

Friday, September 4, 2009

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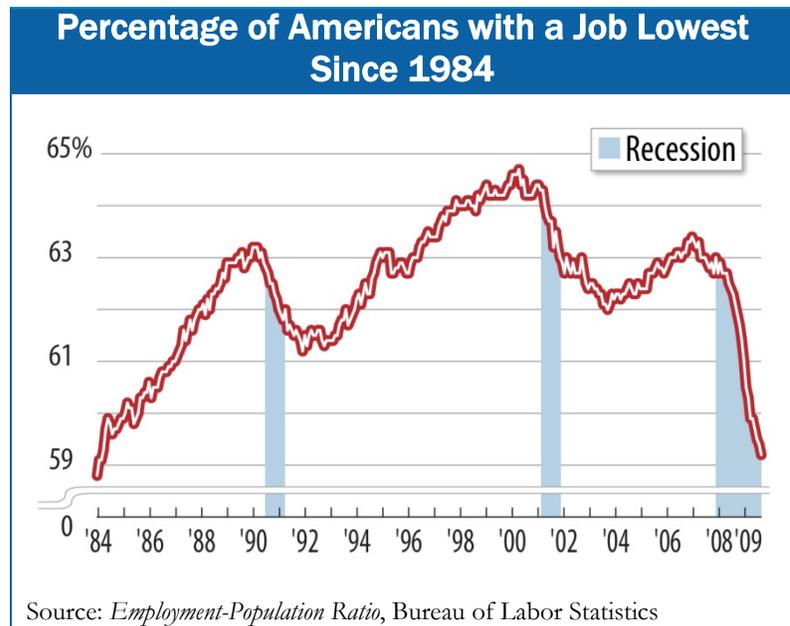
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STATEMENT BY CHAD STONE, CHIEF ECONOMIST, ON THE AUGUST EMPLOYMENT REPORT

Today's employment report shows little evidence that the emerging economic recovery is reviving the job market. Although job losses continued to moderate in August, the percentage of Americans with a job reached its lowest level since 1984 (See Figure).

Economic activity seems to be increasing, but employers remain reluctant to hire, and people who want to work remain discouraged about their prospects of finding a job. Improvements in the labor market typically lag behind a turnaround in economic growth, so unless things change dramatically, job losses will continue and the unemployment rate will keep rising for a significant period of time after the formal end of the recession.

President Obama and Congress enacted significant temporary unemployment insurance benefits (UI), including additional weeks of benefits to people who exhaust their regular 26 weeks of benefits. To provide assistance for job-seekers and to provide a valuable boost to economic activity, policymakers should renew the temporary UI benefits programs, which expire at the end of this year. They should also consider additional assistance for job-seekers who have exhausted or will soon exhaust all their UI benefits in what continues to be a very harsh labor market, where a third of the unemployed have been looking for work for 27 weeks or longer.



About the August Jobs Report

September marks the 21st month since the start of the recession in December 2007, and a host of data in today's report illustrate the ongoing weakness in the labor market.

- Although the pace of job losses has slowed considerably in recent months, private and government payrolls combined have shrunk for 20 straight months, and net job losses since the start of the recession total 6.9 million. (Private sector payrolls have shrunk by 7.0 million jobs over the same period.)
- Nonfarm payrolls fell by 216,000 jobs in August. Taking out losses of government jobs, private payrolls fell by 198,000 jobs. Each of these declines is the smallest since August 2008.
- The unemployment rate, which was 4.9 percent at the start of the recession in December 2007, rose from 9.4 percent in July to 9.7 percent in August, its highest rate since June 1983.
- With little growth in the labor force and a jump in unemployment in August, the percentage of the population with a job continued to trend down, reaching 59.2 percent, its lowest level since March 1984.
- 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 — jumped to 16.8 percent in August. That figure is 8.1 percentage points higher than when the recession began, and it is the highest on record in data that go back to 1994.
- A third of the 11 million unemployed workers have been looking for work for 27 weeks or longer.

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