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Statement of
Keith Hall
Commissioner
Bureau of Labor Statistics
before the
Joint Economic Committee
UNITED STATES CONGRESS
Friday, July 2, 2010

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 fell by 125,000 in June, and the unemployment rate edged down to 9.5 percent. The decline in employment reflects a large drop in the number of temporary workers for Census 2010. The number of jobs in the private sector edged up (+83,000), due to modest increases in several industries. Private sector employment has risen by 593,000 so far in 2010, but in June was 7.9 million below its prerecession level.

Over the month, federal government employment declined sharply. The number of temporary Census 2010 workers dropped by 225,000, leaving 339,000 temporary workers on the Census payroll.

In the private sector, temporary help services employment continued to grow over the month (+21,000). The industry has added 379,000 jobs since September 2009. Employment also rose in management and technical consulting (+11,000) and in business support services (+7,000) in June. Amusements, gambling, and recreation gained 28,000 jobs, while transportation and warehousing employment was up by 15,000.

Mining employment continued to trend up (+6,000), and the industry has gained 56,000 jobs since October 2009. Employment in manufacturing also continued to trend up in June (+9,000). The industry has added 136,000 jobs so far this year. The manufacturing workweek declined by half an hour in June, more than offsetting an increase in May. Nonetheless, factory hours remained 1.3 hours above their recent trough. Employment in health care edged up in June (+9,000).

Construction employment fell by 22,000; specialty trade contractors accounted for most of the decline. On net, construction employment has shown little change over the last 4 months.

Average hourly earnings of all employees on private nonfarm payrolls decreased by 2 cents in June to \$22.53. Over the past 12 months, average hourly earnings have increased by 1.7 percent. From May 2009 to May 2010, the Consumer Price Index for All Urban Consumers (CPI-U) rose by 2.0 percent.

Turning to measures from the survey of households, the unemployment rate edged down by 0.2 percentage point to 9.5 percent in June. Of the 14.6 million unemployed individuals, about 6.8 million had been jobless for 27 weeks or more. In comparison, 1.3 million persons were unemployed for 27 weeks or longer when the recession began.

The labor force declined in June (-652,000). Following increases earlier in the year, the labor force participation rate has declined by half a percentage point over the last 2 months.

The employment-population ratio edged down to 58.5 percent in June. Among the employed, there were 8.6 million individuals working part time who preferred full-time work. The number of such workers has fallen by 525,000 over the past 2 months.

In summary, payroll employment fell by 125,000 in June, as modest growth in the private sector (+83,000) was more than offset by a large decline in temporary census workers (-225,000). The unemployment rate edged down to 9.5 percent.

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