



Insight

# Obama's Long Slog

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The *ADP National Employment Report* today showed an increase of 55,000 nonfarm private jobs in May, disappointing on the low side. Firms of all sizes showed increases, but weakness persists in the goods-producing sector, which lost 23,000 jobs.

The ADP data suggest a weaker-than-expected employment report tomorrow.

- The Labor Department report for May will be boosted by massive Census hiring – some analysts expect the top-line to show 500,000 jobs. Stripping away these temporary, government jobs will reveal the current strength of the recovery.
- Private-sector employment will exceed 100,000 new jobs, but will top out substantially short of 200,000.

The labor market fundamentals point to a long, sluggish recovery.

- Wage, employment, and hours growth do not add up to enough income to support a spending spree by households.
- Job growth continues to fall short of what is necessary to lower unemployment.

Bottom line: *The private sector continues to create jobs, but only by overcoming headwinds from the big-spend, big-tax, big-regulation, big-deficit policy environment. Given the inherent difficulties of recovering from a financial crisis and deep recession, workers would be better served by pro-growth, pro-market policies.*