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Unemployment Falls, but Job Growth Modest in October

Washington, D.C. – The unemployment rate fell to 4.4 percent in October, and 92,000 total payroll jobs were created, the Bureau of Labor Statistics reported today. Non-government jobs grew by only 58,000.

“The labor market is showing some resilience in spite of a slowing economy, but job growth in October was too modest to allay concerns about whether job opportunities will expand in the coming months,” said **Sen. Jack Reed (D-RI)**, Ranking Democrat on the **Joint Economic Committee (JEC)**. “Americans are working harder than ever to keep up with rising living expenses. Staying the course on the President’s policies has failed to deliver greater prosperity and economic security for most families, which is why America needs a new direction.”

Growth in payroll employment has been modest by the standards of past economic recoveries and was just 138,000 jobs per month in the past six months. The 6.0 million jobs created since job losses peaked in August 2003 works out to only about 159,000 per month, when growth of 200,000 jobs per month or more was typical in past recoveries. October’s 4.4 percent unemployment rate remains higher than the 4 percent rate achieved in the expansion of the 1990s.

Many labor market indicators remain weaker than they were at the start of the 2001 recession. The labor force participation rate is 1.0 percentage point lower than it was at the start of the recession and the fraction of the working-age population with a job is also 1.0 percentage point lower. Long-term unemployment also persists. More than one in every seven unemployed people – 1.1 million Americans – have been jobless for more than 26 weeks, the maximum number of weeks for receiving regular unemployment insurance benefits.

High prices for gasoline and medical care are squeezing the take home pay of workers. Average hourly earnings rose 0.4 percent in October. After adjusting for inflation, however, average hourly earnings have not risen above what they were three years ago.

Overall, there are 6.7 million unemployed Americans, and 4.8 million additional workers who want a job but are not counted among the unemployed (including about 1.5 million who have searched for work enough to be considered marginally attached to the labor force). An additional 4.3 million people work part-time for economic reasons. The unemployment rate would be 8.1 percent if the figure included those who are marginally attached to the labor force and those who are forced to work part-time for economic reasons.

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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