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JOBS DEFICIT PERSISTS AS LABOR MARKET STALLS IN JULY
Laid-off Workers Have Trouble Finding Good Jobs

Washington, D.C. – The unemployment rate was essentially unchanged at 5.5 percent in July, but only 32,000 payroll jobs were created, all of them in the private sector. The Labor Department also substantially lowered job gain estimates for June, following downward revisions for April and May.

“Job growth has fallen off a cliff,” said **Rep. Pete Stark (D-CA), Senior Democrat** on the **Joint Economic Committee (JEC)**. “Job creation was not as robust as we had thought in previous months, and this month’s report is very dismal. We are still digging out from the most prolonged jobs slump since the 1930s, with no end in sight.

“Layoffs approached record levels in the past three years and most workers lucky enough to find a new job took a pay cut. We can’t be satisfied when millions of workers still are finding it hard to get a job, keep a job, earn a pay raise, or receive decent benefits. We’re losing good-paying jobs with good benefits and replacing them with low paying jobs with no benefits. All the while, pension funds have lost millions of dollars. This is still not a job climate that is kind to working Americans,” said **Stark**.

Last week, the Labor Department reported that 11.4 million adult workers lost their jobs during the first three years of the Bush Administration – the highest layoff rate in twenty years. Fifty-seven percent of experienced workers who found full-time work again after losing their jobs had to take a pay cut.

Today’s employment report shows that despite 11 months of job growth, there are still 1.1 million fewer nonfarm payroll jobs than there were when President Bush took office. There are 1.8 million fewer private payroll jobs, including 2.7 million fewer manufacturing jobs. Since last August when job losses bottomed out, average hourly earnings have *declined* 1 percent, once inflation is taken into account. Since the start of the Bush administration, aggregate wages and salaries have grown 7 percent, while profits have grown about 50 percent.

Overall, there are still 8.2 million unemployed Americans, and about 4.6 million additional workers who want a job but are not counted among the unemployed. An additional 4.5 million people work part-time because of the weak economy. The unemployment rate would be 9.5 percent if the figure included those who want to work but are not counted among the unemployed and those who are forced to work part-time because of the weak economy. One in every five unemployed people – 1.7 million Americans – has been jobless for more than 26 weeks, the maximum number of weeks for receiving regular unemployment insurance (UI) benefits.

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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