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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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EMPLOYMENT GROWTH CONTINUES

WASHINGTON, D.C. – The June payroll employment increase pushes the total employment gain since last August up to 1.5 million, Vice Chairman Jim Saxton said today. According to new data released today by the Bureau of Labor Statistics, payroll employment increased 112,000 in June. Saxton also noted that monthly variation in payroll employment growth is not at all unusual.

Although some have contended that most of the recent employment gains are in low wage jobs, occupations that are relatively well paid accounted for most of the net increase in employment between June 2003 and June 2004, according to household survey data. Although this does not mean that all of the jobs in these occupational categories are highly paid, it does indicate that most of the recent employment gains have not been disproportionately in relatively low wage occupations.

Between June 2003 and June 2004, 71.4 percent of the net increase in employment was in three relatively well-paid occupational categories: management, professional and related occupations; construction and extraction occupations; and installation, maintenance, and repair occupations. The earnings in these occupational categories are higher than the median and are clearly higher than the earnings of the typical hamburger flipper.

"So far this year payroll employment has increased by 1.3 million jobs, with monthly employment growth averaging 211,000 jobs," Saxton said. "In interpreting the June payroll employment figure, it is useful to recall that the downward seasonal adjustment last month was about 372,000. In other words, employment growth last month was significant enough to more than offset a large seasonal adjustment in June.

"Some contend that the new jobs created recently are mostly at the hamburger flipper level. Data limitations make this question difficult to sort out, but the occupational data suggest that most of the new jobs are not in occupations with low wages, but in occupations with earnings at a relatively higher level. Most of the jobs in these better paid occupational categories have earnings in the middle range and higher," Saxton concluded.

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