

UPDATED: Analysis of May U.S. Jobs Figures by Diana Furchtgott-Roth, Senior Fellow at the Hudson Institute, Former Chief Economist of the U.S. Department of Labor

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“It might seem like good news that the economy added 431,000 jobs in May and that the unemployment rate decreased from 9.9% to 9.7%, but a closer look at the Labor Department jobs report proves otherwise. This is a shocking jobs report, especially after the billions of dollars Congress has spent on different stimulus programs.

“Of the 431,000 jobs created, only 41,000 were in the private sector, due to massive temporary Census Bureau hiring of primarily low-paying jobs. That’s not a typo – only 41,000 private sector jobs were created in May. The unemployment rate dipped to 9.7% because the labor force participation rate declined to 65% from 65.2% in April, as the civilian labor force actually shrank by 322,000. The teen unemployment rate rose by a full percentage point to 26.4%. The unemployment rate of unskilled adults rose to 15%. In addition, the existing unemployed aren’t finding jobs either – 46% of those out of work have been jobless for 6 months or longer, a record since BLS began tracking the data in 1948.

“The job market clearly is not improving, and Congress needs to take a different tack, such as making the current tax rates permanent and cutting spending.”