

REP. PETE STARK (CA)

SENIOR DEMOCRAT

REP. CAROLYN B. MALONEY (NY)

REP. MELVIN L. WATT (NC)

REP. BARON P. HILL (IN)

SEN. JACK REED (RI)

SEN. EDWARD M. KENNEDY (MA)

SEN. PAUL S. SARBANES (MD)

SEN. JEFF BINGAMAN (NM)

Congress of the United States
Joint Economic Committee
Democrats

108TH CONGRESS

804 HART SENATE OFFICE
BUILDING
WASHINGTON, DC 20510-6602
202-224-0372
FAX 202-224-5568
www.senate.gov/~jec/democrats

WENDELL PRIMUS
STAFF DIRECTOR

For Immediate Release

June 4, 2004

Contact: Nan Gibson

202-224-0377

JOBS DEFICIT REMAINS DESPITE MAY JOB GAINS
Republicans Ignore Plight of Long-Term Unemployed;
Paychecks not Keeping Pace with Profits

Washington, D.C. – The unemployment rate was unchanged at 5.6 percent in May, and 248,000 payroll jobs were created. Private nonfarm payrolls grew by 275,000 jobs.

“Today’s report of solid job creation in May is welcome news for American workers who are enduring the most prolonged jobs slump since the 1930s,” said **Rep. Pete Stark (D-CA), Senior Democrat** on the **Joint Economic Committee (JEC)**. “But we still have a jobs deficit, and most of the economic growth we have seen has fattened business’s balance sheets, not workers’ paychecks.”

The prolonged labor market slump has taken its toll on workers’ earnings. Since the first quarter of 2001, aggregate wages and benefits have risen by just 8 percent. Profits, by contrast, have grown by 61 percent.

Overall, there are 8.2 million unemployed Americans, and about 4.7 million additional workers who want a job but are not counted among the unemployed. An additional 4.7 million people work part-time because of the weak economy. The unemployment rate would be nearly 10 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 – 1.8 million Americans – has been jobless for more than 26 weeks. The average spell of unemployment is 20 weeks, and remains at a level not seen since early 1984. Despite these harsh statistics, Republicans failed to renew the federal extended unemployment benefits program that expired at the end of last year. As a result, from late December 2003 to the end of May 2004, an estimated 1.75 million individuals have exhausted their regular unemployment insurance (UI) benefits without receiving additional aid. In no other five-month period on record (with data back to 1971) have there been so many UI exhaustees.

Instead of renewing extended UI benefits – an effective stimulus policy – Republicans in the House of Representatives yesterday passed a bill that would divert funds from the Workforce Investment Act to fund “Personal Reemployment Accounts” (PRAs). “That action is based on flawed assumptions and is an insult to the long-term unemployed,” said **Rep. Stark**. “The problem with this economy isn’t lazy workers who won’t get off unemployment – it’s ineffective economic policy management by the President and his Republican colleagues in Congress.”

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.