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**STATEMENT BY CHAD STONE,  
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ON THE FEBRUARY EMPLOYMENT REPORT**

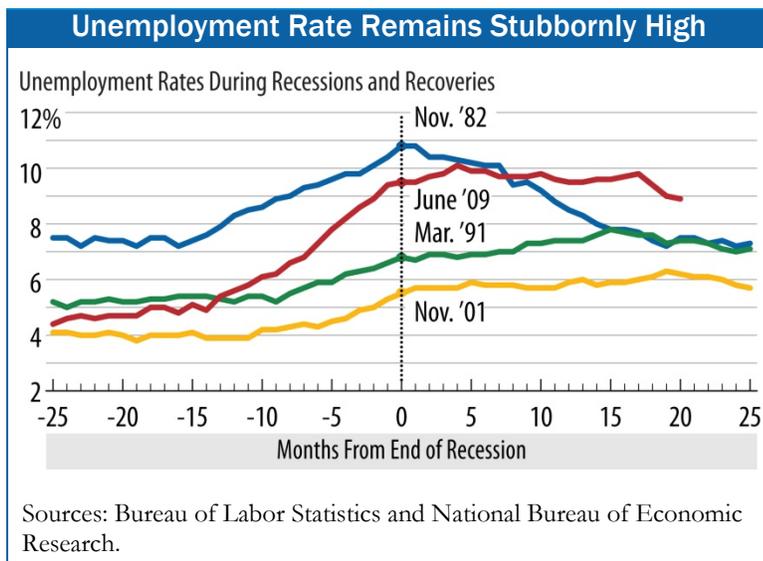
Today's employment report shows job creation bouncing back from last month's depressed level, but it also shows that the labor market is still suffering serious ill-effects from the 2007-2009 recession. Job growth thus far in the economic recovery has reduced only a small part of the huge jobs deficit that the recession created, and unemployment remains stubbornly high long after the official end of the recession (see chart).

The Federal Reserve is trying to lower unemployment by stimulating economic growth and job creation through monetary policy. House Republicans, however, want to push fiscal policy in the opposite direction by immediately cutting government spending.

At Congressional hearings this week, Federal Reserve

Chairman Ben Bernanke stated that the House Republicans' proposed cuts would slow economic growth and cost a "non-trivial" couple of hundred thousand jobs. That's the wrong way to go when 25 million people are unemployed, discouraged from looking, or working part-time when they would like to be working full time; when more than two out of five unemployed workers have been looking for a job for more than half a year; and when there is only one job opening for every five unemployed people looking for work.

Restoring full employment will require creating enough jobs not only to eliminate the recession-induced jobs deficit but also to accommodate population growth and the return of discouraged workers to the labor force. The Congressional Budget Office projects that even if job growth returns to roughly the pace of the late 1990s, it will take until 2016 to lower the unemployment rate to 5.3 percent. Congress should not make it harder to strengthen the recovery and create more jobs by enacting ill-timed and excessive spending cuts.



## About the February Jobs Report

Job growth was strong in February but other indicators show that the labor market remains in a deep slump.

- Private and government payrolls, which were depressed by harsh weather in January, rose by 192,000 jobs in February. Private employers on net added 222,000 jobs, while state and local government employment fell by 12,000 and 18,000 jobs, respectively (federal government employment was unchanged).
- This is the 12<sup>th</sup> straight month of private-sector job creation, with payrolls growing by 1.5 million jobs (a pace of 127,000 jobs a month) since February 2010; total nonfarm employment (private plus government jobs) has grown by 1.3 million jobs over the same period, or 106,000 a month. Job creation of 100,000 to 125,000 a month is necessary just to keep up with population growth and keep the unemployment rate from rising; growth of 200,000 to 300,000 jobs a month or more is typical in strong economic recoveries.
- In February, despite 12 months of job growth, there were still 7.5 million fewer jobs on nonfarm payrolls than there were when the recession began in December 2007, and 7.3 million fewer jobs on private payrolls.
- The unemployment rate edged down to 8.9 percent in February, and the number of unemployed was 13.7 million. The unemployment rate was 8.0 percent for whites (3.6 percentage points higher than at the start of the recession), 15.3 percent for African Americans (6.3 percentage points higher than at the start of the recession), and 11.6 percent for Hispanics or Latinos (5.3 percentage points higher than at the start of the recession).
- The recession and lack of job opportunities drove many people out of the labor force, and we have yet to see the return to labor force participation (working or actively looking for work) that marks a strong jobs recovery. The labor force in February was smaller than it was a year ago and the labor force participation rate (the share of the population aged 16 and over working or looking for work) remained depressed at 64.2 percent, the lowest it has been since 1984. Recent declines in the unemployment rate would be more encouraging if they were accompanied by a rising labor force participation rate.
- The share of the population with a job, which plummeted in the recession to levels last seen in the mid-1980s, remained at 58.4 percent in February. Prior to the current slump, the last time it was lower was August 1983.
- It remains very difficult to find a job. The Labor Department's most comprehensive alternative unemployment rate measure — which includes people who want to work but are discouraged from looking and people working part time because they can't find full-time jobs — was 15.9 percent in February, not much below its all-time high of 17.4 percent in October 2009 in data that go back to 1994. By that measure, about 25 million people are unemployed or underemployed.
- Long-term unemployment remains a significant concern. Over two-fifths (43.9 percent) of the 13.7 million people who are unemployed — 6.0 million people — have been looking for work

for 27 weeks or longer. These long-term unemployed represent 3.9 percent of the labor force. Prior to this recession, the previous highs for these statistics over the past six decades were 26.0 percent and 2.6 percent, respectively, in June 1983.

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