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Still Struggling To Dig Ourselves Out Of The Hole

By D. Mark Wilson

Although fears that the United States is slipping back into a recession have abated, economic growth remains weak by historical standards. Recent economic data suggests the economy will continue to muddle along at a subdued pace.

- Since the recovery began in 2009, economic growth has averaged just 2.2 percent, and last quarter it was just 1.7 percent; not fast enough to significantly reduce the unemployment rate. Economic growth in previous recoveries has averaged 4.9 percent.
- The unemployment rate has been over 8.0 percent for a record 42 straight months. At this point in previous recoveries it is typically around 5.3 percent and no higher than 7.0 percent.
- Without the unprecedented decrease in the labor force participation rate and the employment rate that has occurred since the recovery began in 2009, the unemployment rate would be somewhere between 9.6 percent and 11.0 percent, not 8.3 percent.
- The median duration of unemployment at 16.7 weeks remains over twice that of previous recoveries (avg. 7.5 weeks).
- There are still more than 3 unemployed people for every job opening in the United States, and the job opening rate remains at "jobless recovery" levels.
- The new hire rate continues to run below the rate during the 2002-2004 jobless recovery.
- Rising uncertainty about the federal budget and taxes has employers hunkering down for the post-election battles they see coming up and will continue to put a damper on job growth this Fall.

