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**AUGUST JOBS REPORT:
LOTS OF BAD NEWS, LITTLE GOOD NEWS**

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Much of the news from the August jobs report is bad. The total number of jobless persons climbed from 14.5 million in July to 14.9 million in August, boosting the unemployment rate from 9.4 percent to 9.7 percent. Employers reported that they cut nonfarm payroll jobs by 216,000. Over the last year, the cuts in payroll jobs have reached a total of 5.8 million. These are the figures most often mentioned in the national media. They are for sure bad enough, but other information glossed over by the media is even more troubling.

Joblessness among all men 16 years of age and older in August reached 10.9 percent, up from 10.5 percent in July. For all men 20 years of age and older, the August unemployment rate was 10.1 percent. In August 2008, the jobless rate for these men was 5.8 percent.

Unemployment is higher for women too, but the August rate of 7.6 percent for women 20 and over was much lower than for men in the same ages. However, for women who maintain families the jobless rate was 12.2 percent.

The 10.5 percent rate of unemployment for full-time workers is much higher than the 6.3 percent rate for part-time workers. There are 5.0 million persons unemployed for 27 weeks or more. One year ago, there were only 1.9 million jobless for six months or more.

Unpacking the payroll data reveals that year-to-date job losses have hit almost every major industry sector: mining, construction, durable goods, nondurable goods, wholesale trade, retail trade, transportation and warehousing, information, financial activities, professional and business services, educational services, leisure and hospitality, other services, and government. Even the federal government has reported losses over the year largely due to cutbacks in the U.S. Postal Service. The exceptions were utilities and health care and social assistance. The 302,000 increase in health care payrolls should give Washington officials pause about instituting major reforms in that sector lest they tear down the most important job-growth sector of the economy.

Clearly, the news has been overwhelmingly bad. Even so, there has been some good news. Joblessness among persons 25 years and over with a bachelor's degree or some higher-level degree in August for 4.7 percent. A total of 5.8 million persons who were employed in August were unemployed or not in the labor force in July. This one-month change is not unusual. One year ago, 5.7 million persons were classified as employed in August who were either unemployed in July or not in the labor force. These items bear witness to the enormous differences in risk across demographic groups and to the dynamic nature of the U.S. economy and labor force.

Inspite of all the bad news on the job front, average weekly earnings for production and nonsupervisory personnel in nonfarm payroll jobs generally were higher in August than one year earlier: \$624 vs. \$614. The gains were widespread: construction, durable goods, nondurable goods, wholesale trade, retail trade, transportation and warehousing, utilities, information, financial activities, professional and business services, education and health services, leisure and hospitality, and other services. Losses were concentrated in mining and logging. The best paying jobs today are in petroleum and coal products, along with utilities. On an annual basis, those jobs pay roughly \$64,000 - \$68,000.

There is, nevertheless, one very sobering metric about the length and depth of the current recession. There are a total of 12.2 million jobless men and women 20 years of age or older who in August were looking for full-time work. If, when the U.S. economy turns around and adds on average 250,000 jobs every month, it will take four years to put all of those persons back to work.

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