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JOB CREATION NOT KEEPING UP WITH GROWING LABOR FORCE
Bush Administration Has No Effective Policies for Struggling Workers

Washington, D.C. – The unemployment rate remained unchanged at 5.6 percent in February, due to a shrinking labor force. Only 21,000 payroll jobs were created – none of them were private payroll jobs.

“Far from the robust recovery in jobs that the Bush administration has been predicting for two years, we have a labor market that has stalled. Job creation is not even keeping up with the growing labor force,” said **Rep. Pete Stark (D-CA), Senior Democrat on the Joint Economic Committee (JEC)**. “The Bush administration’s optimistic job predictions have been consistently wrong, so it’s no surprise that they’ve abandoned their official forecast for the year and keep lowering expectations about job creation,” added Stark.

President Bush is on track to be the first President since Herbert Hoover to end his term with fewer jobs than when he started. Since job losses peaked at 2.6 million in August, employers have created about 61,000 jobs per month, on average. At that pace, it would take over 3 years to erase the current jobs deficit. President Bush would end his term in January 2005 with a deficit of more than 1½ million jobs. Job creation would have to average 203,000 jobs per month from March 2004 to January 2005 just to erase the current 2.2 million Bush jobs deficit completely.

“More than two years after the end of the recession, we still have a huge jobs deficit, mass layoffs are rising, and consumer confidence is falling due to job fears,” said Stark. “At a minimum, we have to close tax loopholes that encourage shipping jobs overseas, restart federal unemployment benefits, modify Trade Adjustment Assistance to cover more displaced workers, and restore the President’s cuts in education and job training. Given the President’s complete disregard for American workers, we clearly have our work cut out for us,” added Stark.

Payrolls have shrunk by 2.4 million (1.8 percent) since the recession began in March 2001. Both in absolute numbers and in percentage terms, that loss is larger than it was at any point in the recession of the early 1990s. Long-term unemployment remained high in February, and now more than one in every five unemployed people – 1.9 million Americans – has been jobless for more than 26 weeks. The average length of a spell of unemployment is at its highest level since early 1984. Following the 1990-91 recession, the administration of President Bush’s father provided 20 weeks of temporary federal UI benefits in all states until 1.6 million jobs had been created.

Overall, there are 8.2 million unemployed Americans, and about 4.6 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 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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