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Statement of

Keith Hall
Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

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Madam Chair and Members of the Committee:

Thank you for the opportunity to discuss the employment and unemployment data we released this morning.

Labor market conditions continued to deteriorate in March. Total nonfarm payroll employment decreased by 663,000, and the unemployment rate increased from 8.1 to 8.5 percent. Since the beginning of the recession in December 2007, job losses have totaled 5.1 million, 3.3 million of which occurred in just the past 5 months. These declines have been widespread across industry sectors, but particularly sharp in manufacturing, construction, and temporary help services. Together, these

industries have accounted for nearly two-thirds of the job loss during the recession.

In March, manufacturing employment fell by 161,000, with job losses spread throughout the sector. Since the start of the recession, manufacturing has shed 1.5 million jobs, with about 60 percent of the loss occurring in the past 5 months. In March, the average workweek in manufacturing decreased by two-tenths of an hour.

Construction employment declined by 126,000 over the month. Since the beginning of the recession, employment has dropped by about 1.1 million, with more than half of that total occurring in the past 5 months.

In March, employment continued to contract throughout most of the service-providing sector. Temporary help services employment shrank by 72,000 over the month. Employment in the industry is down by about three-quarters of a million since the recession began, with over half of that coming in the past 5 months. In March, other large job losses occurred in retail trade (-48,000), financial activities (-43,000), transportation and warehousing (-34,000), accommodation and food services (-32,000), and wholesale trade (-31,000).

Health care employment continued to trend up in March, although the pace of job growth appears to have slowed in the past 3 months. In the first quarter of 2009, the industry added

an average of 17,000 jobs per month, compared with a monthly average of 30,000 in 2008.

Average hourly earnings for production and nonsupervisory workers in the private sector rose by 3 cents in March, or 0.2 percent. Over the past 12 months, average hourly earnings have increased by 3.4 percent. From February 2008 to February 2009, the seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) fell by 0.5 percent.

The major indicators from our household survey also reflect weaker labor market conditions. In March, the unemployment rate rose by four-tenths of one percentage point to 8.5 percent, and the number of unemployed persons reached 13.2 million. Since the recession began in December 2007, unemployment has surged by 5.6 million; job losers have accounted for about 80 percent of the increase, with returning workers and new entrants to the labor market making up smaller portions.

In March, the number of individuals experiencing long spells of joblessness rose by 265,000 to 3.2 million. Nearly one in four of the unemployed had been jobless for 27 weeks or more, the highest ratio since mid-1983.

Over the month, the employment-population ratio slipped to 59.9 percent, 2.8 percentage points lower than at the beginning of the recession and the lowest level since July 1985. Among the employed, the number of persons working part time who would

prefer to be working full time increased by 423,000 over the month to 9.0 million. Since December 2007, this measure has risen by 4.4 million.

Summarizing the labor market developments for March, payroll employment fell by 663,000, and the unemployment rate climbed to 8.5 percent. Since the beginning of the recession in December 2007, job losses have totaled 5.1 million.

My colleagues and I now would be glad to answer your questions.