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**ECONOMY POSTS HEALTHY JOB GAINS,
BUT WAGES ARE NOT KEEPING PACE WITH INFLATION**

Washington, D.C. – The unemployment rate was unchanged at 5.2 percent in April, and 274,000 total payroll jobs were created. Non-government jobs grew by 256,000.

“While healthy job growth is a welcome development in the labor market, the lack of real wage gains remains a dark cloud in this recovery,” said **Sen. Jack Reed (D-RI)**, Ranking Democrat on the **Joint Economic Committee (JEC)**. “Worker productivity is strong, but wages aren’t keeping pace with inflation. Workers are facing higher prices for basic necessities such as gas, food and clothing, but their take-home pay is not growing, so families are feeling the squeeze.”

The weakness of the labor market continues to be reflected in the stagnation of workers’ earnings. In the twelve months ending in March, both average hourly earnings and average weekly earnings of private sector workers are down about ½ percent after accounting for inflation. Employers are absorbing higher costs for benefits such as health insurance, which drives up measures of total compensation. However, increases in compensation that reflect employers’ higher costs rather than more generous benefit packages squeeze the take-home pay of workers.

The distribution of earnings is also becoming much more unequal. The real earnings of workers at the bottom (10th percentile) of the earnings distribution fell by 1.4 percent over the last year, while increases in real earnings were evident only at the very top (90th percentile) of the distribution.

Overall, there are still 7.7 million unemployed Americans, and about 5.1 million additional workers who want a job but are not counted among the unemployed. An additional 4.3 million people work part-time because of the weak economy. The unemployment rate would be 9.0 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. More than one in every five unemployed people – 1.6 million Americans – has been jobless for more than 26 weeks, the maximum number of weeks for receiving regular unemployment insurance benefits.

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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