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January Jobs Report: Strong Growth, Small Step to Tackling Unemployment

Congressional Renewal of Unemployment Insurance This Month Crucial to Maintain Momentum

Washington, DC – With the January 2012 employment report, job growth has averaged over 183,400 per month for the last five months, and there have now been 23 straight months of employment growth. The unemployment rate fell to 8.3 percent in January – the lowest since February 2009 – and the economy added 243,000 jobs. The sustained growth and the decline in the unemployment rate suggest that the economic recovery has really taken hold, with most major industries experiencing some type of growth. Still, nearly 24 million workers are either unemployed or underemployed, which means the "real" unemployment rate is still over 15%. Nearly 43% of the unemployed have been out of work for six months or longer, and the average duration of unemployment is 40.1 weeks, or over nine months. It would be a mistake to let this strong employment report distract the nation from the need to respond more aggressively to the continuing crisis of long-term unemployment.

"Today's strong employment report signals continued economic progress, and that's very good news. But, the labor market still has a long way to go to be able to accommodate the millions of Americans hungry for a job, and the crisis for the long-term unemployed persists," said **Christine Owens, Executive Director of the National Employment Law Project**. "To be out of work for more than nine months – which has become the norm if you're unemployed – puts a tremendous strain on individuals, families and the economy. The growth of the past few months is the right direction, but we need to consolidate and build on these gains even faster and more strongly to meet the needs of all who want to work, particularly the long-term unemployed."

While many industries experienced growth last month, including sectors such as construction, manufacturing, and health care, others, such as financial services and information, have been relatively flat over the past few months and showed some loss in January. Notably, the public sector continues to lose jobs, with an overall loss of 14,000 jobs led by cuts at the local level. Until more continued, robust growth is experienced over the long run, and the public sector curbs job loss, long-term concerns about the steady growth of good-paying opportunities remain; there are still currently 4.2 unemployed workers for every job opening.

"Behind these numbers are very real and often frightening stories. Millions of midlife and older workers are moving toward retirement with substantially reduced savings because of job loss. The stock market has routed their 401(k)s and their home values are declining. Meanwhile, young workers are entering the labor force at a time of limited opportunities and lower wages. This disadvantage will significantly affect their lifetime earnings potential. And threats to basic economic security programs continue," said Owens.

In particular, February marks another crucial month for jobseekers relying on unemployment insurance. The two-month extension of unemployment insurance that Congress passed just before the holidays is set to expire at the end of the month. A 20-member Conference Committee of the House and Senate convened for

the first time last week to begin work on a full year extension. The Committee is chaired by Rep. Dave Camp (R-Mich.), the lead sponsor of H.R. 3630, a House Republican bill designed to significantly cut unemployment insurance weeks and eligibility, making it harder for Americans to turn to unemployment insurance as they look for work.

The National Employment Law Project has published a [detailed legislative analysis](#) of these and other provisions being sought in H.R. 3630.

Last week, the Joint Economic Committee also [issued a report](#) on the benefits of continuing unemployment insurance and the payroll tax cut. The report estimated that more than 3.3 million unemployed workers would be cut off of their UI benefits by June 2 without a renewal of the program ([see page 4 for state-by-state estimates](#)).

“Millions of unemployed workers are once again at risk of losing federal unemployment insurance. Additionally, several changes that have been proposed for the unemployment insurance program – like GED preconditions and drug testing – only stigmatize the unemployed and create more hurdles for them as they look for work. Congress needs to fully renew the federal unemployment insurance extensions, without needless and stigmatizing conditions, through 2012,” said Owens.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.

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