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For Immediate Release
February 6, 2003

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BUSH JOBS DEFICIT PERSISTS DESPITE MODEST JANUARY GAINS
Facing 2.2 Million Jobs Deficit, GOP Leaders Still Resist Efforts to Extend UI Benefits

Washington, D.C. – The unemployment rate edged down to 5.6 percent in January, but only 112,000 payroll jobs were created. Private nonfarm payrolls grew by 125,000 jobs.

“We are a long way from getting back the jobs lost since President Bush took office,” said **Rep. Pete Stark (D-CA), Senior Democrat** on the **Joint Economic Committee (JEC)**. “Our goal must be to restore full employment, and to do that it will be necessary not only to recover all the jobs lost in the recession, but also to create enough new jobs to accommodate the growing labor force. We’re nowhere near that,” added Stark.

President Bush is on track to be the first President since Herbert Hoover to end his term with fewer jobs than when he started. Since job losses peaked at 2.6 million in August, employers have created about 73,000 jobs per month, on average. At that pace, it would take nearly 2½ years to erase the current jobs deficit. President Bush would end his term in January 2005 with a deficit of nearly 1½ million jobs. Job creation would have to average 186,000 jobs per month from January 2004 to January 2005 just to erase the current 2.2 million Bush jobs deficit completely.

“The President’s budget released this week would extend his tax cuts for the wealthy, but he remains steadfastly unwilling to extend temporary federal jobless benefits to the unemployed,” said Stark. “In defiance of the President and the Republican leadership, House Democrats this week drew bipartisan support in passing legislation to restore federal unemployment benefits. Now, it’s time for the President and the Republican-controlled Congress show some compassion for unemployed workers by approving the funds necessary to restart the program,” added Stark.

Payrolls have shrunk by 2.4 million (1.8 percent) since the recession began in March 2001. Both in absolute numbers and in percentage terms, that loss is larger than it was at any point in the recession of the early 1990s. Long-term unemployment remained high in January, and now more than one in every five unemployed – 1.9 million Americans – has been jobless for more than 26 weeks. The average length of a spell of unemployment remains at levels not seen since early 1984. Following the 1990-91 recession, the administration of President Bush’s father provided 20 weeks of temporary federal UI benefits in all states until 1.6 million jobs had been created.

Overall, there are 8.3 million unemployed Americans, and about 4.9 million additional workers who want a job but are not counted among the unemployed. An additional 4.7 million people 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.