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## **ECONOMY ADDS JUST 18,000 JOBS IN JUNE**

### **Newly laid-off workers will not receive federal unemployment insurance unless Congress acts before year's end**

Washington, DC – The economy netted just 18,000 jobs in June, with the private sector growth of 57,000 jobs offset by the loss of 39,000 jobs in the public sector, the Bureau of Labor Statistics reported today. This is well below expectations and marks a second month of flat change, following the 200,000+ monthly pace of job growth earlier in the year. Such meager jobs growth is not at all enough to bring down the unemployment rate, which edged up slightly in June to 9.2 percent. It is particularly unwelcome news for workers laid off this month and over the rest of 2011, who will be limited to a maximum of just 26 weeks of state unemployment insurance if Congress allows the federal extensions to expire at the end of the year.

“Today's distressing employment report underscores how profoundly off-balance the current congressional debate over deficits and cuts has become,” said **Christine Owens, executive director of the National Employment Law Project**. “At a moment when the number one priority for Americans is creating jobs and rebuilding the economy, the last thing we need is steep cuts that will make matters much worse, threatening any chance of igniting a stronger recovery and ultimately digging us into an even deeper hole. The jobs crisis we face today will be a crisis for our children tomorrow as well unless we focus immediately on job creation and solid, sustainable economic growth. The path on which Congress has now embarked simply will not get us where we need to be.”

The jobs report showed relatively flat private sector activity in June. Despite a recent positive report on manufacturing activity, growth in the sector was basically flat for the second straight month, as was growth in construction. Leisure and hospitality, health, and professional services experienced the largest gains this month. Temporary employment – which is an indicator of future hiring during economic recoveries – fell in June by 12,000, continuing an overall stagnant trend. The private sector is being affected by job loss in the public sector, which is emerging as a significant drag on the economy.

The share of the population with a job ticked down to 58.2 percent, while both the rate and number of unemployed rose. Approximately 44.4 percent of the 14.1 million unemployed have been out of work for at least half a year. Now two years after the official end of the recession, initial claims for regular state unemployment insurance (UI) benefits remain high, with the four-week moving average still hovering near 425,000.

July 2011 marks the first month since Congress established a program of federal unemployment insurance extensions in June 2008 that newly jobless workers will not be guaranteed such benefits if they cannot find a job before their state benefits run out. Under the existing federal programs, workers unable to find jobs after exhausting their regular state unemployment benefits are eligible for 34 to 73 weeks of additional federal unemployment insurance, depending on their state. However, these federal extensions will expire after December 31, 2011 unless Congress renews them. NELP has released a [fact sheet](#) that explains the impact of the current law.

“Long-term unemployment still afflicts our economy and some 6.3 million people,” said Owens. “Given that it takes more than 26 weeks for most unemployed workers to find a new job in the current market, the federal

unemployment insurance provisions will continue to be vital. Never before has Congress cut unemployment insurance when the jobless rate was over 7.4 percent, so with the current 9.2 percent rate, Congress needs to renew the current federal programs or risk seriously undermining the well-being of unemployed workers, their families, their communities and the economy.”

Last month’s anemic job growth added to the nation’s overwhelming [jobs deficit](#)—a figure that combines the jobs lost since the start of the recession with the additional jobs needed to account for growth in the working-age population over this period. Since the recession began in late 2007, the economy has lost a net total of 6.9 million jobs. The economy must add an additional 4.2 million jobs in order to return employment to pre-recession levels, for a total jobs deficit of 11.1 million.

June’s employment report shows continued problems for specific demographic groups of workers. The share of unemployed African-Americans was unchanged at 16.2 percent, compared to 8.1 percent of white persons; African-American men continue to experience the highest unemployment rates, last month down a half of a percentage point to 17.0 percent. Approximately 14.3 percent of workers with less than a high school diploma are unemployed as of June. As we move into the first full month of summer, 24.5 percent of young workers, ages 16 to 19, and 14.5 percent of workers ages 20 to 24, are still without work.

“Today’s jobs report confirms that the struggles for ordinary families persist, even as Wall Street celebrates its best performance in two years. We have to do more to restore opportunity and prosperity for all. Over the second half of this year, that means Congress must renew the federal unemployment insurance programs before they expire, to help those hit hardest by the downturn and boost the economy overall.”

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