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## **Payrolls Expand in November, but Unemployment Rate Rises**

Washington, D.C. – The unemployment rate rose to 4.5 percent in November, and 132,000 total payroll jobs were created, the Bureau of Labor Statistics reported today. Non-government jobs grew by 114,000.

“Today’s employment report is not strong enough to allay concerns that the economy is losing steam,” said **Sen. Jack Reed (D-RI)**, Ranking Democrat on the **Joint Economic Committee (JEC)**. “Wages and salaries are not rising as fast as previously thought, so Americans are working harder than ever to keep up with higher living expenses. If economic growth does not pick up soon, workers’ jobs may be at risk as well.”

Growth in payroll employment has been modest by the standards of past economic recoveries and was just 139,000 jobs per month in the past eight months. The 6.2 million jobs created since job losses peaked in August 2003 works out to only about 160,000 per month, when growth of 200,000 jobs per month or more was typical in past recoveries. November’s 4.5 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 0.9 percentage point lower than it was at the start of the recession and the fraction of the working-age population with a job is 1.0 percentage point lower. Long-term unemployment also persists. About one in every six unemployed people – 1.1 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 November. Revised data released earlier this week show that after inflation real compensation per hour (wages plus benefits) fell at an annual rate of 5.9 percent in the second quarter and 0.4 percent in the third quarter. So workers have a lot of lost ground to make up.

Overall, there are 6.8 million unemployed Americans, and 4.8 million additional workers who want a job but are not counted among the unemployed (including about 1.4 million who have searched for work enough to be considered marginally attached to the labor force). An additional 4.2 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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