two.

Dr. Utgoff. Well, we are measuring, in the official unemployment rate, the people who are engaged in an active job search. That means that they have done something actively in the last 4 weeks to seek a job.

In the American Communities Survey, there's much less probing, so that you don't know whether there's an active job search or something like just opening the newspaper during the week.

Representative Maloney. But if you're unemployed and you want to work, and you've been trying to get a job, maybe for a month you haven't been looking, you're so discouraged. The main point is that that person is unemployed, so I would think that's giving an accurate assessment of who's not working.

Dr. Utgoff. Right. That is why we publish a different range of unemployment rates beside the, quote, official one. We have an unemployment rate that includes discouraged workers; we have an unemployment rate that includes marginally attached workers, plus workers who are involuntarily working part-time.

You may want to look at some of those other measures to compare to the ACS.

Representative Maloney. When you include those working part-time and those working that are marginally attached, as you said, in other words, those that are under-utilized in the labor force, what is the number then? I would assume it would be nearer to the American Communities Survey.

Dr. Utgoff. It's higher; it's 10 percent.

Representative Maloney. Ten percent? Well, it's discouraging, these unemployment numbers, and they appear to not be improving. I thank you for your testimony.

Do you have any idea why certain economic indicators are improving in our country, yet the unemployment, the jobless rate, continues to rise rather dramatically to 10 percent when you consider the under-utilized and the marginally attached, part-time workers?

Dr. Utgoff. I think it's been pointed out that the unemployment rate often is a lagging indicator. It tends to improve after other economic signs have improved.

Representative Maloney. Thank you. I hope it improves.

Senator Bennett. Senator Sarbanes.

Senator Sarbanes. Thank you very much, Mr. Chairman.

Commissioner, welcome; we're pleased to have you here this morning.

I want to focus first on the long-term unemployed, which, I understand, is defined as those who have been unemployed for more than 26 weeks and continue to look for work. How many individuals are in this category?

Dr. Utgoff. We'll get that number for you. It's about 22 percent of the unemployed.

Senator Sarbanes. Do you know what the percentage of long-term unemployed was a year ago? I understand just over 18 percent. Would that be right?

Dr. Utgoff. A year ago, it was 18.5.

Senator Sarbanes. Now, are the 22 percent, long-term unemployed?

Dr. Utgoff. Yes.

Senator Sarbanes. I gather that it's been above 21 percent now for quite a continuous period of time.

Dr. Utgoff. For the last 3 months.

Senator Sarbanes. I had it above 21 percent for 7 months.

Dr. Utgoff. I'm sorry, it's been since January. I was looking at the chart wrong.

Senator Sarbanes. It's been above 21 percent?

Dr. Utgoff. Yes.

Senator Sarbanes. My understanding is that the last time that the percent of unemployed, long-term unemployed, was this high for so long, was in the recession in 1983 and 1984; is that correct?

Dr. Utgoff. We will try to get that number for you.

Senator Sarbanes. I'm looking at a table of yours, the U.S. Department of Labor, Bureau of Labor Statistics Percent Unemployed 27 Weeks and Over. That table seems to indicate that the last time we went through such a sustained period of long-term unemployed was throughout 1983 and just into 1984.

Dr. Utgoff. Yes, that is right.

Senator Sarbanes. What's the number of unemployed Americans, as you reported to us this morning?

Dr. Utgoff. 8.9 million.

Senator Sarbanes. How many unemployed Americans were there in January, 2001?

Dr. Utgoff. Just a moment, we'll look that number up.

Mr. Galvin. 5,951,000.

Senator Bennett. Five million.

Mr. Galvin. In January of 2001.

Senator Sarbanes. So, in about 2½ years, we've seen an increase of 3 million in the number of unemployed Americans; is that right?

Mr. Galvin. Yes.

Senator Sarbanes. We have also seen the number of long-term unemployed, those out of work for 26 weeks or more—they still have to be continuing to look for a job to be included in that category; is that right?

Dr. Utgoff. That's right.

Senator Sarbanes. So if they're long-term unemployed but drop out of looking for a job, we cease to count them for this purpose?

Dr. Utgoff. For unemployment, yes.

Senator Sarbanes. Is that generally a feature that happens when you have this long a period of job loss, that people drop out of the labor market?

Dr. Utgoff. The number of what we call discouraged workers has increased.

Senator Sarbanes. What are the dimensions of that increase?

Mr. Galvin. The number of discouraged workers has gone up from January 2001, that you anchored it at earlier, 301,000, up to 503,000 this month, so an increase of about 200,000.

Senator Sarbanes. I wasn't quite clear in your answer to Congresswoman Maloney's, I thought, very perceptive question. If we count everybody into the unemployment rate, in other words, the people working part-time who want to work full-time, but can't get full-time work, and we have people who want to work, but have dropped out of the job market because they're so discouraged, are there other categories of people that have been dissuaded from being in the labor market or being counted?

Dr. Utgoff. We have two measures: One is marginally attached, which is anyone who's looked for a job in the last year but is not currently looking; then a subset of that is what we'll call discouraged workers. Those are workers who have stopped working for economic reason. Other workers stop looking for work because they have transportation problems or because they have childcare problems or something like that.

So you have discouraged workers and then a larger category of marginally attached workers.

Senator Sarbanes. Then you have people working part-time who want to work full-time. Has that figure gone up as well?

Mr. Galvin. I'm sure it has.

Dr. Utgoff. It's gone up in the last year. We can look at it since the recession began, but it's increased in the last year.

Senator Sarbanes. If all of those factors are brought into the calculation of the unemployment rate, what would the unemployment rate be?

Dr. Utgoff. If you include everyone who is working part-time for economic reasons and all the marginally attached workers, then the unemployment rate would be 10 percent.

Senator Sarbanes. Ten percent. Now, it's my understanding that we've experienced considerable job loss just over the course of this year; is that correct?

Dr. Utgoff. Yes. I can look that number up for you. I believe it was in my testimony. It's 437,000 this year.

Senator Sarbanes. Job loss?

Dr. Utgoff. Yes.

Senator Sarbanes. *The Baltimore Sun*, in a recent editorial entitled "Job Loss Recovery," stated about this time, 29 months after the onset of the last recession, and 21 months after its official end, employment ought to be expanding. But this recovery remains uniquely scarred by outright job losses.

Would you regard that as an accurate comment on the situation?

Dr. Utgoff. Yes.

Senator Sarbanes. As I understand it, since January, 2001, we've lost—total employment has fallen by 2.7 million; is that correct?

Dr. Utgoff. Since March, the beginning of the recession, we've lost 2.8 million jobs.

Senator Sarbanes. And 3.3 million, I gather, in the private sector, so it's been a worse experience in that arena.

Dr. Utgoff. That's correct.

Senator Sarbanes. Mr. Chairman, I know my time is up, and I'll just draw this to a close. I simply want to make this observation: *The Washington Post* reported today that President Bush, "Acknowledges that despite a number of favorable signs, job growth remains stubbornly sluggish."

I just want to say that this does not seem accurate to me. Sluggish job growth would, in fact, be an improvement over what we've been experiencing. We actually have had job loss, not sluggish job growth.

Thank you.

Senator Bennett. Thank you, Senator.

Back to the point that I was making with the Commissioner, during this period, we have had unusual and unprecedented increases in productivity, and the rule—apparently iron rule is that the GDP has to grow faster than productivity in order to create jobs.

In the second quarter when we had productivity growth of 6.8 percent, in order to have job growth in the second quarter, we would have had to have had GDP growth of around 7 percent, which, of course, is virtually impossible.

Senator Sarbanes. That's a pretty staggering productivity growth figure, is it not?

Senator Bennett. It is.

Senator Sarbanes. Commissioner, is that out of line?

Dr. Utgoff. It's on the high end of productivity growth.

Senator Sarbanes. It certainly is; it's right up there close to the very top; isn't it?

Dr. Utgoff. There have been other periods with stronger growth, including last year at over 9 percent, but that is—you're right; it's at the top.

Senator Bennett. As Senator Reed indicated in his opening statement and questions, there may very well be something structural going on here in terms of changes as a result of the new economy and the technology boom. As the Commissioner indicated, we're getting much more capital-intensive manufacturing than we ever had before, where we get very high productivity and that means the whole job situation changes.

Senator Sarbanes. If you're long-term unemployed and you're looking for a job and can't get a job, have used up all your unemployment, you're worried about how to support your family. There's not much comfort if you say to do, these productivity numbers are going off the chart.

Senator Bennett. There's no question about that.

Senator Sarbanes. They are in a tough jam. So we may have to revise other aspects of the system, including unemployment insurance.

Senator Bennett. That could well be so. And if you were in the old economy where you tightened the lug nut on the assembly line, now, all of a sudden, a robot does that and you don't have the

skills. There's a training problem here, as well as a structural situation.

Let me ask you, Commissioner Utgoff, if you have any statistical information to share on this: One of the trends that is very strong in manufacturing is the outsourcing of functions that used to be taken care of by people on your payroll, for example, janitorial, accounting, and security.

You used to hire your own night watchman, and now you hire a security company, and statistically, this moves the job from a manufacturing job to a service job. As we try to get a handle on the number of manufacturing jobs that have been lost, do you have any view as to what percentage of those job losses in manufacturing might, in fact, be simply a job transfer from the manufacturing sector to the service sector by virtue of an outsourcing movement?

Dr. Utgoff. It's certainly a phenomenon that has occurred. I can't give you any quantifiable estimate of what that effect has been.

Senator Sarbanes. Could I interrupt?

Senator Bennett. Sure.

Senator Sarbanes. This is an interesting point, I think. In other words, if I'm a manufacturing plant and I contract out all of my jobs—now, I don't know if that's possible—but would I have succeeded in shifting manufacturing jobs in service jobs.

Dr. Utgoff. That's correct.

Senator Bennett. For example, Senator, if I'm a manufacturing plant and I say that the one thing I do really well is make engines, so I'm going to concentrate on making engines, and I'm going to hire somebody else to do my accounting, a different firm to—as the House did at one point here, contracted out the food service to Marriott, so there were no more House of Representatives employees serving food; they were all Marriott employees. So you could say the House payroll had gone down, but the number of people still on the property was the same.

So a manufacturing plant could say I'm going to contract my food service, I'm going to contract my security, I'm going to contract out my janitorial, and I'm going to contract out my accounting. The number of manufacturing jobs shrinks dramatically from a statistical point of view, but in terms of the number of people actually working at the plant, they're probably the same number of bodies.

Senator Sarbanes. How do you classify a job as being manufacturing?

Dr. Utgoff. By the principal activity of the establishment, so that janitorial services, that would be part of business services and maintenance. Then a job in a factory where people are on a production line, and their managers, would be classified as in the manufacturing industry.

Senator Sarbanes. Then if I'm a manufacturer, are my janitors counted as manufacturers or as service people?

Dr. Utgoff. If they work for the manufacturer and they are on the manufacturer's payroll, they count in manufacturing.

Senator Bennett. That's part of the analysis. I guess, out of this hearing, what I hope you would take away, is that there is an intense desire to slice the data, perhaps more thoroughly than has

been habitually done as we try to get a clearer understanding of what is really happening in the economy.

Because if what is really happening is, indeed, that there are structural changes that require policy changes, pointing to a different view of how we approach things here on Capitol Hill, that is obviously a very valuable thing for us to know.

If, in fact, what is happening in the economy is simply that the old forces are unchanged, but they're simply slower now, that's also something that we need to know as we make policy decisions about such things as unemployment insurance, to which Senator Sarbanes has referred.

My own hunch is that we are seeing some fairly significant structural changes in the way the economy works, as we move into the information age and away from the dominance of the industrial age. The more we can understand this phenomenon, the better we in the Congress can react to those new realities.

So, help us with your surveys, with your analysis of who is in which category and what needs to be done. We thank you for your service.

Senator Sarbanes. Mr. Chairman, just to get a good read on where we are right now, it's my understanding that the initial claims for unemployment have gone back up. Do you have those figures?

Dr. Utgoff. The initial claims for unemployment insurance?

Senator Sarbanes. Have gone back up over 400,000; is that correct?

Dr. Utgoff. That's correct.

Senator Sarbanes. We had gone below the 400,000 figure for a period, but it's back up now again; is that correct?

Dr. Utgoff. Yes.

Representative Maloney. Senator, if I could also add to your very thoughtful comments about structural changes that may be taking place in our economy, the bottom line, whether you're working for a service industry or an information industry or manufacturing, the bottom line is the number of unemployed.

That number keeps going up, even though there are some signs of improved economic indicators. I know that BLS also does a survey on job openings. Is that not correct? I'd like to ask the Commissioner this: In the surveys that you do of new job openings and labor turnover surveys, is it not correct that the unemployment problem is lack of jobs? That survey is not showing that the jobs are there for the unemployed, which then really supports the Senator's statement that the jobs aren't there for the people to get, so, therefore, we should help them with unemployment insurance.

There is an argument that if you give them unemployment insurance, they won't look for a job, but if your statistics are showing that the jobs are not there in the first place, then there's a basic problem for the people that are looking for a job.

I wish you would comment, please, on the Labor Department's results on the Job Openings and Labor Turnover Survey, which I believe did not show many jobs were available. Is that correct? Could you give us the data on that?

Dr. Utgoff. Let me get Mr. Galvin to answer this. He's an expert on that question.

Mr. Galvin. Our Job Openings and Labor Turnover Survey measures job vacancies, hires and separations. In its most recent report, which is, I believe, for June of this year, it reported a vacancy level of around 3 million jobs, 3 million positions.

Representative Maloney. So then I think it's correct to conclude that the unemployment problem is lack of jobs. The jobs aren't there; is that correct, Mr. Galvin?

Mr. Galvin. That level compares to the unemployment level of 8.9 million.

Representative Maloney. It's lack of jobs. Thank you.

Senator Bennett. Thank you very much for your service. We look forward to hearing from you again about all of these concerns. The hearing stands adjourned.

[Whereupon, at 10:55 a.m., the hearing was adjourned.]

Submissions for the Record

PREPARED STATEMENT OF SENATOR ROBERT F. BENNETT, CHAIRMAN

Good morning and welcome to today's hearing on the employment situation.

While many in Washington took the month of August off, the economy managed to keep operating, even improving. Indeed, many measures suggest that the economy may have finally turned the corner. Economic growth in the second quarter exceeded 3 percent, and many forecasters anticipate further acceleration this quarter. Worker productivity and wages continue to grow.

These developments have sparked increased optimism about our economy and anticipation that economic growth will soon translate into resumed job growth.

Unfortunately, the Bureau of Labor Statistics—the BLS—reports today that payroll employment continued to decline in August, falling by 93,000 jobs. Manufacturing continued its declines, losing 44,000 jobs. However, the unemployment rate declined slightly from 6.2 percent to 6.1 percent in August.

It may not be widely known that these figures come from two different surveys. The BLS surveys households to determine the unemployment rate, while it surveys employers to determine payroll employment. These surveys have some significant differences. For example, the household survey picks up the self employed and small emerging businesses that may be overlooked by the establishment survey.

These surveys appear to tell very different stories about employment since the end of the recession in November 2001. As illustrated in the chart that I've brought, the household survey indicates that the number of employed people has increased by 1.4 million since the end of the recession. The payroll survey, in contrast, indicates that roughly 1.1 million jobs have been lost over that period.

The disparity between these two BLS surveys is worth further examination. While some of the disparity in data may reflect methodological differences between the two surveys, it may also be that the data illustrate a marked change in the makeup of the American workforce.

One of our goals at the JEC is to promote accurate and timely data so that policymakers, businesses, and citizens can make better economic decisions; for that reason, I am eager to explore this subject.

In that regard, I think it important to recognize Commissioner Utgoff and the dedicated staff at the BLS for several enhancements to its data. Since our last hearing, the BLS completed an overhaul of the payroll survey using more up-to-date definitions of the different sectors in our economy. With the ongoing shift to a service economy—today more than 82 percent of the American workforce is in the service sector—this change helps to bring the new economy into better focus.

Furthermore, I understand that the BLS will soon begin to release a new data series on "Job Creation and Destruction." I expect that these new data will shed much needed light on what's happening behind the aggregate employment numbers on which we usually focus. With new data, we can better understand the dynamics of job creation—in sectors new and old—that drive our economy.

Commissioner Utgoff, we welcome you again to the Committee and look forward to your insights.

PREPARED STATEMENT OF REPRESENTATIVE JIM SAXTON, VICE CHAIRMAN

Commissioner Utgoff, it is a pleasure to join in welcoming you before the Joint Economic Committee.

The August employment data reflect the past weakness in the economy. Payroll employment declined by 93,000, including a drop of 44,000 in the manufacturing sector. Meanwhile, the unemployment rate slipped to a level of 6.1 percent.

The data show that the consecutive monthly declines in manufacturing employment account for most of the employment losses in recent years. These declines

began in the second half of 2000. Measures of manufacturing output and activity indicate that the manufacturing sector started contracting about the same time. Other indicators showed that an economic slowdown was underway in 2000.

In the wake of the bursting of the stock market bubble in the first quarter of 2000, business investment and economic growth also fell sharply in the last two quarters of 2000. As Joseph Stiglitz, President Clinton's Chairman of Economic Advisers has said, "the economy was slipping into recession even before Bush took office, and the corporate scandals that are rocking America began much earlier."

Although the economy has been expanding since the end of 2001, the pace of economic growth has been disappointing, until recently. The weakness of business investment after the bursting of the stock market bubble has been a major drag on economic growth.

Fortunately, President Bush and the Congress succeeded in lowering the tax burden on the struggling economy, and providing important incentives for business investment. Data released in the last several months indicate that the long-awaited rebound in business investment has begun, and second quarter GDP was a stronger than expected 3.1 percent. Many economists expect that a period of strong economic growth will emerge over the next several quarters. A sustained period of such economic growth is what is needed to expand payrolls once again, and this must remain the top priority of economic policy.

PREPARED STATEMENT OF REPRESENTATIVE PETE STARK,
RANKING MINORITY MEMBER

Thank you Chairman Bennett for holding this hearing. I would like to welcome Commissioner Utgoff and thank her for testifying here today.

The Bureau of Labor Statistics today announced that the unemployment rate rose to 5.8 percent in February and that payrolls plummeted by 308,000—more evidence that this economy is simply not delivering the jobs it should.

Today, there are 8.5 million unemployed Americans, and about 1.6 million additional workers who want a job but are not counted among the unemployed. And there are another 5 million people who work part-time because they can't find full-time work. Long-term unemployment remains high, with 1.9 million Americans having been unemployed for more than 26 weeks—that's 22 percent of the unemployed.

Unfortunately, the President is not really helping unemployed workers. The President's father was far more compassionate. During the last recession, President George H.W. Bush had a UI program that was much more generous at the start and then extended it twice because unemployment remained stubbornly high long after the recession was over.

My question is: Will this Administration support another federal UI extension to help hard-pressed families? There are a million people out there who have exhausted all federal and state unemployment benefits and are still out of work—workers who would have received extended benefits during the last recession. While the current President Bush proposes large tax cuts that will permanently help the wealthy, he makes no provisions in his budget for extending temporary UI benefits or restoring assistance to the one million unemployed workers struggling to heat their homes, feed their families, and find new jobs.

Significantly more workers have exhausted their temporary federal benefits than over a comparable period in the last downturn. Today, regular state program exhaustions are still rising. Therefore, temporary federal UI benefits will need to be extended until exhaustion rates come down considerably. The federal UI program in the last recession lasted for 19 months while regular state program exhaustions declined back toward non-recession levels.

The President must think that the problem is that people are being too picky about what job they take, because he proposes to create so-called "Personal Reemployment Accounts" that will provide bonuses for people who get back to work more quickly. But with 2.5 million fewer private sector jobs today than when the President took office—there are just too many workers chasing too few jobs. PRAs are no substitute for extending federal UI benefits—and doing so would be like robbing Peter to pay Paul a bonus.

The Administration's assaults on assistance to unemployed workers include cuts in job training totaling $600 million (relative to 2002) for fiscal year 2003 and further cuts for youth employment programs totaling $700 million for fiscal year 2004; no additional funding for the Workforce Investment Act; and abdicating federal responsibility for the UI system.

Helping unemployed workers should be part of any plan to get the economy moving again. The proposals of House Democratic Leader Pelosi and Senate Democratic

Leader Daschle would provide immediate stimulus to put people back to work as quickly as possible. The President should work with Democrats to put these plans into action immediately.

Rep. Pete Stark would like to submit the following to the Record for the JEC Hearing on "The Employment Situation"

Friday, September 5, 2003

"A FORM OF LOOTING"

Das Akerlof-Interview im englischen Orginal

SPIEGEL ONLINE: Professor Akerlof, according to recent official projections, the US federal deficit will reach $455 billion this fiscal year. That's the largest ever in dollar terms, but according to the President's budget director, it's still manageable. Do you agree?

George A. Akerlof: In the long term, a deficit of this magnitude is not manageable. We are moving into the period when, beginning around 2010, baby boomers are going to be retiring. That is going to put a severe strain on services like Medicare, Medicaid and Social Security. This is the time when we should be saving.

SPIEGEL ONLINE: So it would be necessary to run a budget surplus instead?
Akerlof: That would probably be impossible in the current situation. There's the expenditure for the war in Iraq, which I consider irresponsible. But there's also a recession and a desire to invigorate the economy through fiscal stimulus, which is quite legitimate. That's why we actually do need a deficit in the short term - but certainly not the type of deficit we have now.

SPIEGEL ONLINE: Because it's not created by investment, but to a large extent by cutting taxes?
Akerlof: A short-term tax benefit for the poor would actually be a reasonable stimulus. Then, the money would almost certainly be spent. But the current and future deficit is a lot less stimulatory than it could be. Our administration is just throwing the money away. First, we should have fiscal stimulus that is sharply aimed at the current downturn. But this deficit continues far into the future, as the bulk of the tax cuts can be expected to continue indefinitely. The Administration is giving us red ink as far as the eye can see, and these permanent aspects outweigh the short-term stimulatory effects.

SPIEGEL ONLINE: And secondly, you disagree with giving tax relief primarily to wealthier Americans. The GOP argues that those people deserve it for working hard.

Akerlof: The rich don't need the money and are a lot less likely to spend it - they will primarily increase their savings. Remember that wealthier families have done extremely well in the US in the past twenty years, whereas poorer ones have done quite badly. So the redistributive effects of this administration's tax policy are going in the exactly wrong direction. The worst

and most indefensible of those cuts are those in dividend taxation - this overwhelmingly helps very wealthy people.

SPIEGEL ONLINE: The President claims that dividend tax reform supports the stock market - and helps the economy as a whole to grow.

Akerlof: That's totally unrealistic. Standard formulas from growth models suggest that that effect will be extremely small. In fact, the Congressional Budget Office (CBO) has come to a similar conclusion. So, even a sympathetic treatment finds that this argument is simply not correct.

SPIEGEL ONLINE: When campaigning for an even-larger tax cut earlier this year, Mr. Bush promised that it would create 1.4 million jobs. Was that reasonable?

Akerlof: The tax cut will have some positive impact on job creation, although, as I mentioned, there is very little bang for the buck. There are very negative long-term consequences. The administration, when speaking about the budget, has unrealistically failed to take into account a very large number of important items. As of March 2003, the CBO estimated that the surplus for the next decade would approximately reach one trillion dollars. But this projection assumes, among other questionable things, that spending until 2013 is going to be constant in real dollar terms. That has never been the case. And with the current tax cuts, a realistic estimate would be a deficit in excess of six trillion.

SPIEGEL ONLINE: So the government's just bad at doing the correct math?
Akerlof: There is a systematic reason. The government is not really telling the truth to the American people. Past administrations from the time of Alexander Hamilton have on the average run responsible budgetary policies. What we have here is a form of looting.

SPIEGEL ONLINE: If so, why's the President still popular?
Akerlof: For some reason the American people does not yet recognize the dire consequences of our government budgets. It's my hope that voters are going to see how irresponsible this policy is and are going to respond in 2004 and we're going to see a reversal.

SPIEGEL ONLINE: What if that doesn't happen?
Akerlof: Future generations and even people in ten years are going to face massive public deficits and huge government debt. Then we have a choice. We can be like a very poor country with problems of threatening bankruptcy. Or we're going to have to cut back seriously on Medicare and Social Security. So the money that is going overwhelmingly to the wealthy is going to be paid by cutting services for the elderly. And people depend on those. It's only among the richest 40 percent that you begin to get households who have sizeable fractions of their own retirement income.

SPIEGEL ONLINE: Is there a possibility that the government, because of the scope of current deficits, will be more reluctant to embark on a new war?

Akerlof: They would certainly have to think about debt levels, and military expenditure is already high. But if they seriously want to lead a war this will not be a large deterrent. You begin the war and ask for the money later. A more likely effect of the deficits is this: If there's another recession, we won't be able to engage in stimulatory fiscal spending to maintain full employment. Until now, there's been a great deal of trust in the American government. Markets knew that, if there is a current deficit, it will be repaid. The government has wasted that resource.

SPIEGEL ONLINE: Which, in addition, might drive up interest rates quite significantly?
Akerlof: The deficit is not going to have significant effects on short-term interest rates. Rates are pretty low, and the Fed will manage to keep them that way. In the mid term it could be a serious problem. When rates rise, the massive debt it's going to bite much more.

SPIEGEL ONLINE: Why is it that the Bush family seems to specialize in running up deficits? The second-largest federal deficit in absolute terms, $290 billion, occurred in 1991, during the presidency of George W. Bush's father.

Akerlof: That may be, but Bush's father committed a great act of courage by actually raising taxes. He wasn't always courageous, but this was his best public service. It was the first step to getting the deficit under control during the Clinton years. It was also a major factor in Bush's losing the election.

SPIEGEL ONLINE: It seems that the current administration has politicised you in an unprecedented way. During the course of this year, you have, with other academics, signed two public declarations of protest. One against the tax cuts, the other against waging unilateral preventive war on Iraq.

Akerlof: I think this is the worst government the US has ever had in its more than 200 years of history. It has engaged in extraordinarily irresponsible policies not only in foreign and economic but also in social and environmental policy. This is not normal government policy. Now is the time for people to engage in civil disobedience.

SPIEGEL ONLINE: Of what kind?
Akerlof: I don't know yet. But I think it's time to protest - as much as possible.
SPIEGEL ONLINE: Would you consider joining Democratic administration as an adviser, as your colleague Joseph Stiglitz did?

Akerlof: As you know my wife was in the last administration, and she did very well. She is probably much better suited for public service. But anything I'll be asked to do by a new administration I'd be happy to do.

SPIEGEL ONLINE: You've mentioned the term civil disobedience a minute ago. That term was made popular by the author Henry D. Thoreau, who actually advised people not to pay taxes as a means of resistance. You wouldn't call for that, would you?

Akerlof: No. I think the one thing we should do is pay our taxes. Otherwise, it'll only make matters worse.
Interview: Matthias Streitz

Associated Press:

President's team seeks to project unity on economy
By SCOTT LINDLAW=

Associated Press Writer=

CRAWFORD, Texas (AP) _ When President Bush gets a state-of-the-economy report Wednesday, there will be hearty agreement all around the table that his tax cuts are spurring a recovery.

There won't be dissenting views because the president's own economic team will be presenting the report at Bush's ranch, unlike last summer when he heard truck drivers, welders, investors and business leaders pour out anxieties about lost jobs, falling stock prices and corporate corruption.

This year the discussion will be led by Treasury Secretary John Snow, Commerce Secretary Don Evans and Labor Secretary Elaine Chao.

Away from the ranch, there's no shortage of skeptics about Bush's policies. Some prominent critics said Tuesday that Bush is digging a deficit hole that will severely hurt the economy in time.

``Current economic policies are the worst in our 200-year history,'' said George A. Akerlof, who shared the 2001 Nobel Memorial Prize in Economic Sciences. ``Within 10 years we are going to pay a serious price for such irresponsibility.''

Akerlof took part in a conference call in which economists _ including former Clinton advisers Gene Sperling and Laura D'Andrea Tyson _ said that Bush's tax cuts are not stimulating the economy and are producing structural deficits that will hurt over the long run.

Bush's economic policies also are under attack from Democratic presidential candidates. Missouri Rep. Dick Gephardt called the president's tax cuts a joke at a candidates' forum Monday night in Philadelphia.

He said the tax cuts are like ``handing out candy bars'' and are not helping the middle class or creating jobs. ``This is like buying votes,'' he said.

White House officials say the ranch meeting is intended to review how Bush's tax cuts have helped the economy.

``The effects of the president's tax cut proposal that was proposed earlier this year and just enacted into law are beginning to be felt,'' spokeswoman Claire Buchan said.

``So they'll be reviewing the current state of the economy, talking about how the tax cuts are taking effect, what effect they are having,'' Buchan said.

The nation's unemployment rate stood at 6.2 percent in July; businesses cut jobs for the sixth month in a row, and the administration announced this summer that in part because of the weak economy the budget deficit will soar to $455 billion this year and $475 billion in 2004, both records in dollar terms.

Participants at Wednesday's meeting also will include chief of staff Andrew Card, budget director Joshua Bolten, economic adviser Stephen Friedman, Gregory Mankiw, the chairman of the president's Council of Economic Advisers, and Harriet Miers, the deputy chief of staff for policy.

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FOR DELIVERY: 9:30 A.M., E.D.T.
FRIDAY, SEPTEMBER 5, 2003

Advance copies of this statement are made available to the press under lock-up conditions with the explicit understanding that the data are embargoed until 8:30 a.m. Eastern Daylight Time.

Statement of

Kathleen P. Utgoff
Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, September 5, 2003

Mr. Chairman and Members of the Committee:

I am pleased to have this opportunity to comment on the employment and unemployment data we released this morning.

The unemployment rate, at 6.1 percent, was essentially unchanged in August. Nonfarm employment declined by 93,000 over the month. Manufacturers again made substantial job cuts, and employment in several other industries continued to trend down. On the positive side, employment continued to trend up in health care and construction.

Manufacturing employment fell by 44,000 in August. Job losses continued to be pervasive, with some of the more notable over-the-month declines occurring in textiles and apparel, wood products, and electrical equipment. In the past 3 years, some 2.7 million manufacturing jobs have been lost, including a decline of 431,000 this year. In August, the factory workweek was unchanged at 40.1 hours.

Within the information sector, the telecommunications industry continued to shed jobs. Employment in this industry has declined by 212,000 from its peak of 1.3 million in March 2001. Other sectors in which employment continued to trend down over the month were wholesale trade and transportation and warehousing.

Offsetting some of these losses, employment in the health care industry resumed growth, after showing little change in July. Health care has added over a quarter of a million jobs in the past 12 months.

Construction sector employment was up by 19,000 in August and has increased by 122,000 over the past 6 months. Temporary help employment continued to trend up, although the increases in July and August were notably smaller than the gains in May and June.

Average hourly earnings increased by 2 cents in August, following a 5-cent increase in July. Over the year, hourly earnings have risen by 2.9 percent.

Turning to data from our household survey, the number of unemployed persons and the unemployment rate were essentially unchanged over the month. The long-term unemployed continued to make up a little more than one-fifth of the jobless.

The civilian labor force was little changed over the month. Over the year, the number of persons marginally attached to the labor force was up. The subset of these persons who cited discouragement over job prospects as their reason for not searching for work also rose over the year. In August, they numbered half a million.

As a side note, I would point out that the blackout which affected parts of the Northeast and Midwest beginning August 14 occurred during the survey periods for both our payroll and household surveys. While this event caused significant disruptions to economic activities, it is unlikely to have had any effect on the employment estimates from either survey. In the establishment survey, persons paid for any part of the pay period that included the 12th were considered employed. In the household survey, persons who worked any part of that week as well as those who were

prevented from working because of the blackout were considered employed.

Business closings resulting from the blackout reduced the number of hours people worked. However, some people received pay for the hours not worked, and the payroll survey measures hours paid, rather than hours actually worked. In addition, the blackout required some workers to put in extra hours, and other workers made up the time they lost. Thus, while the net effect from the blackout on payroll hours estimates cannot be quantified, it is likely to have been small. In fact, the measure of average weekly hours was unchanged over the month.

Before closing, I would like to comment on employment trends as measured by the payroll and household surveys, an issue that has been receiving some attention recently. Since November 2001, the NBER-designated trough of the most recent business cycle, payroll employment has fallen while nonagricultural wage and salary employment from the household survey has been essentially flat. Some observers have speculated that the household survey provides a better indication of the trend in employment at and around turning points in the business cycle. It is our judgment that the payroll survey provides more reliable information on the current trend in wage and salary employment. The payroll

survey has a larger sample than the household survey--400,000 business establishments covering about one-third of total nonfarm payroll employment. Moreover, the payroll survey estimates are regularly anchored to the comprehensive count of nonfarm payroll employment derived from the unemployment insurance tax records.

To summarize the August data released today, payroll employment declined over the month, and the unemployment rate, at 6.1 percent, was about unchanged.

My colleagues and I would be glad to answer any questions you might have.

News United States Department of Labor

Bureau of Labor Statistics Washington, D.C. 20212

Technical information:
Household data: (202) 691-6378 http://www.bls.gov/cps/
Establishment data: 691-6555 http://www.bls.gov/ces/
Media contact: 691-5902

USDL 03-467

Transmission of material in this release is embargoed until 8:30 A.M. (EDT), Friday, September 5, 2003.

THE EMPLOYMENT SITUATION: AUGUST 2003

Total nonfarm payroll employment declined by 93,000 in August, and the unemployment rate was essentially unchanged at 6.1 percent, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Job losses continued in manufacturing, information, and other sectors, while health care and construction added jobs.

The widespread electrical power failure in the Northeast and Midwest occurred late in the afternoon of Thursday, August 14, forcing many businesses to shut down for a period of time during the survey reference periods. Because of the way employment is defined in the two surveys, however, it is likely that the blackout had little effect on the August employment counts.

Chart 1. Unemployment rate, seasonally adjusted, September 2000 - August 2003

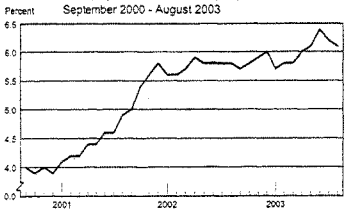
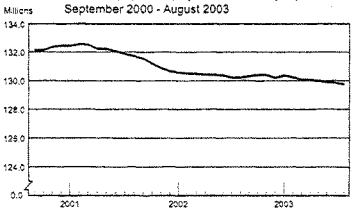


Chart 2. Nonfarm payroll employment, seasonally adjusted, September 2000 - August 2003



Unemployment (Household Survey Data)

Both the number of unemployed persons (8.9 million) and the unemployment rate (6.1 percent) were essentially unchanged over the month. Unemployment rates for the major worker groups—adult men (5.8 percent), adult women (5.2 percent), teenagers (16.6 percent), whites (5.4 percent), blacks (10.9 percent), and Hispanics or Latinos (7.8 percent)—showed little or no change in August. The unemployment rate for Asians was 5.9 percent, not seasonally adjusted. (See tables A-1, A-2, and A-3.)

In August, 1.9 million persons had been unemployed for 27 weeks or more. They represented 21.8 percent of all unemployed persons, about the same as in July. (See table A-9.)

Table A. Major indicators of labor market activity, seasonally adjusted
(Numbers in thousands)

Category	Quarterly averages 2003 I	Quarterly averages 2003 II	Monthly data 2003 June	Monthly data 2003 July	Monthly data 2003 Aug.	July-Aug. change
HOUSEHOLD DATA	Labor force status					
Civilian labor force	145,829	146,685	147,096	146,540	146,530	-10
Employment	137,430	137,638	137,738	137,478	137,625	147
Unemployment	8,399	9,047	9,358	9,062	8,905	-157
Not in labor force	74,280	74,090	73,918	74,712	74,977	265
	Unemployment rates					
All workers	5.8	6.2	6.4	6.2	6.1	-0.1
Adult men	5.4	5.9	6.1	5.9	5.8	-.1
Adult women	4.9	5.1	5.2	5.2	5.2	.0
Teenagers	17.2	18.6	19.3	18.4	16.6	-1.8
White	5.1	5.4	5.5	5.5	5.4	-.1
Black or African American	10.3	11.2	11.8	11.1	10.9	-.2
Hispanic or Latino ethnicity	7.7	8.0	8.4	8.2	7.8	-.4
ESTABLISHMENT DATA	Employment					
Nonfarm employment	130,225	129,984	129,903	p129,854	p129,761	p-93
Goods-producing [1]	22,213	22,093	22,061	p22,003	p21,977	p-26
Construction	6,719	6,782	6,800	p6,803	p6,822	p19
Manufacturing	14,926	14,744	14,692	p14,633	p14,589	p-44
Service-providing [1]	108,012	107,891	107,842	p107,851	p107,784	p-67
Retail trade	14,997	14,981	14,964	p14,963	p14,959	p-4
Professional and business services	16,013	15,999	16,006	p16,052	p16,024	p-28
Education and health services	16,429	16,498	16,503	p16,501	p16,525	p24
Leisure and hospitality	12,089	12,036	12,039	p12,047	p12,052	p5
Government	21,570	21,495	21,476	p21,483	p21,457	p-26
	Hours of work [2]					
Total private	33.8	33.7	33.7	p33.6	p33.6	p0.0
Manufacturing	40.4	40.2	40.3	p40.1	p40.1	p.0
Overtime	4.3	4.0	4.0	p4.0	p4.1	p.1
	Indexes of aggregate weekly hours (2002=100) [2]					
Total private	99.1	98.7	98.7	p98.3	p98.2	p-0.1
	Earnings [2]					
Average hourly earnings, total private	$15.27	$15.34	$15.38	p$15.43	p$15.45	p$0.02
Average weekly earnings, total private	515.50	517.07	518.31	p518.45	p519.12	p.67

[1] Includes other industries, not shown separately.
[2] Data relate to private production or nonsupervisory workers.
p=preliminary.

Total Employment and the Labor Force (Household Survey Data)

The number of employed persons (137.6 million) was little changed over the month. Both the employment-population ratio (62.1 percent) and the labor force participation rate (66.2 percent) were unchanged. (See table A-1.)

Persons Not in the Labor Force (Household Survey Data)

In August, nearly 1.7 million persons (not seasonally adjusted) were marginally attached to the labor force, 209,000 higher than a year earlier. These individuals wanted and were available to work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed, however, because they did not actively search for work in the 4 weeks preceding the survey. Of the 1.7 million, 503,000 were discouraged workers—persons who were not currently looking for work specifically because they believed no jobs were available for them. The number of discouraged workers has risen by 125,000 over the year. The other 1.2 million marginally attached had not searched for work for reasons such as school or family responsibilities. (See table A-13.)

Industry Payroll Employment (Establishment Survey Data)

Total nonfarm payroll employment declined (-93,000) in August to 129.8 million. Over the month, job losses continued in the manufacturing and information sectors. Health care and construction added jobs. (See table B-1.)

The number of factory jobs decreased by 44,000 in August. Since July 2000, manufacturing employment has declined continuously, shedding nearly 16 percent of its jobs. In August, wood products, machinery, apparel, and electrical equipment and appliances each lost 5,000 jobs. Employment declined by 12,000 in the textile industries.

Employment in the information sector fell by 16,000 over the month. Since its recent peak in March 2001, the number of jobs in this sector has declined by 459,000, or about 12 percent. Telecommunications employment has declined continuously since March 2001 and fell by 7,000 over the month.

Professional and business services employment edged down in August. Within this sector, management of companies and enterprises lost 10,000 jobs. Computer systems design lost 8,000 workers over the month. Since peaking in March 2001, employment in this industry has declined by 232,000. Temporary help employment continued to trend up, although the increases in July and August were notably smaller than the gains in May and June.

Employment continued to decline in wholesale trade. Since its most recent peak in March 2000, wholesale trade employment has decreased by 423,000. Retail trade employment was little changed in August. Employment in transportation and warehousing also showed little change over the month.

Government employment peaked in February and has decreased by 131,000 since then.

A gain of 25,000 jobs in health care and social assistance in August was about in line with its average monthly employment increase over the prior 12 months. Ambulatory services (such as doctors' offices and outpatient clinics) and hospitals each added 11,000 jobs in August.

Construction employment edged up over the month. Since February, the industry has added an average of 20,000 jobs per month. In August, gains occurred in heavy construction and in specialty trades, both of which have increased employment recently.

Weekly Hours (Establishment Survey Data)

The average workweek for production or nonsupervisory workers on private nonfarm payrolls was unchanged in August at 33.6 hours, seasonally adjusted. The manufacturing workweek also was unchanged at 40.1 hours. Manufacturing overtime ticked up by 0.1 hour to 4.1 hours. (See table B-2.)

The index of aggregate weekly hours of production or nonsupervisory workers on private nonfarm payrolls edged down in August to 98.2 (2002=100). The manufacturing index decreased by 0.2 percent over the month to 93.8. (See table B-5.)

Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls increased by 2 cents in August to $15.45, seasonally adjusted. Average weekly earnings were up by 0.1 percent over the month to $519.12. Over the year, average hourly earnings grew by 2.9 percent and average weekly earnings increased by 2.0 percent. (See table B-3.)

The Employment Situation for September 2003 is scheduled to be released on Friday, October 3, at 8:30 A.M. (EDT).

Explanatory Note

This news release presents statistics from two major surveys, the Current Population Survey (household survey) and the Current Employment Statistics survey (establishment survey). The household survey provides the information on the labor force, employment, and unemployment that appears in the A tables, marked HOUSEHOLD DATA. It is a sample survey of about 60,000 households conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS).

The establishment survey provides the information on the employment, hours, and earnings of workers on nonfarm payrolls that appears in the B tables, marked ESTABLISHMENT DATA. This information is collected from payroll records by BLS in cooperation with State agencies. The sample includes about 160,000 businesses and government agencies covering approximately 400,000 individual worksites. The active sample includes about one-third of all nonfarm payroll workers. The sample is drawn from a sampling frame of unemployment insurance tax accounts.

For both surveys, the data for a given month relate to a particular week or pay period. In the household survey, the reference week is generally the calendar week that contains the 12th day of the month. In the establishment survey, the reference period is the pay period including the 12th, which may or may not correspond directly to the calendar week.

Coverage, definitions, and differences between surveys

Household survey. The sample is selected to reflect the entire civilian noninstitutional population. Based on responses to a series of questions on work and job search activities, each person 16 years and over in a sample household is classified as employed, unemployed, or not in the labor force.

People are classified as *employed* if they did any work at all as paid employees during the reference week; worked in their own business, profession, or on their own farm; or worked without pay at least 15 hours in a family business or farm. People are also counted as employed if they were temporarily absent from their jobs because of illness, bad weather, vacation, labor-management disputes, or personal reasons.

People are classified as *unemployed* if they meet all of the following criteria: They had no employment during the reference week; they were available for work at that time; and they made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons laid off from a job and expecting recall need not be looking for work to be counted as unemployed. The unemployment data derived from the household survey in no way depend upon the eligibility for or receipt of unemployment insurance benefits.

The *civilian labor force* is the sum of employed and unemployed persons. Those not classified as employed or unemployed are *not in the labor force*. The *unemployment rate* is the number unemployed as a percent of the labor force. The *labor force participation rate* is the labor force as a percent of the population, and the *employment-population ratio* is the employed as a percent of the population.

Establishment survey. The sample establishments are drawn from private nonfarm businesses such as factories, offices, and stores, as well as Federal, State, and local government entities. *Employees on nonfarm payrolls* are those who received pay for any part of the reference pay period, including persons on paid leave. Persons are counted in each job they hold. *Hours and earnings* data are for private businesses and relate only to production workers in the goods-producing sector and nonsupervisory workers in the service-providing sector. Industries are classified on the basis of their principal activity in accordance with the 2002 version of the North American Industry Classification System.

Differences in employment estimates. The numerous conceptual and methodological differences between the household and establishment surveys result in important distinctions in the employment estimates derived from the surveys. Among these are:

- The household survey includes agricultural workers, the self-employed, unpaid family workers, and private household workers among the employed. These groups are excluded from the establishment survey.
- The household survey includes people on unpaid leave among the employed. The establishment survey does not.
- The household survey is limited to workers 16 years of age and older. The establishment survey is not limited by age.
- The household survey has no duplication of individuals, because individuals are counted only once, even if they hold more than one job. In the establishment survey, employees working at more than one job and thus appearing on more than one payroll would be counted separately for each appearance.

Seasonal adjustment

Over the course of a year, the size of the nation's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make nonseasonal developments, such as declines in economic activity or increases in the participation of women in the labor force, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. Insofar as the seasonal adjustment is made correctly, the adjusted figure provides a more useful tool with which to analyze changes in economic activity.

In both the household and establishment surveys, most seasonally adjusted series are independently adjusted. However, the ad-

justed series for many major estimates, such as total payroll employment, employment in most supersectors, total employment, and unemployment are computed by aggregating independently adjusted component series. For example, total unemployment is derived by summing the adjusted series for four major age-sex components; this differs from the unemployment estimate that would be obtained by directly adjusting the total or by combining the duration, reasons, or more detailed age categories.

The numerical factors used to make the seasonal adjustments for the household survey are recalculated twice a year; the factors are calculated for the January-June period and again for the July-December period. For the establishment survey, a concurrent seasonal adjustment methodology is used in which new seasonal factors are calculated each month for the three most recent monthly estimates, using all relevant data, up to and including the data for the current month. In both surveys, revisions to historical data are made once a year.

Reliability of the estimates

Statistics based on the household and establishment surveys are subject to both sampling and nonsampling error. When a sample rather than the entire population is surveyed, there is a chance that the sample estimates may differ from the "true" population values they represent. The exact difference, or *sampling error*, varies depending on the particular sample selected, and this variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the "true" population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

For example, the confidence interval for the monthly change in total employment from the household survey is on the order of plus or minus 290,000. Suppose the estimate of total employment increases by 100,000 from one month to the next. The 90-percent confidence interval on the monthly change would range from -190,000 to 390,000 (100,000 +/- 290,000). These figures do not mean that the sample results are off by these magnitudes, but rather that there is about a 90-percent chance that the "true" over-the-month change lies within this interval. Since this range includes values of less than zero, we could not say with confidence that employment had, in fact, increased. If, however, the reported employment rise was half a million, then all of the values within the 90-percent confidence interval would be greater than zero. In this case, it is likely (at least a 90-percent chance) that an employment rise had, in fact, occurred. At an unemployment rate of around 4 percent, the 90-percent confidence interval for the monthly change in unemployment is about +/- 270,000, and for the monthly change in the unemployment rate it is about +/- .19 percentage point.

In general, estimates involving many individuals or establishments have lower standard errors (relative to the size of the estimate) than estimates which are based on a small number of observations. The precision of estimates is also improved when the data are cumulated over time such as for quarterly and annual averages. The seasonal adjustment process can also improve the stability of the monthly estimates.

The household and establishment surveys are also affected by *nonsampling error*. Nonsampling errors can occur for many reasons, including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information on a timely basis, mistakes made by respondents, and errors made in the collection or processing of the data.

For example, in the establishment survey, estimates for the most recent 2 months are based on substantially incomplete returns; for this reason, these estimates are labeled preliminary in the tables. It is only after two successive revisions to a monthly estimate, when nearly all sample reports have been received, that the estimate is considered final.

Another major source of nonsampling error in the establishment survey is the inability to capture, on a timely basis, employment generated by new firms. To correct for this systematic underestimation of employment growth, an estimation procedure with two components is used to account for business births. The first component uses business deaths to impute employment for business births. This is incorporated into the sample-based link relative estimate procedure by simply not reflecting sample units going out of business, but imputing to them the same trend as the other firms in the sample. The second component is an ARIMA time series model designed to estimate the residual net birth/death employment not accounted for by the imputation. The historical time series used to create and test the ARIMA model was derived from the unemployment insurance universe micro-level database, and reflects the actual residual net of births and deaths over the past five years.

The sample-based estimates from the establishment survey are adjusted once a year (on a lagged basis) to universe counts of payroll employment obtained from administrative records of the unemployment insurance program. The difference between the March sample-based employment estimates and the March universe counts is known as a benchmark revision, and serves as a rough proxy for total survey error. The new benchmarks also incorporate changes in the classification of industries. Over the past decade, the benchmark revision for total nonfarm employment has averaged 0.3 percent, ranging from zero to 0.7 percent.

Additional statistics and other information

More comprehensive statistics are contained in *Employment and Earnings*, published each month by BLS. It is available for $27.00 per issue or $53.00 per year from the U.S. Government Printing Office, Washington, DC 20402. All orders must be prepaid by sending a check or money order payable to the Superintendent of Documents, or by charging to Mastercard or Visa.

Employment and Earnings also provides measures of sampling error for the household and establishment survey data published in this release. For unemployment and other labor force categories, these measures appear in tables 1-B through 1-D of its "Explanatory Notes." For the establishment survey data, the sampling error measures and the actual size of revisions due to benchmark adjustments appear in tables 2-B through 2-F of *Employment and Earnings*.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.

Table A-1. Employment status of the civilian population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted			Seasonally adjusted [1]					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
TOTAL									
Civilian noninstitutional population	217,866	221,252	221,507	217,866	220,540	220,768	221,014	221,252	221,507
Civilian labor force	145,565	147,822	146,967	145,123	146,472	146,485	147,096	146,540	146,530
Participation rate	66.8	66.8	66.3	66.6	66.4	66.4	66.6	66.2	66.2
Employed	137,295	138,503	138,137	136,757	137,687	137,487	137,738	137,478	137,625
Employment-population ratio	63.0	62.6	62.4	62.8	62.4	62.3	62.3	62.1	62.1
Unemployed	8,271	9,319	8,830	8,366	8,786	8,998	9,358	9,062	8,905
Unemployment rate	5.7	6.3	6.0	5.8	6.0	6.1	6.4	6.2	6.1
Not in labor force	72,300	73,430	74,540	72,743	74,067	74,283	73,918	74,712	74,977
Persons who currently want a job	4,811	4,955	5,030	4,628	4,417	4,744	4,568	4,921	4,840
Men, 16 years and over									
Civilian noninstitutional population	104,738	106,475	106,604	104,738	106,123	106,238	106,362	106,475	106,604
Civilian labor force	78,169	79,290	78,640	77,677	78,122	78,088	78,372	78,182	78,150
Participation rate	74.6	74.5	73.8	74.2	73.6	73.5	73.7	73.4	73.3
Employed	73,870	74,269	74,032	73,023	73,182	72,981	73,071	73,043	73,195
Employment-population ratio	70.5	69.8	69.4	69.7	69.0	68.7	68.7	68.6	68.7
Unemployed	4,299	5,021	4,608	4,654	4,940	5,107	5,301	5,139	4,965
Unemployment rate	5.5	6.3	5.9	6.0	6.3	6.5	6.8	6.6	6.4
Not in labor force	26,569	27,184	27,964	27,062	28,001	28,150	27,990	28,293	28,443
Men, 20 years and over									
Civilian noninstitutional population	96,552	98,304	98,434	96,552	97,979	98,083	98,196	98,304	98,434
Civilian labor force	73,968	74,852	74,727	73,802	74,571	74,506	74,592	74,581	74,561
Participation rate	76.6	76.1	75.9	76.4	76.1	76.0	76.1	75.9	75.7
Employed	70,418	70,733	70,733	69,895	70,364	70,144	70,130	70,193	70,203
Employment-population ratio	72.9	72.0	71.9	72.4	71.8	71.5	71.4	71.4	71.3
Unemployed	3,550	4,119	3,994	3,906	4,207	4,362	4,562	4,388	4,357
Unemployment rate	4.8	5.5	5.3	5.3	5.6	5.9	6.1	5.9	5.8
Not in labor force	22,584	23,453	23,707	22,750	23,408	23,577	23,504	23,724	23,873
Women, 16 years and over									
Civilian noninstitutional population	113,127	114,778	114,903	113,127	114,417	114,531	114,653	114,778	114,903
Civilian labor force	67,396	68,532	68,327	67,446	68,351	68,397	68,724	68,359	68,370
Participation rate	59.6	59.7	59.5	59.6	59.7	59.7	59.9	59.6	59.5
Employed	63,425	64,234	64,105	63,734	64,505	64,506	64,667	64,435	64,430
Employment-population ratio	56.1	56.0	55.8	56.3	56.4	56.3	56.4	56.1	56.1
Unemployed	3,971	4,298	4,222	3,712	3,846	3,891	4,057	3,923	3,940
Unemployment rate	5.9	6.3	6.2	5.5	5.6	5.7	5.9	5.7	5.8
Not in labor force	45,731	46,246	46,576	45,681	46,066	46,134	45,928	46,419	46,533
Women, 20 years and over									
Civilian noninstitutional population	105,334	106,839	106,957	105,334	106,510	106,613	106,724	106,839	106,957
Civilian labor force	63,419	64,316	64,521	63,760	64,677	64,733	65,148	64,819	64,831
Participation rate	60.2	60.2	60.3	60.5	60.7	60.7	61.0	60.7	60.6
Employed	59,962	60,731	60,859	60,581	61,401	61,436	61,753	61,462	61,470
Employment-population ratio	56.9	56.8	56.9	57.5	57.6	57.6	57.9	57.5	57.5
Unemployed	3,457	3,584	3,663	3,180	3,276	3,297	3,395	3,357	3,361
Unemployment rate	5.5	5.6	5.7	5.0	5.1	5.1	5.2	5.2	5.2
Not in labor force	41,916	42,523	42,436	41,574	41,834	41,880	41,576	42,020	42,126
Both sexes, 16 to 19 years									
Civilian noninstitutional population	15,980	16,109	16,116	15,980	16,051	16,072	16,095	16,109	16,116
Civilian labor force	8,179	8,655	7,719	7,561	7,226	7,246	7,256	7,140	7,139
Participation rate	51.2	53.7	47.9	47.3	45.0	45.1	45.1	44.3	44.3
Employed	6,914	7,039	6,546	6,280	5,923	5,907	5,855	5,823	5,952
Employment-population ratio	43.3	43.7	40.6	39.3	36.9	36.8	36.4	36.1	36.9
Unemployed	1,264	1,615	1,173	1,280	1,303	1,339	1,401	1,317	1,187
Unemployment rate	15.5	18.7	15.2	16.9	18.0	18.5	19.3	18.4	16.6
Not in labor force	7,801	7,454	8,397	8,419	8,825	8,826	8,839	8,969	8,977

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-2. Employment status of the civilian population by race, sex, and age

(Numbers in thousands)

Employment status, race, sex, and age	Not seasonally adjusted			Seasonally adjusted [1]					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
WHITE [2]									
Civilian noninstitutional population	179,979	181,341	181,512	179,979	180,873	181,021	181,184	181,341	181,512
Civilian labor force	120,726	121,519	120,894	120,449	120,575	120,420	120,881	120,623	120,669
Participation rate	67.1	67.0	66.6	66.9	66.7	66.5	66.7	66.5	66.5
Employed	114,689	114,884	114,531	114,250	114,286	113,882	114,203	114,044	114,141
Employment-population ratio	63.7	63.4	63.1	63.5	63.2	62.9	63.0	62.9	62.9
Unemployed	6,036	6,635	6,364	6,199	6,289	6,539	6,678	6,580	6,528
Unemployment rate	5.0	5.5	5.3	5.1	5.2	5.4	5.5	5.5	5.4
Not in labor force	59,253	59,822	60,617	59,530	60,298	60,601	60,303	60,717	60,843
Men, 20 years and over									
Civilian labor force	62,362	62,676	62,587	62,272	62,500	62,305	62,447	62,526	62,532
Participation rate	77.0	76.5	76.4	76.9	76.5	76.2	76.3	76.4	76.3
Employed	59,716	59,617	59,608	59,273	59,353	59,064	59,064	59,167	59,190
Employment-population ratio	73.7	72.8	72.7	73.1	72.7	72.3	72.2	72.3	72.2
Unemployed	2,646	3,059	2,979	2,999	3,147	3,241	3,384	3,359	3,342
Unemployment rate	4.2	4.9	4.8	4.8	5.0	5.2	5.4	5.4	5.3
Women, 20 years and over									
Civilian labor force	51,507	51,693	51,814	51,837	52,107	52,155	52,400	52,146	52,138
Participation rate	59.6	59.5	59.6	60.0	60.1	60.1	60.3	60.0	59.9
Employed	49,008	49,232	49,289	49,576	49,885	49,770	50,104	49,867	49,853
Employment-population ratio	56.8	56.6	56.7	57.4	57.5	57.3	57.7	57.4	57.3
Unemployed	2,499	2,461	2,525	2,261	2,223	2,385	2,297	2,279	2,285
Unemployment rate	4.9	4.8	4.9	4.4	4.3	4.6	4.4	4.4	4.4
Both sexes, 16 to 19 years									
Civilian labor force	6,857	7,150	6,493	6,340	5,968	5,961	6,034	5,952	5,998
Participation rate	54.5	57.0	51.8	50.4	47.7	47.6	48.2	47.5	47.8
Employed	5,966	6,035	5,633	5,401	5,049	5,048	5,036	5,010	5,098
Employment-population ratio	47.4	48.1	44.9	42.9	40.4	40.3	40.2	40.0	40.7
Unemployed	891	1,115	860	939	919	913	998	942	901
Unemployment rate	13.0	15.6	13.2	14.8	15.4	15.3	16.5	15.8	15.0
BLACK OR AFRICAN AMERICAN [2]									
Civilian noninstitutional population	25,633	25,702	25,742	25,633	25,587	25,624	25,664	25,702	25,742
Civilian labor force	16,573	16,792	16,626	16,541	16,521	16,618	16,717	16,540	16,579
Participation rate	64.7	65.3	64.6	64.5	64.6	64.9	65.1	64.4	64.4
Employed	14,919	14,784	14,794	14,907	14,723	14,819	14,746	14,697	14,769
Employment-population ratio	58.2	57.5	57.5	58.2	57.5	57.8	57.5	57.2	57.4
Unemployed	1,654	2,008	1,832	1,634	1,797	1,799	1,971	1,842	1,810
Unemployment rate	10.0	12.0	11.0	9.9	10.9	10.8	11.8	11.1	10.9
Not in labor force	9,060	8,910	9,116	9,092	9,066	9,007	8,947	9,162	9,163
Men, 20 years and over									
Civilian labor force	7,331	7,392	7,339	7,344	7,295	7,346	7,447	7,336	7,344
Participation rate	71.7	71.9	71.2	71.8	71.3	71.7	72.5	71.3	71.3
Employed	6,694	6,619	6,607	6,672	6,537	6,524	6,504	6,590	6,578
Employment-population ratio	65.5	64.4	64.1	65.3	63.9	63.6	64.3	64.1	63.9
Unemployed	637	774	733	671	758	821	843	746	766
Unemployment rate	8.7	10.5	10.0	9.1	10.4	11.2	11.3	10.2	10.4
Women, 20 years and over									
Civilian labor force	8,317	8,402	8,497	8,348	8,443	8,461	8,500	8,432	8,510
Participation rate	64.0	64.5	65.1	64.3	65.0	65.1	65.3	64.7	65.2
Employed	7,582	7,540	7,637	7,641	7,663	7,784	7,675	7,614	7,684
Employment-population ratio	58.4	57.9	58.5	58.8	59.0	59.9	59.0	58.4	58.9
Unemployed	736	862	860	707	780	677	826	819	826
Unemployment rate	8.8	10.3	10.1	8.5	9.2	8.0	9.7	9.7	9.7
Both sexes, 16 to 19 years									
Civilian labor force	925	997	789	849	782	811	770	771	725
Participation rate	38.2	41.8	33.0	35.1	33.0	34.1	32.3	32.3	30.4
Employed	643	624	550	593	523	511	457	493	507
Employment-population ratio	26.6	26.2	23.0	24.5	22.1	21.5	19.6	20.7	21.2
Unemployed	282	372	239	256	259	300	302	278	218
Unemployment rate	30.5	37.4	30.3	30.1	33.1	37.0	39.3	36.0	30.0
ASIAN [2]									
Civilian noninstitutional population	9,948	9,291	9,351	(3)	(3)	(3)	(3)	(3)	(3)
Civilian labor force	6,756	6,184	6,195	(3)	(3)	(3)	(3)	(3)	(3)
Participation rate	67.9	66.6	66.2	(3)	(3)	(3)	(3)	(3)	(3)
Employed	6,316	5,800	5,828	(3)	(3)	(3)	(3)	(3)	(3)
Employment-population ratio	63.5	62.4	62.3	(3)	(3)	(3)	(3)	(3)	(3)
Unemployed	439	384	367	(3)	(3)	(3)	(3)	(3)	(3)
Unemployment rate	6.5	6.2	5.9	(3)	(3)	(3)	(3)	(3)	(3)
Not in labor force	3,192	3,107	3,156	(3)	(3)	(3)	(3)	(3)	(3)

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Beginning in 2003, persons who selected this race group only; persons who selected more than one race group are not included. Prior to 2003, persons who reported more than one race were included in the group they identified as the main race.

[3] Data not available.

NOTE: Estimates for the above race groups will not sum to totals shown in table A-1 because data are not presented for all races. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-3. Employment status of the Hispanic or Latino population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted			Seasonally adjusted [1]					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
HISPANIC OR LATINO ETHNICITY									
Civilian noninstitutional population	26,096	27,597	27,701	26,096	27,291	27,391	27,494	27,597	27,701
Civilian labor force	18,055	18,838	18,825	18,030	18,836	18,811	18,856	18,750	18,829
Participation rate	69.2	68.3	68.0	69.1	69.0	68.7	68.6	67.9	68.0
Employed	16,711	17,300	17,386	16,564	17,428	17,264	17,271	17,206	17,370
Employment-population ratio	64.0	62.7	62.8	63.9	63.9	63.0	62.8	62.3	62.7
Unemployed	1,344	1,537	1,439	1,366	1,408	1,548	1,585	1,544	1,460
Unemployment rate	7.4	8.2	7.6	7.6	7.5	8.2	8.4	8.2	7.8
Not in labor force	8,041	8,760	8,876	8,066	8,455	8,580	8,638	8,847	8,872
Men, 20 years and over									
Civilian labor force	10,079	10,707	10,761	(2)	(2)	(2)	(2)	(2)	(2)
Participation rate	84.0	83.5	83.6	(2)	(2)	(2)	(2)	(2)	(2)
Employed	9,431	9,996	10,098	(2)	(2)	(2)	(2)	(2)	(2)
Employment-population ratio	78.6	78.0	78.4	(2)	(2)	(2)	(2)	(2)	(2)
Unemployed	648	711	664	(2)	(2)	(2)	(2)	(2)	(2)
Unemployment rate	6.4	6.6	6.2	(2)	(2)	(2)	(2)	(2)	(2)
Women, 20 years and over									
Civilian labor force	6,852	7,027	7,067	(2)	(2)	(2)	(2)	(2)	(2)
Participation rate	59.1	57.5	57.6	(2)	(2)	(2)	(2)	(2)	(2)
Employed	6,399	6,447	6,495	(2)	(2)	(2)	(2)	(2)	(2)
Employment-population ratio	55.2	52.7	52.9	(2)	(2)	(2)	(2)	(2)	(2)
Unemployed	453	580	573	(2)	(2)	(2)	(2)	(2)	(2)
Unemployment rate	6.6	8.3	8.1	(2)	(2)	(2)	(2)	(2)	(2)
Both sexes, 16 to 19 years									
Civilian labor force	1,125	1,104	996	(2)	(2)	(2)	(2)	(2)	(2)
Participation rate	44.8	43.3	39.0	(2)	(2)	(2)	(2)	(2)	(2)
Employed	882	858	794	(2)	(2)	(2)	(2)	(2)	(2)
Employment-population ratio	35.2	33.7	31.1	(2)	(2)	(2)	(2)	(2)	(2)
Unemployed	243	246	203	(2)	(2)	(2)	(2)	(2)	(2)
Unemployment rate	21.6	22.3	20.3	(2)	(2)	(2)	(2)	(2)	(2)

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.
[2] Data not available.

NOTE: Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-4. Employment status of the civilian population 25 years and over by educational attainment

(Numbers in thousands)

Educational attainment	Not seasonally adjusted			Seasonally adjusted					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
Less than a high school diploma									
Civilian labor force	12,375	12,224	12,553	12,392	12,710	12,703	12,498	12,537	12,639
Participation rate	44.5	44.3	45.2	44.6	44.4	44.7	44.8	45.5	45.5
Employed	11,428	11,222	11,484	11,335	11,564	11,536	11,286	11,446	11,453
Employment-population ratio	41.1	40.7	41.4	40.8	40.8	40.6	40.4	41.5	41.3
Unemployed	947	1,002	1,069	1,057	1,046	1,167	1,211	1,091	1,185
Unemployment rate	7.6	8.2	8.5	8.5	8.2	9.2	9.7	8.7	9.4
High school graduates, no college [1]									
Civilian labor force	37,725	37,359	37,741	37,949	37,950	37,823	37,977	37,847	37,914
Participation rate	63.8	63.2	63.5	64.2	64.1	63.9	64.1	64.0	63.8
Employed	35,833	35,355	35,775	35,987	35,774	35,729	35,778	35,786	35,883
Employment-population ratio	60.6	59.8	60.2	60.9	60.4	60.4	60.3	60.5	60.4
Unemployed	1,892	2,004	1,966	1,962	2,176	2,094	2,199	2,061	2,031
Unemployment rate	5.0	5.4	5.2	5.2	5.7	5.5	5.8	5.4	5.4
Some college or associate degree									
Civilian labor force	33,687	34,482	33,972	33,594	34,375	34,191	34,329	34,310	33,856
Participation rate	73.1	72.6	72.7	72.9	74.1	73.6	73.2	72.2	72.4
Employed	32,176	32,704	32,326	32,135	32,760	32,542	32,648	32,594	32,271
Employment-population ratio	69.8	68.8	69.1	69.7	70.6	70.1	69.6	68.6	69.0
Unemployed	1,510	1,778	1,646	1,459	1,615	1,649	1,681	1,717	1,585
Unemployment rate	4.5	5.2	4.8	4.3	4.7	4.8	4.9	5.0	4.7
Bachelor's degree and higher [2]									
Civilian labor force	38,437	39,606	39,795	38,664	39,465	39,576	39,966	39,614	40,012
Participation rate	77.7	77.5	77.1	78.1	78.1	77.8	78.3	77.5	77.5
Employed	37,204	38,272	38,371	37,578	38,233	38,351	38,743	38,387	38,752
Employment-population ratio	75.2	74.9	74.3	75.9	75.6	75.4	75.9	75.1	75.1
Unemployed	1,233	1,334	1,425	1,086	1,232	1,224	1,224	1,226	1,260
Unemployment rate	3.2	3.4	3.6	2.8	3.1	3.1	3.1	3.1	3.1

[1] Includes high school diploma or equivalent.
[2] Includes persons with bachelor's, master's, professional, and doctoral degrees.

NOTE: Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-5. Employed persons by class of worker and part-time status

(In thousands)

Category	Not seasonally adjusted			Seasonally adjusted					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
CLASS OF WORKER									
Agriculture and related industries	2,349	2,407	2,546	2,169	2,128	2,157	2,213	2,193	2,348
Wage and salary workers	1,328	1,378	1,541	1,201	1,192	1,198	1,226	1,216	1,384
Self-employed workers	997	982	972	959	912	948	1,005	946	937
Unpaid family workers	24	47	32	(1)	(1)	(1)	(1)	(1)	(1)
Nonagricultural industries	134,945	136,096	135,591	134,552	135,682	135,424	135,357	135,204	135,215
Wage and salary workers	125,799	126,496	125,861	125,521	126,425	126,202	126,034	125,727	125,661
Government	19,275	19,106	19,148	19,778	19,556	19,552	19,701	19,631	19,661
Private industries	106,524	107,390	106,713	105,690	106,838	106,683	106,275	106,135	105,940
Private households	761	912	865	(1)	(1)	(1)	(1)	(1)	(1)
Other industries	105,763	106,478	105,848	104,910	106,104	105,907	105,441	105,240	105,060
Self-employed workers	9,063	9,493	9,521	8,980	9,139	9,065	9,250	9,306	9,538
Unpaid family workers	84	107	110	(1)	(1)	(1)	(1)	(1)	(1)
PERSONS AT WORK PART TIME [2]									
All industries:									
Part time for economic reasons	4,249	4,870	4,377	4,308	4,840	4,592	4,499	4,649	4,449
Slack work or business conditions	2,708	3,119	2,835	2,881	3,221	3,058	3,153	3,112	3,017
Could only find part-time work	1,113	1,411	1,149	1,153	1,266	1,265	1,257	1,304	1,188
Part time for noneconomic reasons	16,660	16,893	17,186	19,047	18,886	19,083	19,548	19,027	19,564
Nonagricultural industries:									
Part time for economic reasons	4,124	4,792	4,279	4,185	4,728	4,478	4,390	4,566	4,360
Slack work or business conditions	2,526	3,086	2,772	2,806	3,140	3,003	3,074	3,079	2,963
Could only find part-time work	1,100	1,382	1,131	1,143	1,258	1,234	1,237	1,276	1,179
Part time for noneconomic reasons	16,364	16,535	16,821	18,668	18,503	18,664	19,184	18,610	19,142

[1] Data not available.

[2] Persons at work excludes employed persons who were absent from their jobs during the entire reference week for reasons such as vacation, illness, or industrial dispute. Part time for noneconomic reasons excludes persons who usually work full time but worked only 1 to 34 hours during the reference week for reasons such as holidays, illness, and bad weather.

NOTE: Detail for the seasonally adjusted data shown in this table will not necessarily add to totals because of the independent seasonal adjustment of the various series. Industries reflect the introduction of the 2002 Census industry classification system derived from the 2002 North American Industry Classification System into the Current Population Survey. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-6. Selected employment indicators

(In thousands)

Characteristic	Not seasonally adjusted			Seasonally adjusted					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
Total, 16 years and over	137,295	138,503	138,137	136,757	137,667	137,487	137,738	137,478	137,625
16 to 19 years	6,914	7,039	6,546	6,280	5,923	5,907	5,855	5,823	5,952
16 to 17 years	2,659	2,931	2,710	2,321	2,311	2,333	2,291	2,289	2,362
18 to 19 years	4,255	4,108	3,836	3,959	3,616	3,547	3,568	3,538	3,562
20 years and over	130,380	131,464	131,591	130,476	131,765	131,580	131,883	131,655	131,673
20 to 24 years	13,739	13,911	13,636	13,484	13,420	13,455	13,473	13,379	13,393
25 years and over	116,641	117,553	117,956	117,099	118,332	118,139	118,414	118,288	118,434
25 to 54 years	96,647	96,729	96,882	96,959	97,341	97,111	97,357	97,213	97,185
25 to 34 years	30,292	30,380	30,239	30,365	30,554	30,392	30,410	30,437	30,311
35 to 44 years	35,071	34,541	34,747	35,168	34,986	34,849	34,858	34,742	34,843
45 to 54 years	31,283	31,808	31,896	31,425	31,800	31,871	32,089	32,034	32,031
55 years and over	19,995	20,825	21,073	20,140	20,992	21,028	21,057	21,074	21,249
Men, 16 years and over	73,870	74,269	74,032	73,023	73,182	72,981	73,071	73,043	73,195
16 to 19 years	3,452	3,537	3,299	3,127	2,818	2,837	2,941	2,850	2,992
16 to 17 years	1,279	1,467	1,345	1,101	1,052	1,073	1,080	1,089	1,162
18 to 19 years	2,172	2,069	1,954	2,025	1,770	1,760	1,850	1,757	1,812
20 years and over	70,418	70,733	70,733	69,895	70,364	70,144	70,130	70,193	70,203
20 to 24 years	7,218	7,302	7,161	6,987	7,116	7,076	7,012	6,962	6,947
25 years and over	63,200	63,431	63,572	62,957	63,266	63,077	63,118	63,253	63,328
25 to 54 years	52,255	52,229	52,218	52,019	52,057	51,911	51,961	51,994	51,977
25 to 34 years	16,709	16,805	16,661	16,641	16,750	16,660	16,668	16,711	16,587
35 to 44 years	19,008	18,779	18,964	18,892	18,735	18,685	18,670	18,724	18,757
45 to 54 years	16,538	16,646	16,593	16,486	16,572	16,566	16,623	16,559	16,632
55 years and over	10,945	11,202	11,354	10,937	11,209	11,166	11,157	11,259	11,351
Women, 16 years and over	63,425	64,234	64,105	63,734	64,505	64,506	64,667	64,435	64,430
16 to 19 years	3,463	3,503	3,247	3,153	3,104	3,070	2,914	2,973	2,960
16 to 17 years	1,380	1,464	1,365	1,220	1,259	1,259	1,203	1,200	1,199
18 to 19 years	2,083	2,039	1,882	1,933	1,845	1,787	1,718	1,781	1,750
20 years and over	59,962	60,731	60,859	60,581	61,401	61,436	61,753	61,462	61,470
20 to 24 years	6,521	6,609	6,475	6,497	6,304	6,378	6,461	6,416	6,445
25 years and over	53,442	54,123	54,384	54,142	55,066	55,062	55,295	55,035	55,106
25 to 54 years	44,392	44,499	44,665	44,940	45,283	45,200	45,396	45,220	45,208
25 to 34 years	13,583	13,575	13,579	13,725	13,804	13,731	13,742	13,726	13,724
35 to 44 years	16,063	15,762	15,883	16,276	16,251	16,154	16,188	16,019	16,086
45 to 54 years	14,746	15,163	15,202	14,939	15,228	15,305	15,466	15,475	15,399
55 years and over	9,050	9,623	9,719	9,202	9,783	9,862	9,900	9,816	9,898
Married men, spouse present	44,401	44,770	44,753	44,235	44,552	44,542	44,371	44,739	44,620
Married women, spouse present	33,799	33,989	34,168	34,278	34,685	34,443	34,600	34,612	34,655
Women who maintain families	8,595	8,498	8,483	([1])	([1])	([1])	([1])	([1])	([1])
Full-time workers [2]	114,886	115,288	114,894	112,740	113,241	112,821	112,904	113,316	112,954
Part-time workers [3]	22,409	23,215	23,243	24,133	24,355	24,675	24,990	24,458	24,981

[1] Data not available.
[2] Employed full-time workers are persons who usually work 35 hours or more per week.
[3] Employed part-time workers are persons who usually work less than 35 hours per week.

NOTE: Detail for the seasonally adjusted data shown in this table will not necessarily add to totals because of the independent seasonal adjustment of the various series. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-7. Selected unemployment indicators, seasonally adjusted

Characteristic	Number of unemployed persons (in thousands)			Unemployment rates [1]					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
Total, 16 years and over	8,366	9,062	8,905	5.8	6.0	6.1	6.4	6.2	6.1
16 to 19 years	1,280	1,317	1,187	15.9	18.0	18.5	19.3	18.4	16.6
16 to 17 years	555	602	544	19.3	18.7	18.5	21.6	20.8	18.7
18 to 19 years	764	726	676	15.2	17.8	19.0	17.9	17.0	15.9
20 years and over	7,086	7,745	7,718	5.2	5.4	5.5	5.7	5.6	5.5
20 to 24 years	1,428	1,544	1,537	9.6	10.1	10.5	10.7	10.3	10.3
25 years and over	5,676	6,177	6,210	4.6	4.9	4.9	5.1	5.0	5.0
25 to 54 years	4,803	5,236	5,252	4.7	4.9	5.0	5.3	5.1	5.1
25 to 34 years	1,908	1,986	2,040	5.9	5.8	6.0	6.5	6.1	6.3
35 to 44 years	1,612	1,901	1,836	4.4	4.8	5.0	5.4	5.2	5.0
45 to 54 years	1,283	1,349	1,375	3.9	4.2	4.1	4.0	4.0	4.1
55 years and over	828	938	915	4.0	4.2	4.5	4.6	4.3	4.1
Men, 16 years and over	4,654	5,139	4,965	6.0	6.3	6.5	6.8	6.6	6.4
16 to 19 years	748	751	608	19.3	20.6	20.8	20.1	20.9	16.9
16 to 17 years	331	322	303	23.1	21.4	21.5	23.8	22.8	20.7
18 to 19 years	446	425	328	18.1	20.1	20.9	17.7	19.5	15.3
20 years and over	3,906	4,388	4,357	5.3	5.6	5.9	6.1	5.9	5.8
20 to 24 years	802	919	838	10.3	10.7	11.4	11.7	11.7	10.8
25 years and over	3,097	3,452	3,530	4.7	5.1	5.2	5.5	5.2	5.3
25 to 54 years	2,628	2,910	3,010	4.8	5.2	5.3	5.5	5.3	5.5
25 to 34 years	1,019	1,138	1,224	5.8	5.8	6.0	6.7	6.4	6.9
35 to 44 years	878	1,017	1,023	4.4	5.1	5.3	5.6	5.2	5.2
45 to 54 years	730	755	762	4.2	4.5	4.7	4.2	4.4	4.4
55 years and over	469	541	520	4.1	4.6	4.8	5.5	4.6	4.4
Women, 16 years and over	3,712	3,923	3,940	5.5	5.6	5.7	5.9	5.7	5.8
16 to 19 years	532	566	579	14.4	15.5	16.2	18.5	16.0	16.4
16 to 17 years	223	280	241	15.5	16.2	15.8	19.5	18.9	16.7
18 to 19 years	318	301	348	14.1	15.5	17.1	18.0	14.5	16.6
20 years and over	3,180	3,357	3,361	5.0	5.1	5.1	5.2	5.2	5.2
20 to 24 years	626	625	699	8.8	9.3	9.4	9.5	8.9	9.8
25 years and over	2,579	2,726	2,680	4.5	4.7	4.6	4.7	4.7	4.6
25 to 54 years	2,175	2,325	2,242	4.6	4.7	4.7	5.0	4.9	4.7
25 to 34 years	889	848	816	6.1	5.8	5.8	6.2	5.8	5.6
35 to 44 years	734	883	813	4.3	4.4	4.7	5.2	5.2	4.8
45 to 54 years	552	594	613	3.6	3.9	3.4	3.7	3.7	3.8
55 years and over [2]	404	422	453	4.3	3.4	3.6	3.7	4.2	4.5
Married men, spouse present	1,618	1,633	1,785	3.5	3.7	3.9	4.4	3.9	3.8
Married women, spouse present	1,291	1,392	1,383	3.6	3.6	3.7	3.9	3.9	3.8
Women who maintain families [2]	710	843	778	7.6	8.5	8.3	8.7	9.0	8.4
Full-time workers [3]	6,986	7,655	7,530	5.8	6.1	6.3	6.5	6.3	6.2
Part-time workers [4]	1,389	1,417	1,395	5.4	5.4	5.6	5.9	5.5	5.3

[1] Unemployment as a percent of the civilian labor force.
[2] Not seasonally adjusted.
[3] Full-time workers are unemployed persons who have expressed a desire to work full time (35 hours or more per week) or are on layoff from full-time jobs.
[4] Part-time workers are unemployed persons who have expressed a desire to work part time (less than 35 hours per week) or are on layoff from part-time jobs.

NOTE: Detail shown in this table will not necessarily add to totals because of the independent seasonal adjustment of the various series. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-8. Unemployed persons by reason for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted			Seasonally adjusted					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
NUMBER OF UNEMPLOYED									
Job losers and persons who completed temporary jobs	4,427	4,958	4,789	4,607	4,765	5,074	5,010	4,951	4,942
On temporary layoff	1,101	1,216	1,030	1,158	1,101	1,226	1,199	1,198	1,080
Not on temporary layoff	3,326	3,743	3,760	3,449	3,664	3,848	3,811	3,753	3,862
Permanent job losers	2,514	2,891	2,928	([1])	([1])	([1])	([1])	([1])	([1])
Persons who completed temporary jobs	812	852	832	([1])	([1])	([1])	([1])	([1])	([1])
Job leavers	932	814	869	844	829	772	893	792	782
Reentrants	2,253	2,599	2,465	2,326	2,558	2,499	2,687	2,529	2,540
New entrants	658	948	706	587	642	634	648	670	628
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers and persons who completed temporary jobs	53.5	53.2	54.2	55.1	54.2	56.5	54.2	55.4	55.6
On temporary layoff	13.3	13.0	11.7	13.8	12.5	13.7	13.0	13.4	12.1
Not on temporary layoff	40.2	40.2	42.6	41.2	41.7	42.9	41.3	42.0	43.4
Job leavers	11.3	8.7	9.8	10.1	9.4	8.6	9.7	8.9	8.8
Reentrants	27.2	27.9	27.9	27.8	29.1	27.8	29.1	28.3	28.6
New entrants	8.0	10.2	8.0	7.0	7.3	7.1	7.0	7.5	7.1
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE									
Job losers and persons who completed temporary jobs	3.0	3.4	3.3	3.2	3.3	3.5	3.4	3.4	3.4
Job leavers	.6	.6	.6	.6	.6	.5	.6	.5	.5
Reentrants	1.5	1.8	1.7	1.6	1.7	1.7	1.8	1.7	1.7
New entrants	.5	.6	.5	.4	.4	.4	.4	.5	.4

[1] Data not available.

NOTE: Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-9. Unemployed persons by duration of unemployment

(Numbers in thousands)

Duration	Not seasonally adjusted			Seasonally adjusted					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
NUMBER OF UNEMPLOYED									
Less than 5 weeks	2,897	2,984	2,740	2,895	2,814	3,056	3,009	2,730	2,727
5 to 14 weeks	2,700	2,899	2,780	2,505	2,630	2,605	2,935	2,699	2,595
15 weeks and over	2,673	3,436	3,310	2,891	3,294	3,250	3,572	3,592	3,572
15 to 26 weeks	1,095	1,480	1,307	1,361	1,392	1,321	1,536	1,633	1,637
27 weeks and over	1,578	1,956	2,003	1,530	1,903	1,930	2,036	1,959	1,935
Average (mean) duration, in weeks	16.3	18.4	19.1	16.3	19.6	19.2	19.8	19.3	19.0
Median duration, in weeks	8.9	9.2	10.0	8.7	10.2	10.1	12.3	10.0	9.6
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	35.0	32.0	31.0	34.9	32.2	34.3	31.6	30.3	30.7
5 to 14 weeks	32.6	31.1	31.5	30.2	30.1	29.2	30.9	29.9	29.2
15 weeks and over	32.3	36.9	37.5	34.9	37.7	36.5	37.5	39.8	40.2
15 to 26 weeks	13.2	15.9	14.8	16.4	15.9	14.8	16.1	18.1	18.4
27 weeks and over	19.1	21.0	22.7	18.5	21.8	21.7	21.4	21.7	21.8

NOTE: Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-10. Employed and unemployed persons by occupation, not seasonally adjusted

(Numbers in thousands)

Occupation	Employed		Unemployed		Unemployment rates	
	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003
Total, 16 years and over [1]	137,295	138,137	8,271	8,830	5.7	6.0
Management, professional, and related occupations	47,178	47,192	1,673	1,780	3.4	3.6
Management, business, and financial operations occupations	20,077	19,837	659	653	3.2	3.2
Professional and related occupations	27,101	27,355	1,014	1,127	3.6	4.0
Service occupations	22,032	22,611	1,399	1,666	6.0	6.9
Sales and office occupations	35,570	35,374	2,124	2,112	5.6	5.6
Sales and related occupations	16,032	15,917	1,007	977	5.9	5.8
Office and administrative support occupations	19,538	19,457	1,118	1,135	5.4	5.5
Natural resources, construction, and maintenance occupations	13,846	14,926	1,009	1,084	6.8	6.8
Farming, fishing, and forestry occupations	1,077	1,229	130	154	10.8	11.1
Construction and extraction occupations	8,096	8,648	647	687	7.4	7.4
Installation, maintenance, and repair occupations	4,673	5,048	231	243	4.7	4.6
Production, transportation, and material moving occupations	18,668	18,034	1,387	1,461	6.9	7.5
Production occupations	10,192	9,781	773	797	7.0	7.5
Transportation and material moving occupations	8,476	8,253	614	664	6.8	7.4

[1] Persons with no previous work experience and persons whose last job was in the Armed Forces are included in the unemployed total.
NOTE: Occupations reflect the introduction of the 2002 Census occupational classification system derived from the 2000 Standard Occupational Classification system into the Current Population Survey. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-11. Unemployed persons by industry, not seasonally adjusted

Industry	Number of unemployed persons (in thousands)		Unemployment rates	
	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003
Total, 16 years and over [1]	8,271	8,830	5.7	6.0
Nonagricultural private wage and salary workers	6,620	6,903	5.9	6.1
Mining	32	20	6.3	3.8
Construction	654	650	7.4	7.1
Manufacturing	1,108	1,186	6.2	6.7
Durable goods	722	752	6.5	6.9
Nondurable goods	386	434	5.8	6.4
Wholesale and retail trade	1,170	1,161	5.8	5.6
Transportation and utilities	221	255	3.9	4.8
Information	270	224	7.1	6.1
Financial activities	343	342	3.8	3.7
Professional and business services	926	881	7.2	7.2
Education and health services	660	760	3.9	4.3
Leisure and hospitality	884	1,050	7.5	9.0
Other services	353	373	6.0	6.1
Agriculture and related private wage and salary workers	125	173	9.0	10.7
Government workers	596	745	3.0	3.7
Self employed and unpaid family workers	271	302	2.6	2.7

[1] Persons with no previous work experience are included in the unemployed total.
NOTE: Industries reflect the introduction of the 2002 Census industry classification system derived from the 2002 North American Industry Classification System into the Current Population Survey. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-12. Alternative measures of labor underutilization

(Percent)

Measure	Not seasonally adjusted			Seasonally adjusted					
	Aug. 2002	July 2003	Aug. 2003	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003	Aug. 2003
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	1.8	2.3	2.3	2.0	2.2	2.2	2.4	2.5	2.4
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force	3.0	3.4	3.3	3.2	3.3	3.5	3.4	3.4	3.4
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate)	5.7	6.3	6.0	5.8	6.0	6.1	6.4	6.2	6.1
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers	5.9	6.6	6.3	([1])	([1])	([1])	([1])	([1])	([1])
U-5 Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers	6.6	7.3	7.1	([1])	([1])	([1])	([1])	([1])	([1])
U-6 Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers	9.5	10.5	10.0	([1])	([1])	([1])	([1])	([1])	([1])

[1] Data not available.

NOTE: Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Discouraged workers, a subset of the marginally attached, have given a job-market related reason for not currently looking for a job. Persons employed part time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule. For further information, see "BLS introduces new range of alternative unemployment measures," in the October 1996 issue of the *Monthly Labor Review*. Beginning in January 2003, data reflect revised population controls used in the household survey.

Table A-13. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted

(Numbers in thousands)

Category	Total		Men		Women	
	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003	Aug. 2002	Aug. 2003
NOT IN THE LABOR FORCE						
Total not in the labor force	72,300	74,540	26,569	27,964	45,731	46,576
Persons who currently want a job	4,811	5,030	2,021	2,191	2,790	2,838
Searched for work and available to work now [1]	1,456	1,665	692	867	764	798
Reason not currently looking:						
Discouragement over job prospects [2]	378	503	214	320	164	183
Reasons other than discouragement [3]	1,078	1,162	478	547	601	615
MULTIPLE JOBHOLDERS						
Total multiple jobholders [4]	6,879	7,221	3,533	3,737	3,346	3,484
Percent of total employed	5.0	5.2	4.8	5.0	5.3	5.4
Primary job full time, secondary job part time	3,733	3,749	2,111	2,133	1,622	1,615
Primary and secondary jobs both part time	1,398	1,528	413	484	984	1,043
Primary and secondary jobs both full time	319	293	204	225	115	69
Hours vary on primary or secondary job	1,386	1,609	784	876	602	733

[1] Data refer to persons who have searched for work during the prior 12 months and were available to take a job during the reference week.

[2] Includes thinks no work available, could not find work, lacks schooling or training, employer thinks too young or old, and other types of discrimination.

[3] Includes those who did not actively look for work in the prior 4 weeks for such reasons as child-care and transportation problems, as well as a small number for which reason for nonparticipation was not determined.

[4] Includes persons who work part time on their primary job and full time on their secondary job(s), not shown separately.

NOTE: Beginning in January 2003, data reflect revised population controls used in the household survey.

Table B-1. Employees on nonfarm payrolls by industry sector and selected industry detail

(in thousands)

Industry	Not seasonally adjusted				Seasonally adjusted						
	Aug. 2002	June 2003	July 2003p	Aug. 2003p	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003p	Aug. 2003p	Change from: July 2003-Aug. 2003
Total nonfarm	130,091	130,944	129,607	129,531	130,224	130,062	129,986	129,903	129,854	129,761	-93
Total private	109,728	109,436	109,239	109,249	108,745	108,536	108,502	108,427	108,371	108,304	-67
Goods-producing	22,948	22,384	22,320	22,398	22,527	22,119	22,098	22,061	22,003	21,977	-26
Natural resources and mining	589	576	577	579	575	564	566	569	567	566	-1
Logging	71.4	66.8	67.1	67.9	67.3	64.3	64.8	65.7	64.6	64.2	-.4
Mining	517.2	509.2	510.1	511.4	508.1	499.8	501.4	502.6	502.4	501.5	-.9
Oil and gas extraction	123.4	127.6	126.7	126.8	122.0	124.4	125.2	125.7	125.2	125.1	-.1
Mining, except oil and gas[1]	215.0	212.6	214.5	214.7	210.6	207.5	208.2	208.9	210.1	209.7	-.4
Coal mining	74.0	73.0	74.0	73.5	74.4	72.7	72.6	73.2	74.1	73.6	-.5
Support activities for mining	178.8	169.0	168.9	169.9	175.5	167.9	168.0	168.2	167.1	166.7	-.4
Construction	7,023	7,021	7,103	7,133	6,719	6,760	6,786	6,800	6,803	6,822	19
Construction of buildings	1,642.4	1,654.8	1,660.1	1,661.3	1,585.3	1,615.8	1,615.0	1,609.7	1,605.4	1,605.3	-.1
Heavy and civil engineering construction	993.1	963.2	975.8	988.3	921.0	898.4	902.8	905.8	909.7	914.2	4.5
Specialty trade contractors	4,387.2	4,403.4	4,466.7	4,483.6	4,212.9	4,245.5	4,267.8	4,284.1	4,287.6	4,302.4	14.8
Manufacturing	15,336	14,787	14,640	14,686	15,233	14,795	14,746	14,692	14,633	14,589	-44
Production workers	10,816	10,373	10,233	10,290	10,740	10,379	10,342	10,299	10,251	10,219	-32
Durable goods	9,516	9,141	9,024	9,054	9,472	9,147	9,114	9,081	9,033	9,014	-19
Production workers	6,543	6,267	6,158	6,202	6,517	6,267	6,244	6,221	6,183	6,176	-7
Wood products	568.7	549.8	549.2	548.1	556.0	546.0	544.9	541.0	540.3	535.3	-5.0
Nonmetallic mineral products	528.2	513.7	510.3	513.7	518.1	504.8	505.1	505.0	500.9	502.7	1.8
Primary metals	511.1	482.3	474.3	478.1	509.1	491.1	486.4	482.0	478.1	476.9	-1.2
Fabricated metal products	1,545.6	1,483.5	1,468.9	1,471.3	1,542.3	1,489.4	1,482.3	1,476.4	1,470.5	1,468.7	-1.8
Machinery	1,228.1	1,183.1	1,169.2	1,165.1	1,228.7	1,187.4	1,181.2	1,175.8	1,170.9	1,166.2	-4.7
Computer and electronic products[1]	1,503.5	1,411.3	1,400.3	1,397.3	1,503.5	1,423.6	1,413.0	1,407.7	1,398.8	1,398.0	-.8
Computer and peripheral equipment	243.8	228.2	224.5	222.6	243.9	230.5	226.7	226.5	223.5	222.6	-.9
Communications equipment	186.2	173.4	171.9	171.1	187.1	175.5	174.4	173.3	172.3	172.2	-.1
Semiconductors and electronic components	525.5	486.3	482.0	481.5	525.5	492.0	487.7	485.1	481.9	481.9	.0
Electronic instruments	449.6	431.2	429.6	431.1	447.2	433.5	431.5	429.9	428.8	428.8	.2
Electrical equipment and appliances	496.9	470.1	466.6	463.0	494.9	474.8	469.3	467.7	466.3	461.3	-5.0
Transportation equipment	1,833.2	1,785.8	1,737.7	1,771.4	1,824.0	1,771.9	1,777.6	1,774.3	1,759.9	1,763.5	3.6
Furniture and related products	607.5	579.4	575.6	574.7	604.3	576.4	576.4	574.1	574.3	571.0	-3.3
Miscellaneous manufacturing	693.2	681.9	671.7	671.5	691.4	682.0	677.8	676.6	672.6	670.5	-2.1
Nondurable goods	5,820	5,646	5,616	5,632	5,761	5,648	5,632	5,611	5,600	5,575	-25
Production workers	4,273	4,106	4,075	4,088	4,223	4,112	4,098	4,078	4,068	4,043	-25
Food manufacturing	1,548.8	1,513.5	1,533.4	1,561.4	1,514.5	1,512.3	1,512.4	1,517.5	1,522.1	1,523.6	1.5
Beverages and tobacco products	210.4	197.7	198.4	199.7	205.0	194.6	195.4	194.5	194.6	194.8	.2
Textile mills	293.4	273.7	263.4	260.9	291.3	277.8	272.7	270.1	264.3	259.6	-4.7
Textile product mills	198.7	189.4	185.7	179.2	195.6	190.6	188.7	186.4	184.0	177.0	-7.0
Apparel	356.1	316.5	298.0	295.5	354.2	318.4	313.2	307.8	299.5	294.3	-5.2
Leather and allied products	49.2	43.8	42.8	43.2	48.9	44.8	44.4	43.3	43.4	43.0	-.4
Paper and paper products	551.7	534.3	529.4	529.9	548.9	534.1	531.9	530.6	527.9	527.5	-.4
Printing and related support activities	704.7	696.9	694.2	692.4	704.2	694.8	695.3	694.1	693.1	691.7	-1.4
Petroleum and coal products	121.3	120.9	120.7	118.7	118.6	119.2	119.3	118.4	117.9	116.4	-1.5
Chemicals	927.6	921.2	920.7	914.3	926.7	921.7	920.6	916.5	917.8	914.1	-3.7
Plastics and rubber products	858.4	838.2	829.6	836.6	853.3	839.2	837.7	831.7	835.1	832.6	-2.5
Service-providing	107,143	108,560	107,287	107,133	107,697	107,943	107,888	107,842	107,851	107,784	-67
Private service-providing	86,780	87,052	86,919	86,851	86,218	86,417	86,404	86,366	86,368	86,327	-41
Trade, transportation, and utilities	25,460	25,277	25,185	25,179	25,458	25,321	25,282	25,238	25,204	25,183	-21
Wholesale trade	5,651.2	5,598.9	5,587.0	5,572.3	5,624.4	5,590.8	5,582.0	5,570.6	5,558.5	5,548.2	-10.3
Durable goods	3,006.4	2,960.0	2,956.3	2,952.3	2,991.1	2,957.7	2,952.2	2,947.5	2,941.8	2,937.3	-4.5
Nondurable goods	2,025.8	2,017.1	2,011.8	2,003.1	2,015.7	2,013.3	2,009.9	2,004.1	1,999.6	1,995.1	-4.5
Electronic markets and agents and brokers	619.0	621.8	618.9	616.9	617.6	619.8	619.9	619.0	617.1	615.8	-1.3

See footnotes at end of table.

Table B-1. Employees on nonfarm payrolls by industry sector and selected industry detail-Continued

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted						
	Aug. 2002	June 2003	July 2003p	Aug. 2003p	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003p	Aug. 2003p	Change from: July 2003-Aug. 2003
Retail trade	15,007.3	14,944.4	14,931.5	14,939.1	15,033.3	14,999.6	14,979.0	14,964.2	14,962.5	14,958.7	-3.8
Motor vehicle and parts dealers[1]	1,898.8	1,891.8	1,898.5	1,893.2	1,883.2	1,875.4	1,879.2	1,877.9	1,880.2	1,875.2	-5.0
Automobile dealers	1,257.0	1,248.9	1,253.0	1,252.9	1,252.4	1,242.0	1,244.3	1,246.0	1,248.0	1,247.1	-.9
Furniture and home furnishings stores	538.9	543.6	539.1	538.2	541.8	549.2	545.4	546.5	543.7	542.7	-1.0
Electronics and appliance stores	519.2	514.9	513.2	514.4	525.0	525.2	523.8	522.9	520.4	520.4	.0
Building material and garden supply stores	1,203.7	1,245.2	1,231.4	1,222.7	1,185.2	1,189.0	1,188.5	1,194.2	1,196.9	1,202.2	6.3
Food and beverage stores	2,867.5	2,825.2	2,815.4	2,810.2	2,857.1	2,822.0	2,822.5	2,812.8	2,801.1	2,799.4	-1.7
Health and personal care stores	949.9	970.6	967.0	967.7	947.7	966.2	965.7	967.9	966.5	966.1	-.4
Gasoline stations	912.9	917.5	914.8	917.7	902.2	910.9	908.8	908.6	904.1	907.2	3.1
Clothing and clothing accessories stores	1,315.1	1,262.2	1,276.7	1,278.9	1,311.7	1,288.3	1,280.7	1,277.5	1,282.0	1,275.8	-6.2
Sporting goods, hobby, book, and music stores	652.0	623.6	626.2	630.4	662.7	646.3	645.2	642.0	641.9	639.4	-2.5
General merchandise stores[1]	2,753.2	2,779.0	2,777.8	2,793.6	2,809.0	2,835.8	2,833.1	2,831.5	2,839.5	2,847.1	7.6
Department stores	1,650.3	1,647.8	1,639.1	1,651.2	1,695.0	1,695.5	1,690.3	1,689.9	1,690.7	1,693.9	3.2
Miscellaneous store retailers	960.5	943.8	942.0	940.3	961.0	948.6	944.1	941.8	942.3	940.6	-1.7
Nonstore retailers	435.6	427.0	429.4	431.8	446.7	442.7	442.0	440.6	444.9	442.6	-2.3
Transportation and warehousing	4,197.6	4,140.0	4,071.5	4,075.4	4,200.4	4,136.3	4,128.5	4,113.9	4,093.3	4,086.3	-7.0
Air transportation	569.0	511.5	503.0	506.5	561.1	525.6	516.4	510.0	501.5	503.4	1.9
Rail transportation	217.3	217.6	217.7	215.8	216.3	216.5	216.1	217.2	216.8	214.9	-1.9
Water transportation	53.1	51.7	52.1	52.4	50.8	49.9	50.3	50.1	50.2	50.0	-.2
Truck transportation	1,353.2	1,343.6	1,338.0	1,347.4	1,332.9	1,324.4	1,324.4	1,326.9	1,323.8	1,326.8	3.0
Transit and ground passenger transportation	327.8	351.3	296.8	292.4	372.7	353.0	350.4	345.4	342.1	338.6	-3.5
Pipeline transportation	41.0	40.0	39.8	39.0	40.7	40.3	40.3	39.7	39.4	38.8	-.6
Scenic and sightseeing transportation	33.5	35.5	37.9	37.5	28.9	28.5	29.1	29.9	29.8	29.6	-.2
Support activities for transportation	533.0	528.0	522.0	521.6	527.6	522.7	527.8	523.2	519.1	517.5	-1.6
Couriers and messengers	551.4	556.8	555.8	552.1	556.8	561.6	560.8	560.9	560.6	558.4	-2.2
Warehousing and storage	518.3	506.0	508.4	510.7	514.6	513.8	512.9	510.6	510.0	508.3	-1.7
Utilities	603.6	594.1	595.0	592.6	600.0	594.6	592.3	589.5	589.5	589.5	0.0
Information	3,420	3,302	3,294	3,275	3,401	3,303	3,294	3,285	3,275	3,259	-16
Publishing industries, except Internet	967.6	945.6	943.9	941.4	956.9	950.8	947.2	945.1	941.6	941.0	-.6
Motion picture and sound recording industries	401.9	382.7	385.0	377.1	387.1	371.1	373.4	371.7	372.2	364.9	-7.3
Broadcasting, except Internet	332.6	324.6	323.4	323.7	332.0	325.0	324.4	324.2	323.5	322.9	-.6
Internet publishing and broadcasting	35.2	34.2	35.2	34.7	34.9	33.8	33.5	34.0	34.7	34.3	-.4
Telecommunications	1,192.5	1,136.4	1,130.2	1,124.0	1,188.8	1,145.0	1,138.1	1,132.5	1,126.7	1,119.8	-6.9
ISPs, search portals, and data processing	442.4	432.8	431.1	429.2	444.5	431.3	431.4	432.1	431.7	430.8	-.9
Other information services	47.3	45.4	45.2	45.2	47.2	46.0	45.5	45.1	45.0	45.1	.1
Financial activities	7,892	8,033	8,046	8,036	7,830	7,956	7,971	7,972	7,975	7,974	-1
Finance and insurance	5,824.6	5,947.8	5,952.8	5,940.3	5,804.0	5,912.0	5,923.2	5,923.3	5,924.1	5,921.5	-2.6
Monetary authorities - central bank	23.2	22.2	22.2	22.1	23.1	22.2	22.2	22.1	22.1	22.0	-.1
Credit intermediation and related activities[1]	2,693.4	2,796.3	2,799.7	2,796.9	2,682.3	2,785.8	2,781.8	2,783.5	2,786.4	2,786.6	.2
Depository credit intermediation[1]	1,750.5	1,777.9	1,784.0	1,781.6	1,739.6	1,764.4	1,767.9	1,768.5	1,771.1	1,771.6	.5
Commercial banking	1,294.1	1,308.9	1,314.1	1,312.8	1,285.3	1,300.6	1,302.4	1,302.3	1,304.4	1,305.1	.7
Securities, commodity contracts, investments	802.2	800.4	802.6	800.6	795.7	798.8	796.9	795.7	795.8	794.1	-1.7
Insurance carriers and related activities	2,221.1	2,246.5	2,245.9	2,239.4	2,218.5	2,241.8	2,239.4	2,238.9	2,237.8	2,237.6	-.2
Funds, trusts, and other financial vehicles	84.7	82.4	82.4	81.3	84.4	83.4	82.9	82.1	82.0	81.2	-.8
Real estate and rental and leasing	2,067.6	2,085.1	2,093.2	2,095.3	2,026.0	2,044.2	2,047.8	2,048.6	2,050.9	2,052.5	1.6
Real estate	1,370.3	1,385.9	1,394.5	1,398.1	1,342.3	1,366.4	1,367.3	1,365.2	1,368.8	1,370.7	1.9
Rental and leasing services	669.1	669.3	669.1	667.4	655.7	649.4	651.4	654.2	653.0	652.6	-.4
Lessors of nonfinancial intangible assets	28.2	29.9	29.6	29.8	28.0	28.4	29.1	29.2	29.1	29.2	.1
Professional and business services	16,206	16,151	16,159	16,215	16,008	15,989	16,002	16,006	16,052	16,024	-28
Professional and technical services[1]	6,716.0	6,678.9	6,649.1	6,637.6	6,704.8	6,742.2	6,698.1	6,674.9	6,652.9	6,643.0	-9.9
Legal services	1,117.7	1,141.0	1,136.9	1,127.2	1,111.0	1,127.5	1,125.6	1,125.2	1,122.3	1,121.9	-.4
Accounting and bookkeeping services	822.5	798.5	786.6	788.5	873.1	899.3	866.0	848.9	849.3	852.6	3.3
Architectural and engineering services	1,272.0	1,252.9	1,263.2	1,261.5	1,248.5	1,242.9	1,241.4	1,236.0	1,240.0	1,238.9	-1.1
Computer systems design and related services	1,158.5	1,145.8	1,129.4	1,123.4	1,154.5	1,151.9	1,146.6	1,142.0	1,127.6	1,119.6	-8.0
Management and technical consulting services	743.4	734.6	739.2	742.3	735.8	732.9	734.0	731.8	733.9	734.0	.1

See footnotes at end of table.

Table B-1. Employees on nonfarm payrolls by industry sector and selected industry detail-Continued

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted						
	Aug. 2002	June 2003	July 2003p	Aug. 2003p	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003p	Aug. 2003p	Change from: July 2003-Aug. 2003
Professional and business services-Continued											
Management of companies and enterprises	1,713.7	1,697.8	1,704.3	1,696.2	1,704.6	1,697.0	1,696.0	1,690.8	1,697.4	1,687.7	-9.7
Administrative and waste services	7,776.1	7,773.9	7,805.7	7,881.4	7,598.2	7,549.4	7,608.3	7,639.8	7,701.8	7,693.5	-8.3
Administrative and support services[1]	7,454.1	7,453.1	7,478.0	7,559.1	7,281.6	7,230.5	7,288.6	7,323.0	7,379.9	7,375.7	-4.2
Employment services[1]	3,377.8	3,358.8	3,390.1	3,471.8	3,268.8	3,242.2	3,291.7	3,318.3	3,371.8	3,353.5	-18.3
Temporary help services	2,300.5	2,232.5	2,255.1	2,313.6	2,219.1	2,131.2	2,177.6	2,207.9	2,219.7	2,226.5	6.8
Business support services	736.9	743.2	738.8	740.6	743.0	748.1	747.9	747.8	745.1	747.9	2.8
Services to buildings and dwellings	1,673.4	1,687.7	1,692.6	1,690.0	1,604.8	1,587.4	1,596.3	1,601.8	1,610.1	1,616.3	6.2
Waste management and remediation services	322.0	320.8	327.7	322.3	316.6	318.9	319.7	316.8	321.9	317.8	-4.1
Education and health services	15,912	16,339	16,209	16,179	16,241	16,483	16,509	16,503	16,501	16,525	24
Educational services	2,354.8	2,495.9	2,398.3	2,361.4	2,665.5	2,708.8	2,718.1	2,689.7	2,687.1	2,685.6	-1.5
Health care and social assistance	13,557.6	13,842.6	13,810.3	13,817.5	13,575.4	13,774.2	13,790.7	13,813.2	13,814.3	13,839.7	25.4
Ambulatory health care services[1]	4,656.2	4,790.3	4,790.0	4,802.0	4,649.4	4,753.7	4,764.8	4,777.4	4,784.6	4,795.2	10.6
Offices of physicians	1,999.3	2,052.6	2,058.6	2,063.5	1,993.0	2,041.7	2,045.9	2,050.2	2,054.9	2,058.2	3.3
Outpatient care centers	409.4	415.2	413.9	415.5	409.5	412.8	413.1	414.7	413.7	415.5	1.8
Home health care services	671.9	712.2	709.4	711.0	674.5	702.9	705.3	709.0	711.4	713.2	1.8
Hospitals	4,171.1	4,232.2	4,240.9	4,244.5	4,165.4	4,214.0	4,218.1	4,227.0	4,228.1	4,238.9	10.8
Nursing and residential care facilities[1]	2,756.1	2,799.3	2,794.2	2,797.7	2,746.1	2,784.4	2,787.9	2,790.7	2,787.1	2,789.6	2.5
Nursing care facilities	1,580.2	1,593.1	1,587.6	1,587.0	1,575.0	1,586.2	1,587.0	1,589.6	1,586.0	1,583.8	-2.2
Social assistance[1]	1,974.2	2,020.8	1,985.2	1,973.3	2,014.5	2,022.1	2,019.9	2,018.1	2,014.5	2,016.0	1.5
Child day care services	703.9	717.5	681.1	683.6	740.8	724.9	724.9	722.7	726.1	722.4	-3.7
Leisure and hospitality	12,516	12,574	12,652	12,627	11,940	12,043	12,026	12,039	12,047	12,052	5
Arts, entertainment, and recreation	1,999.4	1,986.4	2,044.7	2,006.2	1,751.2	1,764.8	1,759.2	1,758.4	1,761.0	1,762.9	1.9
Performing arts and spectator sports	373.4	366.9	373.8	372.6	342.9	356.7	348.8	346.5	343.7	343.3	-.4
Museums, historical sites, zoos, and parks	118.6	117.8	120.2	117.8	110.7	108.4	109.8	109.8	110.2	110.2	.0
Amusements, gambling, and recreation	1,507.4	1,501.7	1,550.7	1,515.8	1,297.6	1,299.7	1,300.6	1,302.1	1,307.1	1,309.4	2.3
Accommodations and food services	10,516.5	10,587.2	10,607.2	10,621.2	10,189.2	10,278.6	10,266.7	10,280.4	10,286.2	10,288.8	2.6
Accommodations	1,902.4	1,860.0	1,923.0	1,910.5	1,762.4	1,769.0	1,763.6	1,769.1	1,776.4	1,771.5	-4.9
Food services and drinking places	8,614.1	8,727.2	8,684.2	8,710.7	8,426.8	8,509.6	8,503.1	8,511.3	8,509.8	8,517.3	7.5
Other services	5,374	5,376	5,374	5,340	5,340	5,322	5,320	5,323	5,314	5,310	-4
Repair and maintenance	1,239.7	1,226.3	1,225.4	1,224.8	1,237.5	1,215.6	1,215.1	1,218.6	1,219.3	1,221.3	2.0
Personal and laundry services	1,250.9	1,237.5	1,228.2	1,228.2	1,247.5	1,227.0	1,226.3	1,225.0	1,224.7	1,224.8	.1
Membership associations and organizations	2,883.7	2,912.6	2,920.1	2,887.4	2,854.8	2,879.1	2,878.7	2,879.5	2,870.1	2,863.6	-6.5
Government	20,363	21,508	20,368	20,282	21,479	21,526	21,484	21,476	21,483	21,457	-26
Federal	2,777	2,770	2,768	2,751	2,765	2,769	2,761	2,749	2,745	2,740	-5
Federal, except U.S. Postal Service	1,944.1	1,953.0	1,954.7	1,939.4	1,926.9	1,946.0	1,937.0	1,928.2	1,926.8	1,924.2	-2.6
U.S. Postal Service	833.2	816.5	813.7	811.7	838.4	823.0	823.6	821.1	818.2	816.2	-2.0
State government	4,787	4,768	4,681	4,688	5,013	4,952	4,941	4,925	4,925	4,924	-1
State government education	1,976.7	1,990.7	1,906.0	1,913.0	2,232.5	2,186.5	2,180.8	2,174.3	2,175.8	2,174.6	-1.2
State government, excluding education	2,810.5	2,777.3	2,775.3	2,774.5	2,780.3	2,765.3	2,759.9	2,751.1	2,749.4	2,749.6	.2
Local government	12,799	13,970	12,919	12,843	13,701	13,805	13,782	13,802	13,813	13,793	-20
Local government education	6,587.8	7,719.6	6,607.8	6,614.9	7,673.7	7,703.5	7,689.1	7,718.7	7,743.4	7,735.4	-8.0
Local government, excluding education	6,211.3	6,250.1	6,310.9	6,227.6	6,027.3	6,101.1	6,092.6	6,083.5	6,069.1	6,057.8	-11.3

[1] Includes other industries, not shown separately.

p = preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonfarm payrolls by industry sector and selected industry detail

Industry	Not seasonally adjusted				Seasonally adjusted						
	Aug. 2002	June 2003	July 2003P	Aug. 2003P	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003P	Aug. 2003P	Change from: July 2003-Aug. 2003
Total private	34.2	34.1	33.8	33.9	33.9	33.7	33.7	33.7	33.6	33.6	0.0
Goods-producing	40.2	40.1	39.5	40.1	39.9	39.5	39.7	39.8	39.6	39.7	.1
Natural resources and mining	43.7	44.3	43.3	44.0	43.3	43.4	43.8	43.7	43.2	43.6	.4
Construction	39.3	39.0	39.0	39.5	38.5	37.9	38.5	38.4	38.2	38.5	.3
Manufacturing	40.6	40.5	39.6	40.2	40.5	40.1	40.2	40.3	40.1	40.1	.0
Overtime hours	4.4	4.1	3.9	4.2	4.2	4.0	4.1	4.0	4.0	4.1	.1
Durable goods	40.7	41.0	39.9	40.6	40.7	40.3	40.5	40.7	40.5	40.5	.0
Overtime hours	4.4	4.3	3.8	4.3	4.2	4.0	4.1	4.1	4.1	4.1	.0
Wood products	40.2	41.0	40.7	41.2	39.8	40.0	39.9	40.3	40.8	40.7	-.1
Nonmetallic mineral products	42.6	42.9	42.1	42.8	42.1	42.0	42.4	42.2	41.7	42.2	.5
Primary metals	42.2	42.2	41.0	41.4	42.3	42.2	42.2	42.0	41.6	41.6	.0
Fabricated metal products	40.7	40.8	40.0	40.4	40.7	40.3	40.6	40.5	40.5	40.4	-.1
Machinery	40.5	41.1	39.8	40.4	40.6	40.6	40.6	40.9	40.3	40.5	.2
Computer and electronic products	39.4	40.6	40.0	40.8	39.6	40.1	40.5	40.5	40.6	40.9	.3
Electrical equipment and appliances	39.9	41.2	39.7	40.0	40.2	40.0	40.3	41.0	40.4	40.3	-.1
Transportation equipment	42.5	41.9	39.7	40.9	42.4	41.2	41.2	41.4	41.3	40.7	-.6
Furniture and related products	39.1	39.0	39.0	39.4	38.8	37.9	38.4	38.9	38.9	39.1	.2
Miscellaneous manufacturing	38.4	38.6	37.8	38.0	38.4	38.0	38.1	38.6	38.4	38.1	-.3
Nondurable goods	40.3	39.8	39.2	39.7	40.1	39.8	39.7	39.7	39.5	39.6	.1
Overtime hours	4.5	3.9	4.0	4.2	4.3	4.1	4.0	3.9	3.9	4.0	.1
Food manufacturing	40.0	39.4	38.9	39.4	39.6	39.4	39.3	39.4	39.0	39.1	.1
Beverages and tobacco products	39.7	39.6	39.5	40.3	39.4	39.6	39.0	39.0	39.1	39.8	.7
Textile mills	40.7	38.9	37.0	38.7	40.5	39.1	38.4	38.6	37.9	38.6	.7
Textile product mills	39.3	39.5	39.9	40.7	39.2	38.5	39.0	39.1	39.9	40.4	.5
Apparel	37.1	35.6	34.3	34.8	36.9	35.6	35.4	35.0	34.6	34.7	.1
Leather and allied products	37.5	39.2	37.9	37.9	37.3	39.3	39.3	38.8	38.8	38.1	-.7
Paper and paper products	41.8	41.4	40.9	40.9	41.9	41.6	41.4	41.4	41.2	41.1	-.1
Printing and related support activities	38.7	37.9	37.7	38.0	38.5	38.0	37.9	38.1	38.0	37.9	-.1
Petroleum and coal products	42.3	44.5	44.3	43.8	42.7	44.3	44.1	44.1	43.9	44.2	.3
Chemicals	42.4	42.4	41.6	41.8	42.5	42.4	42.2	42.2	42.0	42.0	.0
Plastics and rubber products	40.6	40.4	39.3	40.3	40.7	40.0	40.3	40.1	40.0	40.3	.3
Private service-providing	32.8	32.8	32.5	32.6	32.5	32.4	32.4	32.4	32.3	32.3	.0
Trade, transportation, and utilities	34.0	34.0	33.8	33.9	33.5	33.4	33.4	33.4	33.3	33.5	.2
Wholesale trade	38.1	38.3	37.6	37.9	38.0	37.8	37.8	37.8	37.7	37.8	.1
Retail trade	31.4	31.4	31.3	31.4	30.8	30.8	30.8	30.8	30.6	30.8	.2
Transportation and warehousing	36.9	37.1	36.9	37.1	36.6	36.5	36.6	36.6	36.9	36.8	-.1
Utilities	40.9	41.1	40.8	41.0	40.9	41.0	40.9	41.0	40.9	41.0	.1
Information	36.5	36.8	36.4	36.5	36.4	36.2	36.4	36.4	36.4	36.4	.0
Financial activities	35.5	36.2	35.3	35.4	35.6	35.5	35.6	35.5	35.5	35.5	.0
Professional and business services	34.4	34.7	34.0	34.1	34.2	34.0	34.1	34.1	34.1	33.9	-.2
Education and health services	32.6	32.7	32.5	32.5	32.6	32.5	32.5	32.5	32.5	32.5	.0
Leisure and hospitality	26.6	26.1	26.1	26.2	25.7	25.6	25.6	25.5	25.3	25.3	.0
Other services	32.2	32.0	31.8	31.9	32.0	31.8	31.8	31.8	31.7	31.7	.0

[1] Data relate to production workers in natural resources and mining and manufacturing, construction workers in construction, and nonsupervisory workers in the service-providing industries. These groups account for approximately four-fifths of the total employment on private nonfarm payrolls.

P = preliminary.

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonfarm payrolls by industry sector and selected industry detail

Industry	Average hourly earnings				Average weekly earnings			
	Aug. 2002	June 2003	July 2003[p]	Aug. 2003[p]	Aug. 2002	June 2003	July 2003[p]	Aug. 2003[p]
Total private	$14.92	$15.34	$15.32	$15.34	$510.26	$523.09	$517.82	$520.03
Seasonally adjusted	15.02	15.38	15.43	15.45	509.18	518.31	518.45	519.12
Goods-producing	16.42	16.78	16.84	16.90	660.08	672.88	665.18	677.69
Natural resources and mining	17.18	17.52	17.63	17.64	750.77	776.14	763.38	776.16
Construction	18.64	18.90	18.98	19.05	732.55	737.10	740.22	752.48
Manufacturing	15.30	15.69	15.68	15.75	621.18	635.45	620.93	633.15
Durable goods	16.04	16.40	16.30	16.45	652.83	672.40	650.37	667.87
Wood products	12.42	12.70	12.81	12.65	499.28	520.70	521.37	521.18
Nonmetallic mineral products	15.44	15.70	15.82	15.80	657.74	673.53	666.02	676.24
Primary metals	17.69	18.02	18.25	18.09	746.52	760.44	748.25	748.93
Fabricated metal products	14.70	14.92	14.99	15.05	598.29	608.74	599.60	608.02
Machinery	15.92	16.33	16.39	16.32	644.76	671.16	652.32	659.33
Computer and electronic products	16.31	16.75	16.77	16.76	642.61	680.05	670.80	683.81
Electrical equipment and appliances	13.96	14.28	14.29	14.46	557.00	588.34	567.31	578.40
Transportation equipment	20.61	21.20	20.74	21.30	875.93	888.28	823.38	871.17
Furniture and related products	12.75	12.96	12.96	12.96	498.53	505.44	505.44	510.62
Miscellaneous manufacturing	12.99	13.13	13.27	13.31	498.82	506.82	501.61	505.78
Nondurable goods	14.15	14.58	14.72	14.65	570.25	580.28	577.02	581.61
Food manufacturing	12.58	12.70	12.82	12.82	503.20	500.38	498.70	505.11
Beverages and tobacco products	17.40	17.56	17.74	17.61	690.78	695.38	700.73	709.68
Textile mills	11.80	11.92	11.96	11.97	480.26	463.69	442.52	463.24
Textile product mills	11.09	11.18	11.29	11.57	435.84	441.61	450.47	470.90
Apparel	9.13	9.47	9.67	9.72	338.72	337.13	331.68	338.26
Leather and allied products	11.00	11.59	11.42	11.58	412.50	454.33	432.82	438.88
Paper and paper products	16.92	17.33	17.59	17.43	707.26	717.46	719.43	712.89
Printing and related support activities	15.01	15.26	15.41	15.44	580.89	578.35	580.96	586.72
Petroleum and coal products	22.97	23.53	23.20	23.02	971.63	1,047.09	1,027.76	1,008.28
Chemicals	17.94	18.55	18.47	18.37	760.66	786.52	768.35	767.87
Plastics and rubber products	13.52	14.18	14.36	14.23	548.91	572.87	564.35	573.47
Private service-providing	14.49	14.94	14.90	14.90	475.27	490.03	484.25	485.74
Trade, transportation, and utilities	13.98	14.33	14.31	14.29	475.32	487.22	483.68	484.43
Wholesale trade	16.94	17.33	17.31	17.31	645.41	663.74	650.86	656.05
Retail trade	11.64	11.91	11.88	11.88	365.50	373.97	371.84	373.03
Transportation and warehousing	15.79	16.29	16.37	16.31	582.65	604.36	604.05	605.10
Utilities	23.84	24.58	24.61	24.59	975.06	1,010.24	1,004.09	1,008.19
Information	20.00	21.03	21.09	21.20	730.00	773.90	767.68	773.80
Financial activities	16.25	17.16	17.23	17.33	576.88	621.19	608.22	613.48
Professional and business services	16.68	17.25	17.10	17.05	573.79	598.58	581.40	581.41
Education and health services	15.31	15.61	15.69	15.68	499.11	510.45	509.93	509.60
Leisure and hospitality	8.52	8.69	8.66	8.67	226.63	226.81	226.03	227.15
Other services	13.74	13.97	13.91	13.91	442.43	447.04	442.34	443.73

[1] See footnote 1, table B-2.

[p] = preliminary.

Table B-4. Average hourly earnings of production or nonsupervisory workers[1] on private nonfarm payrolls by industry sector and selected industry detail, seasonally adjusted

Industry	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003[P]	Aug. 2003[P]	Percent change from: July 2003-Aug. 2003
Total private:							
Current dollars	$15.02	$15.30	$15.35	$15.38	$15.43	$15.45	0.1
Constant (1982) dollars[2]	8.24	8.27	8.31	8.30	8.32	N.A.	([3])
Goods-producing	16.38	16.71	16.76	16.79	16.80	16.86	.4
Natural resources and mining	17.27	17.67	17.55	17.60	17.65	17.72	.4
Construction	18.57	18.90	18.95	18.96	18.96	18.99	.2
Manufacturing	15.34	15.63	15.68	15.72	15.73	15.78	.3
Excluding overtime[4]	14.58	14.89	14.92	14.98	14.98	15.01	.2
Durable goods	16.08	16.33	16.37	16.42	16.41	16.48	.4
Nondurable goods	14.19	14.56	14.61	14.63	14.66	14.69	.2
Private service-providing	14.63	14.91	14.97	15.00	15.06	15.06	.0
Trade, transportation, and utilities	14.06	14.24	14.31	14.34	14.39	14.38	-.1
Wholesale trade	17.02	17.25	17.29	17.34	17.38	17.40	.1
Retail trade	11.71	11.83	11.90	11.92	11.95	11.96	.1
Transportation and warehousing	15.80	16.18	16.25	16.30	16.39	16.33	-.4
Utilities	24.08	24.33	24.48	24.62	24.73	24.78	.2
Information	20.13	20.97	21.09	21.13	21.28	21.34	.3
Financial activities	16.34	16.93	17.02	17.17	17.35	17.39	.2
Professional and business services	16.86	17.23	17.24	17.22	17.24	17.26	.1
Education and health services	15.33	15.57	15.64	15.67	15.70	15.72	.1
Leisure and hospitality	8.60	8.71	8.73	8.75	8.76	8.76	.0
Other services	13.80	13.98	13.97	13.98	14.00	14.00	.0

[1] See footnote 1, table B-2.
[2] The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is used to deflate this series.
[3] Change was .2 percent from June 2003 to July 2003, the latest month available.
[4] Derived by assuming that overtime hours are paid at the rate of time and one-half.
N.A. = not available.
[P] = preliminary.

Table B-5. Indexes of aggregate weekly hours of production or nonsupervisory workers[1] on private nonfarm payrolls by industry sector and selected industry detail

(2002=100)

Industry	Not seasonally adjusted				Seasonally adjusted						
	Aug. 2002	June 2003	July 2003[p]	Aug. 2003[p]	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003[p]	Aug. 2003[p]	Percent change from: July 2003-Aug. 2003
Total private	101.7	100.9	99.8	100.1	99.9	98.8	98.7	98.7	98.3	98.2	-0.1
Goods-producing	102.4	98.8	96.9	98.9	99.4	96.0	96.3	96.3	95.5	95.6	.1
Natural resources and mining	102.0	99.2	97.9	99.5	98.6	95.8	96.9	96.7	95.6	96.0	.4
Construction	107.3	104.8	106.0	107.9	99.7	97.5	99.2	99.1	98.5	99.4	.9
Manufacturing	100.5	96.1	92.7	94.6	99.5	95.2	95.1	95.0	94.0	93.8	-.2
Durable goods	99.7	96.2	92.0	94.3	99.3	94.6	94.7	94.8	93.8	93.7	-.1
Wood products	102.7	100.9	100.0	101.1	99.3	97.9	97.3	97.5	98.4	97.5	-.9
Nonmetallic mineral products	103.5	99.2	97.0	99.6	99.9	95.5	96.2	95.7	93.9	95.6	1.8
Primary metals	99.7	93.9	89.2	91.0	99.6	95.6	94.6	93.4	91.5	91.3	-.2
Fabricated metal products	99.9	95.9	92.8	94.1	99.8	95.1	95.3	94.7	94.3	93.9	-.4
Machinery	98.4	96.2	91.7	92.8	99.1	95.4	94.8	95.0	93.4	93.6	.2
Computer and electronic products	98.0	95.8	93.2	95.3	98.8	95.4	95.8	95.3	94.9	95.8	.9
Electrical equipment and appliances	98.7	94.7	90.0	90.1	99.3	93.5	92.6	93.7	91.9	90.7	-1.3
Transportation equipment	99.9	96.2	88.0	93.2	99.4	93.4	94.0	94.4	93.4	92.5	-1.0
Furniture and related products	100.2	94.0	93.2	94.2	98.9	90.7	92.1	92.9	92.7	92.8	.1
Miscellaneous manufacturing	99.5	96.5	92.0	92.5	99.1	95.2	94.6	95.6	94.0	92.6	-1.5
Nondurable goods	101.2	96.0	93.8	95.3	99.5	96.1	95.6	95.1	94.4	94.1	-.3
Food manufacturing	102.9	98.2	98.3	101.4	99.2	98.4	98.1	98.6	97.9	98.1	.2
Beverages and tobacco products	105.3	88.3	89.7	90.8	100.5	88.4	87.4	85.7	86.6	85.8	-.9
Textile mills	100.4	89.3	81.0	84.2	99.1	91.2	87.7	87.4	83.5	83.4	-.1
Textile product mills	101.9	96.5	95.5	93.4	100.2	94.5	95.0	93.5	94.6	92.2	-2.5
Apparel	101.0	84.0	75.1	74.8	99.8	84.1	82.3	79.2	76.6	74.3	-3.0
Leather and allied products	97.1	90.1	84.6	85.9	96.0	92.0	91.2	87.1	88.7	85.8	-3.3
Paper and paper products	100.3	94.6	92.5	93.0	99.9	95.3	94.4	94.0	93.0	92.9	-.1
Printing and related support activities	99.9	96.5	95.4	96.0	99.2	96.3	96.3	96.5	96.0	95.7	-.3
Petroleum and coal products	99.8	102.7	102.6	100.2	97.8	99.8	100.2	99.6	98.8	98.9	.1
Chemicals	99.1	99.8	98.2	97.8	99.9	100.1	99.3	99.0	99.1	98.8	-.3
Plastics and rubber products	100.5	97.6	93.4	96.7	100.2	96.7	97.2	96.1	95.7	96.3	.6
Private service-providing	101.5	101.6	100.5	100.6	99.9	99.5	99.4	99.5	99.1	99.1	.0
Trade, transportation, and utilities	100.9	99.8	98.9	99.1	99.5	98.3	98.1	97.9	97.5	98.0	.5
Wholesale trade	100.4	99.2	97.2	97.5	99.7	97.9	97.7	97.3	96.8	96.8	.0
Retail trade	101.3	100.7	100.3	100.5	99.6	99.1	99.0	98.9	98.2	98.9	.7
Transportation and warehousing	100.1	98.7	96.4	97.0	99.5	97.1	97.1	96.8	97.0	96.5	-.5
Utilities	100.9	99.7	99.3	99.7	100.1	99.1	98.7	98.6	98.5	98.9	.4
Information	99.5	101.3	100.1	99.9	98.7	98.8	99.4	99.6	99.5	99.3	-.2
Financial activities	100.4	104.2	101.8	101.9	99.9	101.0	101.5	101.3	101.3	101.4	.1
Professional and business services	101.8	101.4	99.3	99.9	99.8	98.3	98.6	98.6	98.8	98.0	-.8
Education and health services	98.8	101.3	99.9	99.6	101.0	101.7	101.8	101.8	101.8	101.9	.1
Leisure and hospitality	107.8	105.9	106.6	106.8	99.1	99.1	98.9	98.8	98.1	98.2	.1
Other services	100.9	100.0	99.5	98.9	99.6	98.2	98.1	98.3	97.9	97.7	-.2

[1] See footnote 1, table B-2.

[p] = preliminary.

Table B-6. Indexes of aggregate weekly payrolls of production or nonsupervisory workers[1] on private nonfarm payrolls by industry sector and selected industry detail

(2002=100)

Industry	Not seasonally adjusted				Seasonally adjusted						
	Aug. 2002	June 2003	July 2003p	Aug. 2003p	Aug. 2002	Apr. 2003	May 2003	June 2003	July 2003p	Aug. 2003p	Percent change from: July 2003-Aug. 2003
Total private	101.5	103.5	102.2	102.7	100.3	101.1	101.3	101.5	101.5	101.5	0.0
Goods-producing	103.0	101.6	100.0	102.4	99.7	98.2	98.8	99.0	98.3	98.7	.4
Natural resources and mining	101.8	100.9	100.2	101.9	98.9	98.3	98.8	98.8	98.0	98.8	.8
Construction	108.0	106.9	108.7	111.0	100.0	99.5	101.6	101.5	100.9	102.0	1.1
Manufacturing	100.5	98.6	95.1	97.5	99.8	97.3	97.5	97.6	96.7	96.8	.1
Durable goods	99.9	98.5	93.7	96.9	99.7	96.4	96.8	97.2	96.1	96.4	.3
Nondurable goods	101.1	98.9	97.6	98.7	99.7	98.9	98.6	98.3	97.8	97.6	-.2
Private service-providing	101.0	104.2	102.8	103.0	100.3	101.8	102.2	102.4	102.5	102.5	.0
Trade, transportation, and utilities	100.7	102.1	101.0	101.0	99.8	99.9	100.2	100.2	100.1	100.5	.4
Wholesale trade	100.2	101.3	99.2	99.5	100.0	99.6	99.6	99.5	99.2	99.3	.1
Retail trade	101.0	102.7	102.1	102.3	99.9	100.5	100.9	101.0	100.6	101.3	.7
Transportation and warehousing	100.2	101.9	100.0	100.3	99.7	99.6	100.0	100.0	100.8	99.9	-.9
Utilities	100.5	102.4	102.1	102.4	100.7	100.7	100.9	101.4	101.7	102.4	.7
Information	98.3	105.3	104.3	104.7	98.2	102.5	103.6	104.0	104.7	104.7	.0
Financial activities	100.9	110.6	108.5	109.2	100.9	105.8	106.8	107.5	108.7	109.0	.3
Professional and business services	101.0	104.0	101.0	101.3	100.1	100.7	101.1	101.0	101.3	100.7	-.6
Education and health services	99.4	104.0	103.0	102.7	101.7	104.0	104.6	104.8	105.0	105.3	.3
Leisure and hospitality	107.2	107.4	107.7	108.0	99.4	100.7	100.8	100.9	100.3	100.3	.0
Other services	101.0	101.8	100.8	100.2	100.1	100.1	99.9	100.1	99.9	99.6	-.3

[1] See footnote 1, table B-2.

p = preliminary.

Table B-7. Diffusion indexes of employment change, seasonally adjusted

(Percent)

Time Span	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Private nonfarm payrolls, 278 industries [1]											
Over 1-month span:												
1999	56.3	64.7	56.7	65.8	64.2	61.9	63.3	59.9	57.6	64.4	69.1	64.4
2000	65.5	60.3	65.5	58.8	47.7	61.7	65.5	52.9	52.3	54.1	57.7	53.2
2001	52.3	49.6	48.6	36.5	41.4	38.1	35.6	38.5	39.0	35.6	37.8	36.0
2002	40.5	37.4	37.6	41.0	41.7	43.7	39.0	41.7	43.3	43.9	42.4	37.2
2003	44.2	36.7	44.1	46.9	43.3	37.2	p 41.5	p 38.5				
Over 3-month span:												
1999	61.5	64.9	61.0	65.8	66.4	69.1	66.9	64.4	62.2	62.9	66.7	69.6
2000	70.1	66.0	68.3	68.3	58.5	56.3	58.1	62.2	55.9	53.1	54.0	58.3
2001	54.9	50.7	50.5	43.5	37.2	36.0	36.2	35.8	34.5	32.2	31.7	30.9
2002	34.4	38.3	36.5	35.4	36.7	38.8	39.7	41.4	38.1	39.0	37.8	34.9
2003	36.0	35.6	36.0	41.2	43.0	40.6	p 37.6	p 33.5				
Over 6-month span:												
1999	66.9	64.9	63.7	64.0	65.6	65.8	66.7	66.2	69.4	68.7	66.4	66.5
2000	67.6	68.7	71.4	71.9	68.5	66.2	67.3	60.4	58.3	55.0	61.0	55.2
2001	53.2	51.4	50.7	47.1	42.8	38.8	37.6	34.5	31.1	32.9	31.3	31.7
2002	30.6	29.9	31.1	31.3	33.3	35.8	36.9	37.4	37.8	39.9	38.3	35.8
2003	37.4	36.5	35.1	34.7	37.4	36.5	p 37.9	p 35.1				
Over 12-month span:												
1999	70.5	68.7	68.2	68.0	68.3	68.3	68.0	68.0	67.8	69.1	68.3	69.1
2000	70.9	69.2	73.2	71.0	69.8	71.0	70.0	70.3	70.3	65.6	63.8	62.1
2001	59.5	59.5	53.4	49.3	48.6	45.0	43.3	43.9	39.9	37.8	37.1	34.9
2002	33.6	31.7	30.2	30.2	30.4	30.6	30.8	31.8	31.5	30.0	33.5	33.3
2003	33.8	33.3	34.5	35.4	36.5	35.4	p 34.9	p 33.5				
	Manufacturing payrolls, 84 industries [1]											
Over 1-month span:												
1999	42.3	38.7	33.3	39.3	52.4	34.5	50.0	40.5	41.7	50.6	56.0	51.8
2000	50.6	53.6	54.8	42.9	39.9	53.6	62.5	28.6	24.4	35.1	41.1	38.7
2001	24.4	22.0	24.4	14.3	14.3	19.6	14.3	13.7	17.9	16.7	16.7	9.5
2002	19.0	22.6	20.8	33.9	30.4	32.1	34.5	25.0	31.0	19.6	21.4	25.0
2003	36.3	19.0	27.4	20.2	30.4	25.6	p 30.4	p 24.4				
Over 3-month span:												
1999	33.9	40.5	37.5	35.7	41.7	43.5	42.3	38.1	41.1	44.6	49.4	56.5
2000	54.2	54.8	58.3	51.8	41.7	41.1	54.8	48.2	29.2	25.6	25.0	42.3
2001	34.5	24.4	17.9	14.3	11.9	14.3	10.7	7.7	8.3	9.5	8.9	8.3
2002	11.9	11.9	16.7	20.2	21.4	20.2	28.6	25.6	25.6	17.9	14.9	10.7
2003	14.9	15.5	19.6	16.7	17.9	14.3	p 20.2	p 23.8				
Over 6-month span:												
1999	37.5	32.7	30.4	33.3	36.9	38.1	38.1	34.5	40.5	46.4	41.1	48.2
2000	47.0	51.2	56.5	57.1	49.4	47.6	56.0	44.0	36.9	35.1	34.5	31.0
2001	23.8	24.4	20.8	17.9	14.9	11.9	13.7	9.5	8.3	6.5	6.5	6.0
2002	7.7	8.9	7.7	8.9	12.5	16.7	19.6	19.6	23.8	17.9	16.7	13.7
2003	13.7	14.3	12.5	11.9	12.5	15.5	p 14.3	p 14.9				
Over 12-month span:												
1999	35.7	32.1	29.8	32.1	32.7	32.1	34.5	32.1	33.3	39.3	41.1	42.9
2000	41.7	39.3	47.0	50.0	46.4	52.4	51.8	49.4	46.4	40.5	35.1	33.3
2001	29.8	32.1	20.8	19.0	13.1	12.5	10.7	11.9	11.9	10.1	8.3	6.0
2002	7.1	6.0	6.0	7.1	7.7	5.4	6.0	8.9	7.7	9.5	13.1	13.1
2003	13.7	15.5	16.7	13.1	15.5	16.1	p 11.3	p 13.1				

[1] Based on seasonally adjusted data for 1-, 3-, and 6-month spans and unadjusted data for the 12-month span.

p= preliminary.

NOTE: Figures are the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.

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(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)

Washington, DC 20510–6602

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September 12, 2003

Ms. Kathleen P. Utgoff, Ph.D.
Commissioner
Bureau of Labor Statistics
U.S. Department of Labor
Postal Square Building
2 Massachusetts Avenue, N.E.
Washington, D.C. 20212-0001

Dear Commissioner Utgoff:

Thank you for appearing before the Joint Economic Committee for our hearing on "The Employment Situation" on September 5, 2003. I appreciate the important work you and your colleagues perform at the Bureau of Labor Statistics (BLS).

There are several additional questions I would like you to answer that constrained time at the hearing did not permit me asking. The questions and answers will be made part of the committee record. The questions are the following:

1. **The Disparity between the Household and Payroll Surveys.** As we discussed at the hearing, the household and payroll surveys show a large disparity in the trend in employment since the recession ended in November 2001. The payroll data indicate that the number of payroll employees has fallen by roughly 1.1 million, while the household data indicate that the number of employed people increased by 1.4 million. It would be helpful to understand this disparity in greater detail.

    a. When making comparisons to other time periods or other surveys, how does BLS account for the population adjustment made to the household survey in January 2003? Why aren't such adjustments made to the data as reported?

    b. When adjusting the payroll and household survey numbers to make an "apples-to-apples" comparison, why does BLS subtract jobs from the household survey (e.g. population increase, self-employed, and agriculture workers) rather than adding jobs to the payroll survey?

    c. Has the disparity between the household and payroll surveys ever been as large or lasted as long as the gap since the end of the 2001 recession?

2. **Statistical Reliability of the Surveys.** It is often said that the payroll survey provides a more accurate reading of month-to-month changes in the labor market situation than the household survey does.

    a. How large does a month-to-month change in payroll employment have to be in order to be considered statistically significant?

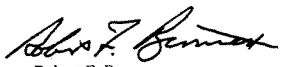
    b. How large does a month-to-month change in household employment have to be in order to be considered statistically significant?

    c. What is the statistical reliability of the two surveys over longer time periods? In other words, how large does a year-over-year change in payroll employment have to be to be considered statistically significant? In household employment?

3. **Outsourcing.** One question at the hearing was whether outsourcing of jobs (e.g., janitorial services at a factory being outsourced to a professional services firm) might result in the apparent decline of manufacturing jobs, even though the affected workers continue to perform the same or similar work. Has the BLS prepared any studies of this issue? If so, please provide copies

Thank you for taking the time to answer these questions. Should you or your staff have any questions regarding this request, please call Donald Marron, Executive Director of the Joint Economic Committee, at (202) 224-3922.

Sincerely,



Robert F. Bennett
Chairman

U. S. Department of Labor

Commissioner
Bureau of Labor Statistics
Washington, D.C. 20212

OCT 2 — 2003

The Honorable Robert F. Bennett
Joint Economic Committee
United States Senate
Washington, D.C. 20510

Dear Mr. Bennett:

I am responding to your letter of September 12 in which you raised several questions about the disparity between the estimates from our household and payroll surveys, the statistical reliability of the data from those surveys, and outsourcing of manufacturing jobs. I will respond to each question in your letter individually.

Question 1a. When making comparisons to other time periods or other surveys, how does BLS account for the population adjustment made to the household survey in January 2003? Why aren't such adjustments made to the data as reported?

In order to answer your question about comparisons, I first would like to provide some background information on adjustments to the population controls used by the household survey. These adjustments have occurred regularly throughout the history of the household survey. They stem from one of two sources -- data from the latest decennial census or the annual updating of population estimates.

Population control adjustments stemming from decennial census information are introduced into the household survey several years after the census. In recent decades, we have revised the historical household survey data back to the census reference year. The annual population control adjustments that occur between decennial censuses generally are introduced each January. These annual adjustments are projections of the population that the Census Bureau produces using administrative data and various models. We do not revise historical employment and unemployment data to reflect these annual population adjustments because they typically are much smaller than the one introduced in January 2003. In January 2001, for example, the population was adjusted by only -15,000 and, thus, had a negligible effect on the labor force data.

Honorable Robert F. Bennett--2

OCT 2 _ 2003

Even the relatively large population adjustment of January 2003 (+941,000) had only a minor effect on many of the household data series.

Further, experience has shown that the population revisions for one year may be offset by the revisions for the following year. Since revising our historical employment and unemployment data is very time consuming, we could find ourselves in the position of making changes to the labor force data that would have to be revised again (and perhaps reversed) a short time later.

Returning to the first part of your question, when comparing total employment for a month in 2003 to total employment for a month in 2002, we usually would just subtract 576,000 from the 2003 estimate—576,000 being the impact of the population bump on the total employment figure. The impact of the bump is smaller for other series; for example, the effect was 510,000 for nonagricultural wage and salary employment and only 38,000 for unemployment. The bump had virtually no effect on the unemployment rate and other ratios.

If one was making a comparison going back several years, it probably would be more accurate to distribute the impact of the bump over the period of 2000 through 2002. This is because the population bump does not represent a one-time jump in population that occurred in January 2003, but a difference that accumulated from the point of the 2000 Census forward. Several methods could be used to smooth out the bump. For the convenience of our data users, we are writing an article about one method. The article will appear in a future issue of our monthly publication, *Employment and Earnings*.

Question 1b. When adjusting the payroll and household survey numbers to make an "apples-to apples" comparison, why does BLS subtract jobs from the household survey (e.g. population increase, self-employed, and agriculture workers) rather than adding jobs to the payroll survey?

Honorable Robert F. Bennett--3

OCT 2 _ 2003

Each month, the Bureau does a reconciliation of employment from the two surveys. This reconciliation adjusts only for the conceptual differences between the household and payroll surveys for which we have readily available estimates. I would emphasize that we are by no means creating an "apples-to-apples" comparison with this exercise. There are other conceptual and definitional differences between the two surveys for which we cannot adjust or for which we have very limited information. Some examples of these additional differences include the distinct survey reference periods and the minimum age restriction in the household survey.

The various adjustments we make in the monthly reconciliation – subtracting agricultural employment, self employed, unpaid family workers, private household workers, and those on unpaid leave from their jobs; adding multiple jobholders – use data that originate from the household survey. Therefore, it seems more appropriate to adjust the household survey by subtracting and adding the respective factors than to adjust payroll employment using data from the household survey. Regardless of which employment series is adjusted, the resulting difference between the two is, of course, the same.

Question 1c. Has the disparity between the household and payroll surveys ever been as large or lasted as long as the gap since the end of the 2001 recession?

There are a number of measurement issues which complicate making historical comparisons of the size and duration of the disparity between the household and payroll survey estimates. For instance, breaks occur in the comparability of historical data series, such as the one caused by the population adjustment to the household survey in January 2003. Nevertheless, it is clear that some level of discrepancy always exists between the estimates, and the relative size of the discrepancy can vary dramatically depending on time periods used to make the comparison. Even over the short term, the discrepancy level will

sometimes swing significantly from month to month primarily due to volatility that can occur in the household survey employment estimates.

Looking at the data for recent years, the payroll survey grew much more than the household survey for an extended period during the 1990s expansion. The discrepancy between the surveys widened considerably during most of that multi-year expansion. In the 21-month period from November 1997 through August 1999, for example, the cumulative discrepancy between the two surveys was approximately 2.4 million, where payroll employment growth surpassed household employment growth.

Question 2a. How large does a month-to-month change in payroll employment have to be in order to be considered statistically significant?

In the payroll survey, the threshold of statistical significance at the 90 percent confidence level is +/-105,000 for over-the-month changes in total nonfarm employment.

Question 2b. How large does a month-to-month change in household employment have to be in order to be considered statistically significant?

In the household survey, the threshold of statistical significance at the 90 percent confidence level is +/-291,000 for over-the-month changes in total employment.

Question 2c. What is the statistical reliability of the two surveys over longer time periods? In other words, how large does a year-over-year change in payroll employment have to be to be considered statistically significant? In household employment?

Over the year, the change in nonfarm employment from the payroll survey must exceed +/-288,000 to be statistically significant at the 90 percent confidence level. The comparable figure for the household survey is +/-548,000.

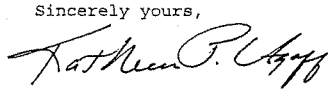
Honorable Robert F. Bennett--5

OCT 2 — 2003

With regard to your final question on outsourcing of certain jobs within the manufacturing industry, I am not able to provide you with any information on this issue. Neither of the monthly surveys provides specific data that can shed any light on these potential movements, nor have we carried out any special studies in this area.

I hope you find this information useful. I will be happy to respond to any additional questions that you might have, and I look forward to appearing before the Committee in the future to discuss our employment and unemployment data.

Sincerely yours,



KATHLEEN P. UTGOFF
Commissioner

U. S. Department of Labor

Commissioner for
Bureau of Labor Statistics
Washington, D.C. 20212

OCT 2 2003

The Honorable Jim H. Saxton
House of Representatives
Washington, D.C. 20515-2501

Dear Congressman Saxton:

At the September 5th hearing of the Joint Economic Committee, you requested information regarding the trend in the unemployment rate following the troughs of past recessions.

I have enclosed two tables with data relevant to your question. The first shows a time series of the monthly unemployment rate from 1969 through August 2003, with the recessionary periods highlighted. The second table shows the unemployment rate at the peak, trough, and selected months following the trough of every recession since 1969.

The tables show that the post-recession movements in the unemployment rate differ somewhat. For example, the unemployment rate remained relatively flat for an extended period after the recessions that ended in November 1970 and in July 1980, and in both cases, the jobless rate had not reached its pre-recession level by the time a new recession began. The rate actually increased following the recessionary troughs of March 1991 and November 2001. In contrast, the jobless rate began to decline in the second month after the recessionary trough of November 1982.

I hope that this information is helpful to you. Please let me know if I can be of any further assistance. Also, John Galvin, Associate Commissioner for Employment and Unemployment Statistics, can be reached at 202-691-6400 and would be happy to answer any follow-up questions that you or your staff may have regarding these data.

Sincerely yours,

KATHLEEN P. UTGOFF
Commissioner

Enclosures

Table 1. Unemployment rate, seasonally adjusted, 1969-2003

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1969	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.7	3.7	3.5	3.5
1970	3.9	4.2	4.4	4.6	4.8	4.9	5.0	5.1	5.4	5.5	5.9	6.1
1971	5.9	5.9	6.0	5.9	5.9	5.9	6.0	6.1	6.0	5.8	6.0	6.0
1972	5.8	5.7	5.8	5.7	5.7	5.7	5.6	5.6	5.5	5.6	5.3	5.2
1973	4.9	5.0	4.9	5.0	4.9	4.9	4.8	4.8	4.8	4.6	4.6	4.9
1974	5.4	5.7	5.1	5.4	5.1	5.4	5.5	5.6	5.9	6.0	6.7	7.2
1975	8.1	8.1	8.6	8.8	9.0	8.8	8.6	8.4	8.4	8.4	8.3	8.2
1976	7.9	7.7	7.6	7.7	7.4	7.6	7.8	7.8	7.6	7.7	7.8	7.8
1977	7.5	7.6	7.4	7.2	7.0	7.2	6.9	7.0	6.8	6.8	6.8	6.4
1978	6.4	6.3	6.3	6.1	6.0	5.9	6.2	5.9	6.0	5.8	5.9	6.0
1979	5.9	5.9	5.8	5.8	5.6	5.7	5.7	6.0	5.9	6.0	5.9	6.0
1980	6.3	6.3	6.3	6.9	7.4	7.6	7.8	7.7	7.5	7.5	7.5	7.2
1981	7.5	7.4	7.4	7.2	7.5	7.5	7.2	7.4	7.6	7.9	8.3	8.5
1982	8.6	8.9	9.0	9.5	9.4	9.6	9.8	9.8	10.1	10.4	10.8	10.8
1983	10.4	10.4	10.3	10.2	10.1	10.1	9.4	9.5	9.2	8.8	8.5	8.3
1984	8.0	7.8	7.8	7.7	7.4	7.2	7.5	7.5	7.3	7.4	7.2	7.3
1985	7.3	7.2	7.2	7.3	7.2	7.4	7.4	7.1	7.1	7.1	7.0	7.0
1986	6.7	7.2	7.2	7.1	7.2	7.2	7.0	6.9	7.0	7.0	6.9	6.6
1987	6.6	6.6	6.6	6.3	6.3	6.2	6.1	6.0	5.9	6.0	5.8	5.7
1988	5.7	5.7	5.7	5.4	5.6	5.4	5.4	5.6	5.4	5.4	5.3	5.3
1989	5.4	5.2	5.0	5.2	5.2	5.3	5.2	5.2	5.3	5.3	5.4	5.4
1990	5.4	5.3	5.2	5.4	5.4	5.2	5.5	5.5	5.9	5.9	6.2	6.3
1991	6.4	6.6	6.8	6.7	6.9	6.9	6.8	6.9	6.9	7.0	7.0	7.3
1992	7.3	7.4	7.4	7.4	7.6	7.8	7.7	7.6	7.6	7.3	7.4	7.4
1993	7.3	7.1	7.0	7.1	7.1	7.0	6.9	6.8	6.7	6.8	6.6	6.5
1994	6.6	6.6	6.5	6.4	6.1	6.1	6.1	6.0	5.9	5.8	5.6	5.5
1995	5.6	5.4	5.4	5.8	5.6	5.6	5.7	5.7	5.6	5.5	5.6	5.6
1996	5.6	5.5	5.5	5.6	5.6	5.3	5.5	5.1	5.2	5.2	5.4	5.4
1997	5.3	5.2	5.2	5.1	4.9	5.0	4.9	4.8	4.9	4.7	4.6	4.7
1998	4.6	4.6	4.7	4.3	4.4	4.5	4.5	4.5	4.6	4.5	4.4	4.4
1999	4.3	4.4	4.2	4.3	4.2	4.3	4.3	4.2	4.2	4.1	4.1	4.0
2000	4.0	4.1	4.0	3.8	4.1	4.0	4.1	4.1	4.0	3.9	4.0	3.9
2001	4.1	4.2	4.2	4.4	4.4	4.6	4.6	4.9	5.0	5.4	5.6	5.8
2002	5.6	5.6	5.7	5.9	5.8	5.8	5.8	5.8	5.7	5.8	5.9	6.0
2003	5.7	5.8	5.8	6.0	6.1	6.4	6.2	6.1				

NOTE: Gray areas indicate National Bureau of Economic Research-designated recessions

Source: Current Population Survey, Bureau of Labor Statistics

Table 2. Unemployment rates during recessionary periods and selected post-recessionary periods, seasonally adjusted

Peak/Trough[1]	Unemployment rate					
	Peak	Trough	6 months after trough	12 months after trough	18 months after trough	24 months after trough
Dec.1969-Nov.1970	3.5	5.9	5.9	6.0	5.7	5.3
Nov.1973-March 1975	4.8	8.6	8.4	7.6	7.6	7.4
Jan.1980-July 1980	6.3	7.8	7.5	7.2[2]	8.6[2]	9.8[2]
July 1981-Nov.1982	7.2	10.8	10.1	8.5	7.4	7.2
July 1990-March 1991	5.5	6.8	6.9	7.4	7.6	7.0
March 2001-Nov.2001	4.2	5.6	5.8	5.9	6.1	[3]

[1]Dates are National Bureau of Economic Research-designated peaks and troughs

[2]The recession of 1981-82 began exactly 12 months after the previous recession, so these points are during a recessionary period.

[3]The unemployment rate in August 2003, 21 months after the trough, was 6.1 percent

Source: Current Population Survey, Bureau of Labor Statistics