



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER
CHAIRMAN



Statement of Sen. Charles E. Schumer
Chairman, Joint Economic Committee

In reaction to today's disturbing jobs report, Senator Charles E. Schumer, Chairman of the Joint Economic Committee (JEC), released the following statement in advance of the JEC hearing with the Bureau of Labor Statistics:

"The spike in the unemployment rate 5.5% from 5.0% a month ago is like a tsunami hitting our economy, jobs. This is the biggest single-month surge in unemployment since 1986 and along with the last five months of job losses, it should put the economy front and center on the White House's agenda. And numbers like these insure that the economy will be the number one issue in the presidential campaign.

"In 2008, our economy has shed over 324,000 jobs – including 49,000 we lost just last month. Just about every sector of our economy shed jobs in May. Sadly, more than three-quarters of a million newly unemployed workers are now looking for jobs. If you count those who are working part time but want to work full time or have fallen off the unemployment rolls entirely, the total under-unemployment rate is 9.7 percent.

"Some groups were particularly hard hit in May. Unemployment is up severely for blacks – from 8.6 percent to 9.7 percent. And with students out for summer recess, the unemployment rate went from 15.4 percent to 18.7 percent for teenagers.

"The numbers make it particularly troubling the President's veto threat for extending unemployment insurance. In 2008 alone, nearly 1.5 million workers will exhaust their UI benefits, and in the first quarter of 2008 alone 732,000 people did run out of benefits.

"The bottom line is not pretty for American workers, their families, or our economy. Today's jobs report is just another wake up call for this administration to quit its threats to veto additional unemployment insurance for hard-hit workers and to actively work with Congress to address the systemic problems dragging our economy down."

Key points on today's jobs report are:

- The **unemployment rate went up to 5.5 percent** in May from 5.0 percent in April and the highest it has been since October 2004.
- **49,000 jobs were lost** in May and spanned nearly all sectors including manufacturing, construction, retail, professional and business services. The only area where few jobs were created was health care.

- The number of **newly unemployed workers is 760,000 higher** than last month.
- The last time we had **five consecutive months of losses** in non farm payrolls and in manufacturing was 2003. For the private sector, you would have to go back to 2001
- Total unemployment is 9.7 percent - up.
- Black unemployment is 9.7 percent - up from 8.6 percent.
- Teenage unemployment is 18.7 percent – up from 15.4 percent

Some important facts about unemployment insurance:

- Between January and June 2008, nearly 1.5 million workers will exhaust their unemployment insurance benefits
- In the first quarter of 2008, 732,710 people exhausted their benefits. This represents 36.4 percent of UI recipients.

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.

www.jec.senate.gov

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