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Statement of
Keith Hall
Commissioner
Bureau of Labor Statistics
before the
Joint Economic Committee
UNITED STATES CONGRESS
Friday, August 7, 2009

Madam Chair and Members of the Committee:

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

Nonfarm payroll employment decreased by 247,000 in July, and the unemployment rate was little changed at 9.4 percent. Payroll job losses over the past 3 months have now averaged 331,000, compared with an average of 645,000 over the prior 6 months. Employment has fallen by 6.7 million since the start of the recession in December 2007. In July, employment declines continued in many of the major industry sectors.

Construction employment fell by 76,000 over the month, with losses throughout the component industries. Over the past 3

months, job losses have averaged 73,000 compared with 117,000 over the prior 6 months. Employment in construction has fallen by 1.4 million since December 2007.

Manufacturing employment also continued to decline, with a loss of 52,000 in July. Factory employment has fallen by 2.0 million since the start of the recession.

The seasonally-adjusted employment estimate for motor vehicles and parts rose over the month (28,000). Because layoffs in auto manufacturing already had been so large, fewer workers than usual were laid off for seasonal shutdowns in July. Thus, the seasonally-adjusted gain does not necessarily indicate improvement in the industry. Employment in motor vehicles and parts manufacturing has been on a long-term decline. The number of jobs in the industry, 661,000, is now half what it was early in 2000.

In July, job losses continued in wholesale trade, transportation and warehousing, and financial activities. However, these industries have lost fewer jobs on average since May than during the prior 6 months. Similarly, job losses have lessened substantially in temporary help services. Employment in leisure and hospitality has been little changed over the past 3 months. Health care employment grew about in line with the trend thus far in 2009.

Average hourly earnings for production and nonsupervisory workers in the private sector were up by 3 cents in July to \$18.56. Over the past 12 months, average hourly earnings have risen by 2.5 percent. From June 2008 to June 2009, the Consumer Price Index for Urban Wage Earners and Clerical Workers declined by 1.7 percent.

Turning now to some measures from our household survey, the unemployment rate in July was 9.4 percent, little changed for the second consecutive month. The rate had been 4.9 percent when the recession began. There were 14.5 million unemployed persons in July.

The number of long-term unemployed continued to rise. In July, 5.0 million people had been unemployed for more than 6 months, accounting for 1 in 3 unemployed persons.

The employment-population ratio was 59.4 percent in July. The ratio has fallen by 3.3 percentage points since the recession began.

Among the employed, there were 8.8 million persons working part time in July who would have preferred full-time work. After rising sharply last fall and winter, the number of such workers has been little changed for 4 consecutive months.

In summary, nonfarm payroll employment fell by 247,000 in July, and the unemployment rate was little changed at 9.4 percent.

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