



JOINT ECONOMIC COMMITTEE  
SENATOR CHARLES E. SCHUMER  
CHAIRMAN



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## **SCHUMER: WITH RISING UNEMPLOYMENT RATE AND ANEMIC JOB GROWTH, BUSH'S FAILING ECONOMIC POLICIES ARE LEAVING THE U.S. ECONOMY MUCH MORE VULNERABLE TO RECESSION**

*Bush Jobs Record the Worst since Presidents Herbert Hoover and George  
H.W. Bush*

*BLS Report Indicates Loss of 13,000 Private Sector Jobs and Increase in  
Unemployment Rate to 5 Percent*

Washington, D.C. – U.S. Senator Charles E. Schumer, chairman of the Joint Economic Committee, today reacted to the dismal employment report released this morning by the Department of Labor. The Bureau of Labor Statistics announced that the number of unemployed increased by 474,000 with the unemployment rate rising to a two-year high of 5 percent. Non-farm payrolls increased by only 18,000 in December, the weakest showing since August of 2003. Sluggish job growth in the service sector was offset by significant job losses in construction and manufacturing.

**“If there were ever a shot across the bow to this Administration to get off its laissez-faire boat and start helping the economy, this is it. It’s about their last chance to avoid tumbling into recession.”** Schumer said. **“The president's possible plan for economic stimulus in the eighth year of his presidency will likely be too late, hopefully it isn’t too little to stave off a recession in 2008.”**

### Highlights of Today’s BLS Report

- Job losses were widespread across the private sector. Private-sector employers shed 13,000 jobs in December, while government added 31,000 jobs. Manufacturing lost 31,000 jobs, for a total of 212,000 for the past year and retail

trade lost 24,000 jobs last month. Declining employment occurred alongside a drop in hours for production workers from 40.6 to 40.5 hours per week.

- The effects of the housing collapse are being felt throughout the labor market. Construction lost 49,000 jobs last month, for a total of 195,000 jobs over the past year. Losses occurred in both residential and non-residential construction. "Credit intermediation," which includes mortgage brokers, lost 7,000 jobs last month, for a total of 75,000 over the past year.
- The pace of job creation in services has slowed. Over the past year, services typically added 142,000 jobs each month, but in December, only 93,000 jobs were added. Temporary help services, often a leading indicator of employers' willingness to hire, added no jobs in December.
- December's wage growth was far below the pace of inflation. The annualized quarterly rate of wage growth in December was 3.3 percent, far below the last reported quarterly inflation growth of 5.6 percent in November. Inflationary pressures are not coming from wages, but rather from the higher prices of commodities (food and oil, especially).
- There are many indications that people are being laid off and having a hard time finding a new job or having to take a part-time job instead of a full-time one. The share of the unemployed who are "permanent job losers," that is, they were fired or laid off and their employer indicated that they have no intention of rehiring them, has increased sharply over the past year, from 35.7 to 40.1 percent. Over the past year, the share of part-time workers who would prefer to work full-time but can only find a part-time job has risen from 64.0 to 68.0 percent.