

**Remarks Prepared for Delivery by  
U.S. Secretary of Labor Elaine L. Chao  
Economic Team Press Conference  
Washington, D.C.  
Wednesday, December 14, 2005**

Thank you.

I am pleased to join my colleagues on the economic development team to talk about the strength of our nation's economy and the good jobs that are being created.

*[Slide #1: Household survey—record number of Americans working]*

As you can see from this slide, there are more Americans working than ever before in our nation's history. More than 142 million Americans are on the job.

A little over a week ago, the Department released the most recent employment numbers and they were very strong. November job growth exceeded expectations at 215,000 net new jobs.

Our economy has seen 30 consecutive months of job growth. That's a total of 4.5 million net new jobs created since May 2003. With the exception of the two months following the recent hurricanes, job growth has been averaging about 200,000 per month in 2005.

Meanwhile, our national unemployment rate is steady and low at 5 percent. This is lower than the average of the 1990s, which was 5.7 percent. It is also four-tenths of a percent lower than it was at the same time in the economic expansion of the 1990s.

*[Slide #2: Growth sectors of the economy]*

Equally important is the widespread nature of the job growth, as this slide shows. Sectors gaining jobs included construction and the skilled trades, healthcare, professional and business services, and transportation.

Since May 2003, the fastest growing sector has been professional and business services, which added more than 1.1 million jobs. Health services have also been a leader with 777,000 new jobs. Employment in construction has grown by 660,000 jobs and is at an all-time high with 7.4 million workers.

*[Slide#3: Quality jobs with above average wages]*

It is also important to note that most of the new jobs being created are in occupations that pay above average wages.

As the next slide shows, from 2003 through 2005, more than 2.5 million jobs—or 63 percent—were created in occupations with above average compensation. During the same period, employment in occupations with less than average compensation grew by only 1.4 million jobs.

This is an important trend we are seeing. The better paying jobs require higher skills and more education. To take advantage of these opportunities, it's critical for workers to get a good education and to continually upgrade their skills.

The President's policies have had a positive impact on workers paychecks. Lower taxes have increased the take home pay for workers. In addition, the revised numbers for October showed a 10-cent-an hour up-tick in average hourly earnings, which is the largest monthly increase on record. In November, average hourly earning increased an additional 3 cents. And 3<sup>rd</sup> quarter productivity growth exceeded expectations at 4.7 percent, which also means higher wages for America's workers. In fact, individual, after-tax personal income is up 6.4 percent in real terms since January 2001.

*[Slide #4: Small Business engine for job growth]*

And finally, I want to call your attention to new data that was just released by the U.S. Department of Labor last week. For the first time, data in the Business Employment Dynamics Survey is broken down by firm size. This allows us to take a closer look at job growth in small and large businesses.

These data show that the entrepreneurial spirit is alive and well in America and that smaller firms have led the recovery. It confirms the commonly held notion that small businesses are the engine of job growth in America. Since the recovery began in 2003, more than 70 percent of net new job growth has come from businesses with fewer than 500 employees.

*[Slide #5: State of the Economy 2005; Treasury Secretary John Snow, Commerce Secretary Carlos Gutierrez, Labor Secretary Elaine L. Chao]*

To continue the kind of job growth I've outlined today, we need to stay the course. It is critical to implement the President's proposals to strengthen our nation's economy and our workforce. This includes enacting Association Health Plans, which enable small businesses and their employees to access quality affordable health care. It includes making the tax cuts permanent, so workers can keep more of their hard-earned wages. And it includes investing in worker training and reforming publicly funded training programs. According to the most recent JOLTS [*Job Openings and Labor Turnover Survey*] survey, there were four million unfilled job vacancies at the end of October. So we must close the skills gap to ensure that our nation's workforce remains competitive in the 21<sup>st</sup> century.

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