

UNEMPLOYMENT LEVELS STICK IN AUGUST



Job growth seems to have cooled down during the month of August, especially since the unemployment rate has remained unchanged. With the unemployment rate staying the same, many businesses are feeling pessimistic about the economy and its current situation. It is believed that employers increased the number of workers on the payroll by about 125,000 new workers during the month of August. While this may seem like a lot, it is actually a decrease from the amount of jobs that were made available during the month of July. During the month of July, there were a total of around 163,000 job gains. In the meantime, the unemployment rate continues to stay at 8.3 percent. Just a week ago, the Chairman for the Federal Reserve, Ben Bernanke, made it clear that the current labor market is a huge concern. At some point during this week, the United State job tally will be released providing information on the number of jobs that have been made available. When Bernanke made his comments, more economists started to believe that the central bank of the United States will start putting out more money for the economy, especially since it is still quite sluggish and help is definitely needed. One economist, Jeremy Lawson, says, "The report would probably have to be very strong to dissuade the Fed from acting, with payrolls coming in well north of 150,000 and the unemployment rate dipping." He also says, "And even then policymakers could take the view that healthy employment growth is unlikely given the current outlook for (economic) growth." Although some growth has taken place for the United States economy since the ending of the recession in 2009, there is still a lot of growth that needs to take place. Even with the growth that has occurred; the unemployment rate is still a lot higher than it once was before. In fact, the unemployment rate has been above 8 percent for the past three years, which is something that had not happened in the United States for several decades, ever since the Great Depression took place. For the beginning of 2012, the economy only grew by 1.8 percent, showing that there is still progress that needs to be made. Growth of at least 2.5 percent is absolutely necessary as a way of reducing the unemployment rate. The only problem is that hiring seems to have cooled down over the span of the past few months. With such slowdowns in the labor market, it will be harder for the unemployment rate to decline.