



National Employment Law Project

July Jobs Report Points to Need for Further Economic Stimulus, Including Additional Extended Benefits

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There were no silver linings for America's workers in this week's economic news. Initial claims for unemployment benefits shot up for a second week in a row, rising to the highest level in five years. The government announced that even with the springtime tax rebates, the economy grew more slowly than expected in the second quarter and actually shrank during the final quarter of last year, instead of growing as previously reported. And today's jobs report for July rounded out the week with more bad news.

- The unemployment rate rose to 5.7 percent, the highest rate in almost 5 years, and the number of unemployed workers swelled to 8.8 million, up by 1.6 million in one year.
- Employers shed an additional 51,000 jobs last month, bringing to 463,000 the total number of jobs lost since the end of last year.
- Major sectors of the economy are reeling from job loss: Over the past year, the construction industry has shed 457,000 jobs, manufacturing has lost an additional 383,000 jobs (bringing to 3.6 million the total lost since January 2001), retailers have cut 189,000 positions, and 118,000 financial sector jobs have disappeared.
- Involuntary part-time work is rising and in July, was at its highest level—5.7 million—in almost 15 years.
- High rates of long-term unemployment have persisted, with 1.7 million jobless workers—19 percent of the unemployed—out of work for at least 6 months.
- One in ten workers is unemployed and actively seeking work, unemployed but too discouraged to look, or working part-time involuntarily because full-time work isn't available.

“With economic reports like the ones we've gotten this week and no realistic prospects for improvement, the first order of business for Congress and the President when they return from their summer break must be a second economic stimulus package that includes a new round of extended unemployment benefits,” said NELP's Executive Director Christine Owens. “While the springtime tax rebates helped a little, they did not provide the spark the economy needs, and with layoffs rising and job losses mounting, many unemployed workers will run out of extended benefits and still not be able to find work. Already, a dozen states have unemployment rates exceeding 6 percent, and economists predict that the national rate will rise to that level by the end of the year. More must be done to prime our economy's pump, help the unemployed, and put America's workers back to work.”

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