Nonfarm Payroll Employment

Nonfarm payroll employment rose sharply by 675,000 to an April record of 54.7 million. The total was 1.5 million higher than the depressed level of a year ago and 530,000 higher (seasonally adjusted) than before the beginning of the business downturn in May 1960. Better-than-seasonal gains were widespread in manufacturing industries, while construction employment regained its previous month's loss. Smaller increases, which were also better than seasonal, occurred in trade, transportation and public utilities, and State and local government.

Employment in manufacturing rose by 80,000 to 16.6 million; it usually declines in April. The gains were spread among virtually every manufacturing industry, in both consumer and producer goods. Employment in transportation equipment, which usually shows a seasonal decline in April, held its employment level as automobile sales reached their highest point since September 1955. The fabricated metals, electrical equipment, and machinery industries increased significantly on a seasonally adjusted basis, as did primary metals and the stone, clay, and glass industries. In the soft-goods manufacturing industries, the greatest strength was shown in apparel where jobs in April were cut substantially less than in the same month in previous years.

The largest part of the April job increase was seasonal and occurred in other than manufacturing industries. The increase of 240,000 in construction brought seasonally adjusted employment up to the level of February 1962 and December 1961 after weather affected declines in January and March 1962. The job pickup in transportation and public utilities is the third consecutive monthly increase whereas there had been virtually no improvement during the last half of 1961 and a decline at the turn of the year. Trade has picked up 100,000 workers (seasonally adjusted) since January, and has now risen significantly beyond its May 1960 level for the first time.

Half of the 1.6 million jobs gained during the recovery period from February 1961 have been in manufacturing, concentrated in the five durable goods industries which accounted for the major part of the recession loss. These industries (primary metals, fabricated metals, electrical equipment, transportation equipment, and machinery) have increased an average of 10 percent over their recession lows, although machinery has shown much less of a gain than the others. In nondurable goods employment, the increases averaged only 2-1/2 percent during the upswing, but these industries suffered far less loss during the recession. Electrical equipment alone among the major manufacturing industries has risen substantially beyond prerecession levels after allowance for seasonal change. (See Table A.)

The other half of the 1.6 million job increase since February 1961 was in trade, service, government, and finance. Among these, only trade shows any decline during the recession, and this decline was small. On the other hand, employment in service and government continued steadily upward without interruption during the recession, as it had in these industries throughout the postwar period.

In other nonmanufacturing industries, mining and construction are the only ones showing losses (totaling 75,000) since the latest recession low.