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ECONOMY POSTS DISAPPOINTING JOB GAINS

Washington, D.C. – The unemployment rate was essentially unchanged at 5.1 percent in May, and only 78,000 total payroll jobs were created. Non-government jobs grew by just 73,000.

“Job growth sputtered again in May, calling into question the strength of the labor market recovery,” said **Sen. Jack Reed (D-RI)**, Ranking Democrat on the **Joint Economic Committee (JEC)**. “We still haven’t seen several months in a row of solid jobs gains, which is disappointing this far into a recovery. At this point in the last recovery, the economy had created over four million more jobs than we have seen in this recovery.”

Softness in the labor market continues to be reflected by various indicators. The labor force participation rate is more than a full percentage point lower than it was at the start of the recession. Additionally, the fraction of the working-age population with a job is 1.6 percentage points lower than it was at the start of the recession.

Long-term unemployment also persists. About one in every five unemployed people – 1.5 million Americans – has been jobless for more than 26 weeks, the maximum number of weeks for receiving regular unemployment insurance benefits.

The stagnation of earnings in the face of higher prices for gasoline, food, and medical care is squeezing the take home pay of workers. In the past 12 months, average hourly earnings are down 1 percent, after adjusting for inflation.

Overall, there are still 7.6 million unemployed Americans, and about 4.7 million additional workers who want a job but are not counted among the unemployed. An additional 4.4 million people work part-time because of the weak economy. The unemployment rate would be nearly 9 percent if the figure included those who want to work but are not counted among the unemployed and those who are forced to work part-time because of the weak economy.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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