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In November of 2008, we substantially revised our forecast of mid-year 2009 United States year-on-year job growth rate from 0.3 to a fall of about four percent. At the time, we felt like we were in the midst of a regime-shift to a different state of economic affairs. This new state was one characterized by a financial crisis that was accompanied by a massive change in private-sector risk tolerance. We felt the economy was changing faster and more dramatically than most other forecasters. Our revised forecast moved us deep into pessimistic territory compared with the consensus view.

The United States Bureau of Labor Statistics released the August 2009 jobs report today, September 4, 2009. Reviewing the year-over-year changes in jobs shows the August United States job-count was down 4.4 percent, while the July measure was 4.3 percent. This is the United States' worst job market since October 1949. The data confirm our view, one we have held since November 2008 that the state of economic affairs changed in a very big way during the fall of 2008. Charts are provided below.

Most press-reports of the August employment release will highlight that 216,000 seasonally-adjusted jobs were lost. This represents an improvement over July, in which 276,000 seasonally-adjusted jobs were lost. However, the unadjusted data do not show an improvement in the job-market. As well, there are a variety of other depressing facts about the August jobs report. Since December 2007, the jobs level has fallen by 6.9 million persons. And, the number of long-term unemployed people remains at 5 million. Finally, Professional and Business Services jobs are falling at a much faster rate than the overall job measure at 6.4 percent. This sector does not include real estate jobs but a variety of relatively well-paying professional service occupation jobs and as a result this will depress the average salary in the United States.

United States Non-Farm Jobs Seasonally Unadjusted Data



