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WEAK JOBS REPORT—NO NEW JOBS ADDED—RAISES STAKES FOR PRESIDENT AND CONGRESS ON JOB CREATION AND ECONOMIC RECOVERY

President's Plan Must Include Bold Job Creation Effort and Federal Unemployment Insurance Reauthorization

Washington, DC— The economy added no new jobs in August, with minimal private sector growth completely offset by losses in the public sector, the Bureau of Labor Statistics reported today. This is well below the 85,000 jobs created in July and rounds out an entire summer of tepid job growth. Continued weak jobs numbers do little to mitigate the unemployment crisis and the unemployment rate, which held steady at 9.1 percent in August. This distressing news sets the stage for President Obama's address to Congress next week on jobs and the economy.

"Millions of job seekers are looking for work in a land of diminished opportunities, and the August jobs report offers no relief for them. Today's disappointing numbers only raise the stakes for the president's address to Congress next week," said **Christine Owens, executive director of the National Employment Law Project**. "Long-term unemployment remains at record levels, and 25 million Americans who want work can't get full-time jobs. Midlife job losers fear they'll never work again, while young people yearn for any start. Economic growth has barely dented the yawning jobs deficit, and those jobs we are adding are largely low-wage. Earnings are stagnant for most workers and have fallen for the lowest-paid," said Owens.

The [jobs deficit](#) is now over 11.2 million jobs—a figure that combines the nearly 6.9 million jobs lost since the start of the recession in late 2007 with just under 4.4 million jobs needed to account for growth in the working-age population since that time. Unchanged employment figures in August resulted in an increase in the jobs deficit from July, as there were no new jobs to account for the normally-growing working-age population as well as the millions of unemployed.

"Not only are we not recovering jobs, but we're also seeing the labor market continue to deteriorate. Especially troubling is the fact that good-paying jobs we lost in the recession are being replaced by lower-paying jobs in this weak recovery," said **Owens**.

This unrelenting shortage of jobs has affected the labor force in ways not apparent from only reviewing the unemployment rate. For example, the average number of hours worked per week fell slightly last month, as did the average weekly wage for workers. Taken together, this means that those who are employed are working and earning less, resulting in diminished spending and further damaging the economy.

"Next week, President Obama plans to unveil a path for moving forward on job creation in his address to Congress on jobs and the economy. It's critical that the president propose and the Congress enact measures that put people back to work quickly, pay family-supporting wages, and lift the burden of recession from millions of hard-hit workers," stated **Owens**. "We need forward-looking investments in areas like infrastructure and clean energy, as well as in areas that build the skills of tomorrow's workforce, such as early childhood education. And we need to keep policies in place that we know support the economy and keep families afloat, including reauthorizing federal unemployment insurance through 2012."

Federal unemployment insurance programs, which include Emergency Unemployment Compensation and Extended Benefits, are currently set to expire at the end of this year. More than seven million people currently receive unemployment insurance, which has been critical for families as well as the economy. Unemployment insurance is widely understood to be an important economic stabilizer during economic downturns: Every one dollar of unemployment insurance generates up to \$1.90 in economic activity, according to the Congressional Budget Office. Over the past five decades, Congress never allowed emergency unemployment insurance to expire when the unemployment rate was higher than 7.2 percent.

Although the pain in the labor market is widespread, with the average duration of joblessness at an alarming 40.3 weeks, some groups are faring worse than others. In August, the unemployment rate for African Americans was 16.7 percent, which was more than double the 8.0 percent unemployment rate of whites. While the unemployment rate for whites ticked down slightly in August, the rate for African Americans rose from its 15.9 percent rate in July.

Younger workers, aged 16 to 24, also have been dealt significant hardship during the downturn, with an unemployment rate of 25.4 percent for 16 to 19 year olds and an unemployment rate of 14.8 percent for 20 to 24 year olds last month. This follows a particularly troubling summer for youth. This past July marked the lowest rate of employment among this population on record, since the Bureau of Labor Statistics began tracking such measures in 1948. Workers with less than a high school diploma had an unemployment rate of 14.3 percent in August, compared to a rate of 4.3 percent for workers with a college degree or higher. While women experienced a lower unemployment rate than men in August, 8.5 percent compared with 9.6 percent, they continue to fall behind in the recovery, due in large part to continuing cuts in public sector jobs.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.

For more information on the quality of jobs lost and gained since the start of the recession, see NELP's report, "[The Good Jobs Deficit: A Closer Look at Recent Job Loss and Job Growth Trends Using Occupational Data](#)"

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