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Statement of

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Total nonfarm payroll employment rose by 559,000 in May, and the unemployment rate declined by 0.3 percentage point to 5.8 percent. Notable job gains occurred in leisure and hospitality, in public and private education, and in health care and social assistance.

Substantial job losses related to the coronavirus (COVID-19) pandemic first occurred in March (-1.7 million) and April (-20.7 million) of 2020. As economic activity resumed, employment increased by 12.6 million from May through November but declined again in December (-306,000) following a surge in the number of coronavirus cases. Job growth restarted in January of this year, and nonfarm payroll employment has increased by 2.4 million over the past 5 months. However, payroll employment is down by 7.6 million, or 5.0 percent, from the pre-pandemic employment peak in February 2020.

Employment in leisure and hospitality rose by 292,000 in May, as pandemic-related restrictions continued to ease in some parts of the country. The industry has added 1.3 million jobs since January. Employment rose in food services and drinking places (+186,000); amusements, gambling, and recreation (+58,000); and accommodation (+35,000). Employment in leisure and hospitality is down by 2.5 million, or 15.0 percent, since February 2020.

In May, employment increased in local government education (+53,000), state government education (+50,000), and private education (+41,000), reflecting the continued resumption of in-person learning and other school-related activities in some parts of the country. However, since February 2020, employment is down in local government education (-556,000), state government education (-244,000), and private education (-293,000).

Health care and social assistance added 46,000 jobs in May. Employment in social assistance increased by 23,000, with most of the gain in child day care services (+18,000). Social assistance employment is 257,000 lower than in February 2020. Employment in health care continued to trend up in May (+23,000), with a gain in ambulatory health care services (+22,000). Health care employment is 508,000 below the February 2020 level.

In May, employment in information rose by 29,000, with about half of the gain occurring in motion picture and sound recording industries (+14,000). Since February 2020, employment in information is down by 193,000.

Manufacturing employment increased by 23,000 in May, following a decline in the previous month (-32,000). The employment changes over the 2 months occurred primarily in motor vehicles and parts, which added 25,000 jobs in May, partially reversing a decrease in the previous month (-38,000). Overall, manufacturing employment is 509,000 lower than in February 2020.

Transportation and warehousing added 23,000 jobs in May, with employment gains in support activities for transportation (+10,000) and air transportation (+9,000). Since February 2020, employment in transportation and warehousing is down by 100,000.

In May, wholesale trade employment rose by 20,000, with most of the gain in the durable goods component (+14,000). Employment in wholesale trade is down by 211,000 since February 2020.

Construction employment edged down by 20,000 in May. Within the industry, nonresidential specialty trade contractors lost jobs over the month (-17,000). Employment in construction is 225,000 lower than in February 2020.

Employment in professional and business services changed little in May (+35,000). Within the industry, employment

continued to trend up in accounting and bookkeeping services (+14,000). Employment in temporary help services was little changed in May (+4,000), following a large decline in the previous month (-116,000). Overall, employment in professional and business services is down by 708,000 since February 2020.

Employment in retail trade changed little in May (-6,000). Food and beverage stores (-26,000) and health and personal care stores (-7,000) lost jobs, while clothing and clothing accessories stores (+11,000) and miscellaneous store retailers (+6,000) added jobs. Retail trade employment is 411,000 below the February 2020 level.

Employment in other major industries--including mining, financial activities, and other services--showed little change over the month.

In May, the average workweek for all private-sector workers was 34.9 hours for the third consecutive month. The average workweek for manufacturing increased by 0.1 hour to 40.5 hours in May.

Average hourly earnings of all employees on private nonfarm payrolls increased by 15 cents to \$30.33 in May, following an increase of 21 cents in the prior month. The data for April and May suggest that the rising demand for labor associated with the recovery from the pandemic may have put upward pressure on wages. However, because average hourly earnings vary widely

across industries, the large employment fluctuations since February 2020 complicate the analysis of recent trends in average hourly earnings.

Turning to the labor market indicators from the household survey, the unemployment rate fell by 0.3 percentage point to 5.8 percent in May, and the number of unemployed people declined by 496,000 to 9.3 million. Both measures have fallen from their April 2020 peaks but remain well above their February 2020 levels (3.5 percent and 5.7 million, respectively).

Among the major worker groups, the unemployment rates decreased in May for teenagers (9.6 percent), Whites (5.1 percent), and Hispanics (7.3 percent). The jobless rates for adult men (5.9 percent), adult women (5.4 percent), Blacks (9.1 percent), and Asians (5.5 percent) showed little change.

Among the unemployed, the number of people on temporary layoff decreased by 291,000 to 1.8 million in May. This measure is down considerably from a high of 18.0 million in April 2020 but is 1.1 million higher than in February 2020. The number of permanent job losers, at 3.2 million, declined by 295,000 in May but is 1.9 million higher than in February 2020.

By duration of unemployment, the number of people unemployed for 27 weeks or more (often referred to as the long-term unemployed) fell by 431,000 in May to 3.8 million but is up by 2.6 million since February 2020. In May, the long-term

unemployed accounted for 40.9 percent of the unemployed. The number of people searching for work for less than 5 weeks decreased by 391,000 in May to 2.0 million. In contrast, the number of people who were jobless 5 to 14 weeks rose by 187,000 to 2.1 million.

The labor force participation rate, at 61.6 percent, was little changed over the month and has remained within the narrow range of 61.4 percent to 61.7 percent since June 2020. This measure is 1.7 percentage points lower than in February 2020. The employment-population ratio, at 58.0 percent, also changed little in May but is 3.1 percentage points lower than in February 2020.

In May, 5.3 million people were working part time for economic reasons, essentially unchanged from the previous month. The number of people affected by this type of underemployment is down from a peak of 10.9 million in April 2020 but is 873,000 higher than in February 2020.

At 6.6 million, the number of people not in the labor force who currently want a job was essentially unchanged in May. This measure is down from a peak of 9.9 million in April 2020 but is 1.6 million higher than in February 2020. Among those not in the labor force who wanted a job, the number of people marginally attached to the labor force was little changed at 2.0 million in May. (People who are marginally attached to the labor force had

not actively looked for work in the 4 weeks prior to the survey but 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, was also little changed over the month, at 600,000.

As in previous months, some workers affected by the pandemic who should have been classified as unemployed on temporary layoff in May were instead misclassified as employed but not at work. Since March 2020, BLS has published an estimate of what the unemployment rate would have been had misclassified workers been included among the unemployed. Repeating this same approach, the seasonally adjusted May unemployment rate would have been 0.3 percentage point higher than reported. Additional information about the misclassification, as well as information about response rates for both the household and establishment surveys, is available on the BLS website at www.bls.gov/covid19/employment-situation-covid19-faq-may-2021.htm.

Looking at supplemental pandemic-related measures from the household survey (these supplemental data are not seasonally adjusted), the share of employed people who teleworked in May because of the coronavirus pandemic declined to 16.6 percent. 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 May, the number of people who reported that they had been unable to work because their employer closed or lost business due to the pandemic--that is, they did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic--fell by 1.5 million to 7.9 million. Among those who reported in May that they were unable to work because of pandemic-related closures or lost business, 9.3 percent received at least some pay from their employer for the hours not worked, unchanged from the prior month.

Among those not in the labor force in May, 2.5 million people were prevented from looking for work due to the pandemic, down from 2.8 million in the prior month. (To be counted as unemployed, by definition, individuals must either be actively searching for work or on temporary layoff.)

In summary, nonfarm payroll employment rose by 559,000 in May, and the unemployment rate declined to 5.8 percent.