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Statement of

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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.

Nonfarm payroll employment declined by 539,000 in April, and the unemployment rate rose from 8.5 to 8.9 percent. Since the start of the recession in December 2007, job losses have totaled 5.7 million, and the unemployment rate has increased by 4 percentage points.

In April, widespread job losses continued throughout the private sector. Private employment fell by 611,000, compared with average monthly declines of 700,000 in the prior 4 months. Over the month, federal government employment rose by 66,000,

mainly due to hiring of temporary workers in preparation for Census 2010.

Manufacturing employment fell by 149,000 over the month, and job losses continued to be widespread. Since the recession began, this industry has shed 1.6 million jobs, representing more than a quarter of the total nonfarm job decline during the period.

Construction employment decreased by 110,000 in April. Job losses have averaged 120,000 per month in the last 6 months, compared with 46,000 per month from December 2007 to October 2008.

Elsewhere in the goods-producing sector, mining employment fell by 10,000 in April. From the start of the recession through September 2008, this industry had continued to add jobs, mainly those related to oil and gas production. Since September, mining employment has declined by 44,000.

In April, employment in professional and business services dropped by 122,000. Temporary help services accounted for about half of the job loss. Since the start of the recession, temporary help employment has fallen by 825,000, nearly a third of its total.

The health care industry added 17,000 jobs over the month, in line with its average monthly gain since January. In 2008, the average gain was 30,000 jobs per month.

In April, average hourly earnings for production and nonsupervisory workers in the private sector were essentially unchanged. Over the past 12 months, average hourly earnings have risen by 3.2 percent. From March 2008 to March 2009, the Consumer Price Index for Urban Wage Earners and Clerical Workers declined by 1.0 percent.

Turning now to measures from the survey of households, the unemployment rate rose to 8.9 percent in April, an increase of four-tenths of a percentage point. The number of unemployed persons increased by 563,000 to 13.7 million. Since the start of the recession in December 2007, the number of unemployed has risen by 6.2 million, pushing the jobless rate up by 4 percentage points.

Over the month, the number of long-term unemployed continued to grow, rising by 498,000 to 3.7 million. The long-term jobless represented 27.2 percent of all unemployed persons in April, the highest proportion on record.

The employment-population ratio held at 59.9 percent in April. When the recession began in December 2007, it was 62.7 percent. Among the employed, the number of persons working part time who would prefer full-time work was little changed over the month at 8.9 million.

In summary, nonfarm payroll employment fell by 539,000 in April. Private-sector employment dropped by 611,000. Job

losses continued to be widespread across most major industries. Since the recession began, payroll employment has fallen by 5.7 million. Over the month, the unemployment rate rose by four-tenths of a percentage point to 8.9 percent.

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