Unemployment Drops, Manufacturing Pitches In

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WASHINGTON (AP) — A wave of census layoffs cut the nation's payrolls in June for the first time in six months, while private employers added a modest number of jobs. The unemployment rate fell to 9.5 percent, its lowest level in almost a year.

Employers cut 125,000 jobs last month, the most since October, the Labor Department said Friday. The loss was driven by the end of 225,000 temporary census jobs. Businesses added a net total of 83,000 workers, an improvement from May. But that's also below March and April totals.

The unemployment rate dropped to the lowest level since July 2009. But it fell because 652,000 people gave up on their job searches and left the labor force. People who are no longer looking for work aren't counted as unemployed.

The report indicates that businesses are still slow to hire amid a weak economic recovery. Analysts expected private payrolls to rise by about 110,000, according to Thomson Reuters.

The nation still has 7.9 million fewer private payroll jobs than it did when the recession began. It takes about 100,000 new jobs a month to keep up with population growth. The economy needs to create jobs at least twice that pace to quickly bring down the jobless rate.

All told, 14.6 million people were looking for work in June. Counting those who have given up their job searches and those who are working part time but would prefer full-time work, the underemployment rate edged down to 16.5 percent from 16.6 percent in May.

Manufacturers, the leisure and hospitality industries, temporary staffing agencies, and education and health services providers all added jobs. Retailers, construction firms and the financial service providers cut payrolls.

Private employers added only 33,000 jobs in May, the department said, below an earlier estimate of 41,000. April private-sector payrolls were revised up to show a total gain of 241,000 jobs, higher than the earlier estimate of 218,000.

The Census Bureau added more than 400,000 workers in May to assist with the 2010 employment count, but most of those jobs lasted only six to eight weeks.

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