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JOBS DEFICIT PERSISTS DESPITE AUGUST PAYROLL GAINS

Washington, D.C. – The unemployment rate fell slightly to 5.4 percent in August, in part because workers left the labor market. Last month, 144,000 total payroll jobs were created, and private nonfarm payrolls grew by 120,000 jobs.

“The President might be happy with today’s report, but the truth is that job growth in the past year has barely kept pace with the growing labor force,” said **Rep. Pete Stark (D-CA), Senior Democrat** on the **Joint Economic Committee (JEC)**. “We are still digging out from the most prolonged jobs slump since the 1930s. As a result, families have falling incomes and millions more adults and children are living in poverty and without health care coverage. President Bush is on track to end his term leaving families worse off than they were four years ago.”

Job growth has been weak over the last year. Fewer than 100,000 jobs were created in seven of the last 12 months, including two of the last three months. Today’s employment report shows that despite 12 months of job growth, there are still nearly one million fewer nonfarm payroll jobs than there were when President Bush took office. There are 1.7 million fewer private payroll jobs, including 2.7 million fewer manufacturing jobs. This is the worst job record of any president since Herbert Hoover.

Since last August when job losses bottomed out, average hourly earnings have *declined* by 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 million unemployed Americans, and about 4.8 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. The labor force participation rate is slightly below what it was a year ago, and 1.2 percentage points lower than it was when President Bush took office.

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 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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