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Statement of

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Nonfarm payroll employment increased by 528,000 in July, and the unemployment rate edged down to 3.5 percent. Job growth was widespread, led by gains in leisure and hospitality, professional and business services, and health care.

In July, both total nonfarm employment and the unemployment rate returned to their February 2020 pre-pandemic levels. Private-sector employment is 629,000 higher than in February 2020, although several sectors have yet to recover. Government employment is 597,000 lower than its pre-pandemic level.

In July, employment growth continued in leisure and hospitality (+96,000), with most of the gain in food services and drinking places (+74,000). Employment in leisure and hospitality is down by 1.2 million, or 7.1 percent, from its February 2020 level.

Employment in professional and business services increased by 89,000 in July and is 986,000 above its February 2020 level.

In July, job gains were widespread within the industry, including in management of companies and enterprises (+13,000), architectural and engineering services (+13,000), management and technical consulting services (+12,000), and scientific research and development services (+10,000).

Health care added 70,000 jobs in July, with gains in ambulatory health care services (+47,000), hospitals (+13,000), and nursing and residential care facilities (+9,000). Employment in health care is 78,000 below its February 2020 level.

Employment in government rose by 57,000 in July but is below its February 2020 level by 597,000. Over the month, employment increased by 37,000 in local government, mostly in education (+27,000). Employment in local government is below its February 2020 level by 555,000, or 3.8 percent, with the losses split between the education and non-education components.

Employment in construction increased by 32,000 in July, mostly in specialty trade contractors (+22,000). Construction employment is 82,000 higher than in February 2020.

Manufacturing added 30,000 jobs in July, with most of the gain in durable goods industries (+21,000). Manufacturing employment is 41,000 higher than in February 2020.

In July, social assistance added 27,000 jobs, including a gain of 19,000 in individual and family services. Employment in social assistance is 53,000 below its February 2020 level.

Retail trade employment rose by 22,000 in July, with growth in food and beverage stores (+9,000) and general merchandise stores (+8,000). Employment in retail trade is 208,000 higher than in February 2020.

Transportation and warehousing added 21,000 jobs in July, with gains in air transportation (+7,000) and support activities for transportation (+6,000). Employment in transportation and warehousing is 745,000 higher than in February 2020.

Information employment continued its upward trend in July (+13,000) and is 117,000 higher than in February 2020.

Employment in financial activities continued to trend up in July (+13,000) and is 95,000 above its level in February 2020.

In July, mining employment increased by 7,000, with gains in support activities for mining (+4,000) and in oil and gas extraction (+2,000). Since a recent low in February 2021, mining employment has grown by 96,000.

Employment showed little change over the month in wholesale trade and in other services.

In July, the average workweek for all private-sector workers was 34.6 hours for the fifth month in a row. The average workweek for manufacturing was unchanged at 40.4 hours.

Average hourly earnings of all employees on private nonfarm payrolls increased by 15 cents, or 0.5 percent, to \$32.27 in

July. Over the past 12 months, average hourly earnings have increased by 5.2 percent.

Turning to the labor market indicators from the household survey, both the unemployment rate, at 3.5 percent in July, and the number of unemployed people, at 5.7 million, edged down over the month. Both measures have returned to their February 2020 levels.

In July, the unemployment rates for adult women (3.1 percent) and Whites (3.1 percent) declined. The jobless rates for adult men (3.2 percent), teenagers (11.5 percent), Blacks (6.0 percent), Asians (2.6 percent), and Hispanics (3.9 percent) showed little change.

Among the unemployed, the number of permanent job losers, at 1.2 million in July, continued to trend down over the month and is 129,000 lower than in February 2020. The number of people on temporary layoff, at 791,000 in July, changed little over the month and has essentially returned to its pre-pandemic level.

By duration of unemployment, the number of people unemployed for 27 weeks or more declined by 269,000 over the month to 1.1 million and has returned to its February 2020 level. These long-term unemployed accounted for 18.9 percent of all unemployed people in July.

The labor force participation rate, at 62.1 percent, and the employment-population ratio, at 60.0 percent, changed little

in July. Both measures are below their February 2020 levels, by 1.3 percentage points and 1.2 percentage points, respectively.

In July, the number of people working part time for economic reasons rose by 303,000 to 3.9 million, reflecting an increase in the number of people whose hours were cut due to slack work or business conditions. The number of people working part time for economic reasons is below its February 2020 level of 4.4 million.

The number of people not in the labor force who currently want a job was little changed at 5.9 million in July. This measure remains above its February 2020 level of 5.0 million.

Among those who were not in the labor force but wanted a job, the number of people marginally attached to the labor force, at 1.5 million, was about unchanged in July. (People who are marginally attached to the labor force had not actively looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months.) The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, changed little at 424,000 in July.

Looking at the supplemental pandemic-related measures from the household survey (these supplemental data are not seasonally adjusted), the share of employed people who teleworked because of the pandemic was 7.1 percent in July, unchanged over the

month. These data refer only to employed people who teleworked or worked at home for pay at some point in the last 4 weeks specifically because of the pandemic; they do not include all instances of telework.

In July, the number of people who reported that they had been unable to work because their employer closed or lost business due to the pandemic was 2.2 million, little changed from June. (These individuals did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic.) Among those who reported in July that they were unable to work because of pandemic-related closures or lost business, 25.0 percent received at least some pay from their employer for the hours not worked, also little changed from June.

Among those not in the labor force in July, 548,000 people were prevented from looking for work due to the pandemic, little changed from June. (To be counted as unemployed, by definition, individuals must either be actively searching for work or on temporary layoff.)

In summary, nonfarm payroll employment increased by 528,000 in July, and the unemployment rate edged down to 3.5 percent.