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**For Immediate Release**  
July 8, 2005

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## **JOB GROWTH WEAKER THAN EXPECTED IN JUNE**

Washington, D.C. – The unemployment rate edged down to 5.0 percent in June, and 146,000 total payroll jobs were created. Non-government jobs grew by 144,000. Markets had been expecting payroll employment growth of 175,000 to 200,000 jobs in June.

“Job growth fell short of expectations last month after a dismal report in May,” said **Sen. Jack Reed** (D-RI), Ranking Democrat on the **Joint Economic Committee (JEC)**. “Another month of disappointing job growth, low labor force participation, and stagnant real wages means that the economic benefits of this recovery are not being broadly shared with America’s workers.”

Since payroll employment losses bottomed out in May 2003, the average pace of job creation has been 148,000 jobs per month – a little above the 146,000 jobs created in June. That rate is enough to keep up with normal growth in the labor force, but it is well below the pace of job creation typically seen in a strong economic recovery.

Softness in the labor market continues to be reflected by various indicators. The labor force participation rate is 1.2 percentage points lower than it was at the start of the recession. Additionally, the fraction of the working-age population with a job is 1.6 percentage points lower than it was at the start of the recession.

Long-term unemployment also persists. More than one in every six unemployed people – 1.3 million Americans – has been jobless for more than 26 weeks, the maximum number of weeks for receiving regular unemployment insurance benefits.

The stagnation of earnings in the face of higher prices for gasoline, food, and medical care is squeezing the take home pay of workers. In the past year, average hourly earnings are down 0.2 percent, after adjusting for inflation.

Overall, there are still 7.5 million unemployed Americans, and about 5.2 million additional workers who want a job but are not counted among the unemployed. An additional 4.5 million people work part-time because of the weak economy. The unemployment rate would be 9.0 percent if the figure included those who want to work but are not counted among the unemployed and those who are forced to work part-time because of the weak economy.

*The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.*

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