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**JOB GROWTH STRONGER IN JULY, BUT SLUGGISH WAGES
AND HIDDEN UNEMPLOYMENT REMAIN CONCERNS**

Washington, D.C. – The unemployment rate was unchanged at 5.0 percent in July, and 207,000 total payroll jobs were created. Non-government jobs grew by 181,000.

“It’s good news that the economy produced healthy job growth in July, but we can’t be confident that a robust jobs recovery is underway until we have a higher rate of labor force participation and solid growth in real wages,” said **Sen. Jack Reed** (D-RI), Ranking Democrat on the **Joint Economic Committee (JEC)**. “Today’s report is a testament to the underlying resiliency of the American economy in the face of economic policies that over the past four years have done more to create a legacy of large budget deficits than to create job opportunities.”

Since payroll employment losses bottomed out in May 2003, the average pace of job creation has been 152,000 per month. 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.

The 5.0 percent unemployment rate does not reflect other indicators that show continued hidden unemployment. The labor force participation rate is 1.1 percentage points lower than it was at the start of the recession and the fraction of the working-age population with a job is 1.5 percentage points lower. Long-term unemployment also persists. More than one in every six unemployed people – 1.4 million Americans – have 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 almost flat, after adjusting for inflation.

Overall, there are still 7.5 million unemployed Americans, and 5.0 million additional workers who want a job but are not counted among the unemployed (including about 1½ million who have searched for work enough to be considered marginally attached to the labor force). An additional 4.4 million people work part-time because of the weak economy. The unemployment rate would be 8.9 percent if the figure included those who are marginally attached to the labor force 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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