



Insight

Wandering Along

DOUGLAS HOLTZ-EAKIN | AUGUST 6, 2010

The July labor market report shows the economy moving forward, but with little real momentum.

- The top-line numbers showed a decline of 131,000 jobs – predictable because of layoffs of temporary Census workers – and an unemployment rate of 9.5 percent.
- The better indicator of the labor market is the modest 71,000 increase in private sector jobs. This growth is accompanied by other modest signs of expansion:
- Average hourly earnings and average weekly earnings expanded at a steady pace.
- Average weekly hours worked and the index of aggregate hours grew solidly.
- In contrast, the household survey showed unemployment stuck at 9.5 percent and that employment fell by 159,00; the unemployment rate stayed steady only because 181,000 workers gave up and quit the labor force.

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Bottom line: This report is consistent with sub-par growth over the near term. The economy continues to grow but at an unacceptably slow pace. Discouraged workers and unemployment will remain stubbornly high.