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Statement of
Keith Hall
Commissioner
Bureau of Labor Statistics
before the
Joint Economic Committee
UNITED STATES CONGRESS
Friday, August 6, 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 declined by 131,000 in July, and the unemployment rate remained at 9.5 percent. The decrease in employment largely reflects continued cuts in the number of temporary workers previously hired for Census 2010. Private sector employment edged up (+71,000) over the month. Thus far in 2010, private sector employment has risen by 630,000, although nearly two-thirds of that gain occurred in March and April.

In July, employment in the Federal government fell for the second month in a row. The number of temporary Census 2010 workers decreased by 143,000, following a decline of 225,000 in June. This leaves 196,000 temporary decennial census workers on the payroll.

Within the private sector, employment gains continued in manufacturing, health care, and mining. Manufacturing employment rose by 36,000. Most of the gain occurred in motor vehicles and parts manufacturing (+21,000), as some plants deviated from their normal practice of shutting down in July for retooling. Motor vehicles had added 32,000 jobs during the first half of the year. Employment in fabricated metals increased by 9,000 over the month. The manufacturing workweek rose by one-tenth of an hour in July, after falling by half an hour in June.

Health care employment grew by 27,000 over the month. Since the recession began in December 2007, health care has added 665,000 jobs. Employment in mining rose by 7,000 in July, largely in support activities.

Employment in temporary help services was nearly unchanged for the second month in a row. Job gains had averaged 45,000 per month from October 2009 through May.

Construction employment was little changed in July (-11,000). A strike in the industry reduced payrolls by 10,000.

Financial sector employment continued to trend down over the month (-17,000), though the pace of job loss has been slower this year. Thus far in 2010, monthly job declines have averaged 12,000, compared with 29,000 in 2009. Employment in most other private sector industries was little changed in July.

Average hourly earnings of all employees on private nonfarm payrolls rose by 4 cents in July to \$22.59. Over the past 12 months, average hourly earnings have risen by 1.8 percent. From June 2009 to June 2010, the Consumer Price Index for All Urban Consumers (CPI-U) rose by 1.1 percent.

Turning now to data from our survey of households, most key labor force measures were essentially unchanged in July. The jobless rate remained at 9.5 percent, and the number of unemployed held at 14.6 million. The rate has declined from 9.9 percent in April, reflecting decreasing labor force participation. The participation rate had risen during the first 4 months of this year, to 65.2 percent in April, but has now returned to 64.6 percent, its December 2009 level.

Among the employed, the number of individuals working part time who preferred full-time work was nearly unchanged over the month at 8.5 million. Since April, the number of such workers has declined by 623,000. However, the level remains 3.9 million above that of December 2007 when the recession began.

In summary, payroll employment declined by 131,000 in July, largely reflecting a decrease in the number of temporary census workers (-143,000). Small job gains continued in the private sector. The unemployment rate held at 9.5 percent.

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