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Job Growth Slows Sharply in September

Washington, D.C. – The unemployment rate edged down to 4.6 percent in September, but only 51,000 total payroll jobs were created, the Bureau of Labor Statistics reported today. Non-government jobs grew by 59,000.

“Slower economic growth is taking its toll on job creation,” said **Sen. Jack Reed (D-RI)**, Ranking Democrat on the **Joint Economic Committee (JEC)**. “Job growth has been quite modest and wages have not kept pace with high energy prices and soaring health care costs. Too many American families have lost ground in the Bush economy and are working harder than ever just to keep up with rising living expenses. The President and the majority in Congress simply haven’t created greater economic opportunities for most families.”

Growth in payroll employment – already modest by the standards of past economic recoveries – was just 118,000 jobs per month in the past six months. The 5.8 million jobs created since job losses peaked in August 2003 works out to only about 157,000 per month, when growth of 200,000 jobs per month or more was typical in past recoveries. September’s 4.6 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 1.2 percentage points lower. Long-term unemployment also persists. More than one in every six unemployed people – 1.3 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 0.2 percent in September. After adjusting for inflation, however, average hourly earnings remain lower than they were three years ago.

Overall, there are 6.9 million unemployed Americans, and 4.7 million additional workers who want a job but are not counted among the unemployed (including about 1.3 million who have searched for work enough to be considered marginally attached to the labor force). An additional 4.1 million people work part-time for economic reasons. The unemployment rate would be 8.0 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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