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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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WASHINGTON (AP) — Hiring slowed to a near-standstill last month. Employers added the fewest jobs in nine months and the unemployment rate rose to 9.2 percent.

The Labor Department said Friday that the economy generated only 18,000 net jobs in June. And the number of jobs added in May was revised down to 25,000.

Businesses added the fewest jobs in more than a year. Governments cut 39,000 jobs. Over the past eight months, federal, state and local governments have cut a combined 238,000 positions.

The latest report offered evidence that that the recovery will be painfully slow. Two years after the recession officially ended, companies are adding fewer workers despite record cash stockpiles and healthy profit margins.

Hiring has slowed sharply in the past two months, after the economy added an average of 215,000 jobs per month in the previous three months.

Economists have said that temporary factors have, in part, forced some employers to pull back. High gas prices have cut into consumer spending. And supply-chain disruptions stemming from the Japan crisis slowed U.S. manufacturing production.

The economy typically needs to add 125,000 jobs per month just to keep up with population growth. And at least twice that many jobs are needed to bring down the unemployment rate.

The economy and job market are remarkably weak two years after the recession officially ended. Unemployment has topped 8 percent for 29 months, the longest streak since the 1930s.

Unemployment has never been so high so long after a recession ended. At the same point after the previous three recessions, unemployment averaged just 6.8 percent.

Average hourly wages declined last month. After-tax incomes, adjusted for inflation, have been flat this year.

The average work week declined to 34.3 hours, from 34.4, which means employers demanded less work from their existing staffs.

And temporary employment fell 12,000. Businesses generally hire more temporary

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workers before taking on permanent ones.

The number of unemployed workers rose almost 175,000 to 14.1 million, pushing up the unemployment rate.

There are signs that economy could improve in the second half of the year. Gas prices have come down since peaking in early May at a national average of nearly \$4 per gallon. Prices averaged \$3.59 a gallon nationwide on Friday, according to AAA.

And manufacturing activity expanded in June at a faster pace than the previous month, according to the Institute for Supply Management. That suggests the parts shortage caused by the March 11 earthquake in Japan is beginning to abate.

Still, the government said last month that the economy grew only 1.9 percent in the January-March quarter. Analysts are expecting similarly weak growth in April-June quarter.

The economy will grow at a 3.2 percent pace in final six months of the year, according to an Associated Press survey of 38 economists.

Still, growth must be stronger to significantly lower the unemployment rate. The economy would need to grow 5 percent for a whole year to significantly bring down the unemployment rate. Economic growth of just 3 percent a year would hold the unemployment steady and keep up with population growth.

Source URL (retrieved on 03/30/2015 - 4:26pm):

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