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Statement of

Keith Hall  
Commissioner  
Bureau of Labor Statistics

Friday, September 4, 2009

Nonfarm payroll employment fell by 216,000 in August, and the unemployment rate rose to 9.7 percent. Since the recession began in December 2007, payroll employment has dropped by 6.9 million, and the unemployment rate has increased by 4.8 percentage points. Job losses have moderated in many industry sectors in recent months.

Construction employment fell by 65,000 in August, about in line with the trend since May. From November to April, construction job losses averaged 117,000 per month. Since December 2007, employment in the industry has fallen by 1.4 million. Thus far in 2009, job losses in nonresidential and heavy construction combined have exceeded losses in the residential components. In 2008, the residential components accounted for a majority of construction's decline.

Employment in manufacturing declined by 63,000 in August. The largest job losses were in motor vehicles and parts, computer and electronic products, and fabricated metal products. Factory employment has declined by 2.0 million since the start of the recession, although losses have moderated over the last 2 months.

In August, job losses also continued in financial activities and wholesale trade. The employment declines in both industries have been smaller since May. Over the last 4 months, temporary help employment was down an average of 11,000 per month, compared with an average decline of 69,000 for the first 4 months of the year.

Over the month, employment continued to increase in health care, with gains in ambulatory care and in nursing and residential care facilities. Health care has continued to add jobs during the recession, albeit at a slower pace in 2009.

Average hourly earnings for production and nonsupervisory workers in the private sector rose by 6 cents in August to \$18.65. Over the past 12 months, average hourly earnings have risen by 2.6 percent. From July 2008 to July 2009, the Consumer Price Index for Urban Wage Earners and Clerical Workers declined by 2.4 percent.

Turning now to some measures from our household survey, the unemployment rate rose by 0.3 percentage point to 9.7 percent in

August. It had been little changed in June and July, after increasing by 0.4 or 0.5 percentage point in each of the prior 6 months. When the recession began in December 2007, the jobless rate was 4.9 percent. A total of 14.9 million persons were unemployed in August, about twice the number at the start of the recession.

The number of long-term unemployed remained high. In August, 5.0 million people had been jobless for more than 6 months, nearly quadruple the number at the start of the recession.

The employment-population ratio--the proportion of the population that has a job--continued to trend down in August. At 59.2 percent, it has declined by 3.5 percentage points since the recession began.

Among the employed, there were 9.1 million persons working part time in August who would have preferred full-time work. The number of such workers has nearly doubled since the start of the recession but has been little changed since March.

In summary, nonfarm payroll employment fell by 216,000 in August, and the unemployment rate rose to 9.7 percent.