



# NELP

National Employment Law Project

NELP Employment Data Update  
August 6, 2010

## NELP Employment Data Update<sup>1</sup>

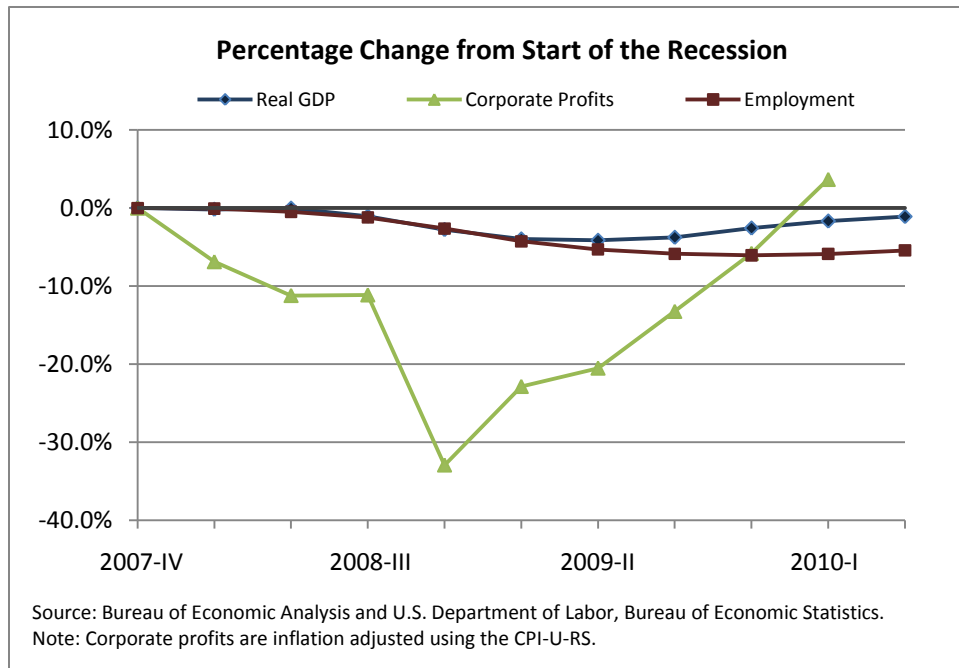
**July Employment Report:** July's employment report offers a stark reminder that while the recession may have ended as early as last summer, the pain continues for American workers. Employment, the metric that matters the most to the average person, shows little sign of life. Despite robust corporate profits and modest GDP growth, employers are still not creating near the number of jobs necessary to get the economy back to pre-recession levels, let alone make up for new entrants and older workers who can no longer afford to retire. Whereas corporate profits soared after turning upward in 2008, employment decreased in July for the second straight month. While private sector payrolls edged upward 71,000 in July after only gaining 31,000 jobs in June, private sector job creation has yet to show evidence of gaining momentum.

The 131,000 jobs lost in July, with unemployment still at 9.5% underscores the need for continued attention to job creation and aid for the unemployed. The ranks of the long-term unemployed remained sky high at 44.9%, and now number 6.6 million. Jobless workers now face 34.2 weeks, on average, of joblessness – over double the 16.5 average weeks of unemployment experienced at the start of the recession, in December 2007. Over 8.5 million of the 14.6 million unemployed are currently receiving some form of unemployment benefits.

There were other troubling signs in the report. The labor force participation rate dipped to 64.6 percent in June, erasing the gains in worker optimism about the job market that had grown in the spring. Labor force participation is now back to the 25-year record low reached in December 2009.

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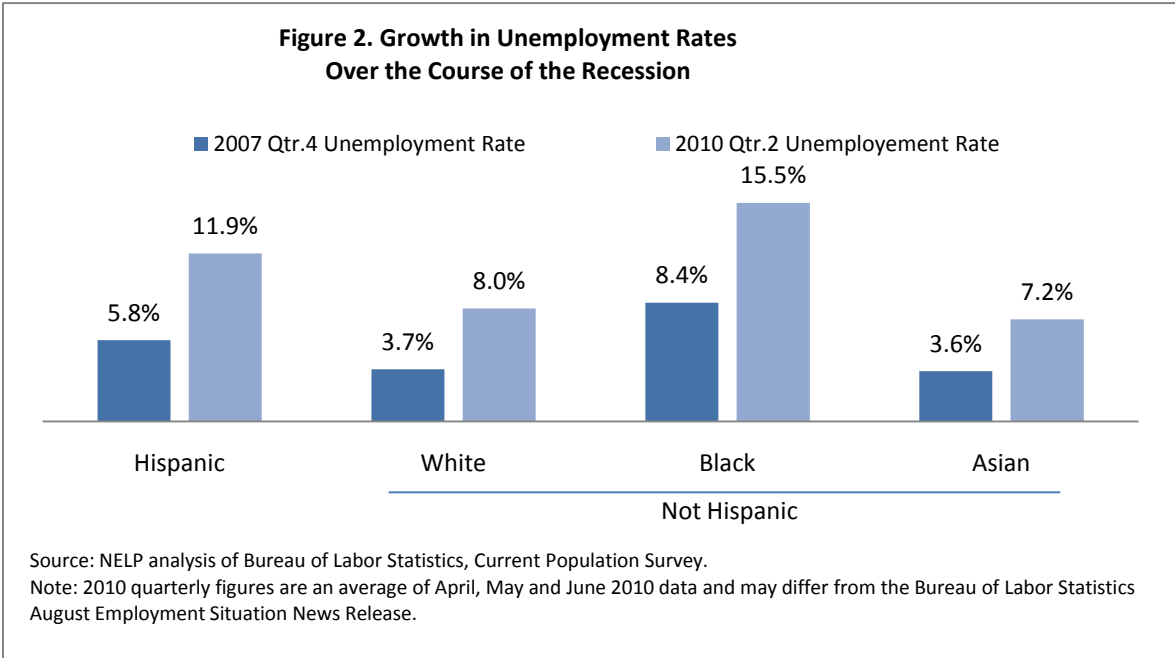
<sup>1</sup> This report was authored by Mike Evangelist with assistance from Andrew Stettner and Christine Riordan.



**Demographic overview: Job problems cause widespread hardship, with the severe recession weighing especially heavy on African-Americans.** As today’s employment report shows and Figure 2 reinforces, joblessness continues to affect a wide swath of the workforce, cutting across *all* demographic groups, as detailed in a previous [NELP report](#). Even highly educated workers, those with a bachelor’s degree or higher, account for nearly 1 out of 6 long-term jobless workers. Meanwhile, the unemployment rate for whites has more than doubled since the recession began in December 2007. Meanwhile, 1.4 million workers have been unemployed for 99 weeks or more.

As widespread as the economic devastation has been, there are still populations who have borne a disproportionate share of hardship. July’s published unemployment rate jumped for African-Americans to 15.6 percent, as part of a report that showed conditions worsening overall for African-Americans. The percentage of African-Americans who are employed fell to 51.9 percent in July, matching the 25-year low reached in December 2009.

July’s report continues the often invisible struggles of the African-American workforce in today’s economy. The following analysis isolates out the experience on non-Hispanic African-Americans in the 2<sup>nd</sup> quarter of 2010 as compared to other groups (this analysis overcomes a drawback in monthly data points in which African-Americans and Hispanics are overlapping groups). It is a remarkable fact that prior to the recession, the African-American unemployment rate (8.4 percent) was actually higher than the current rate for whites and Asians. In other words, what is the worst job market in decades for whites, is business as usual for African-American workers.



Long-term unemployment is also having a significant impact on the African-American community. While Non-Hispanic African-Americans make up only 11 percent of the labor force, African-Americans account for 18 percent of the unemployed and one out of five long-term jobless workers. These percentages hold for those who have been unemployed for 99 weeks and beyond, where African-Americans account for over 300,000 of the 1.4 million hardest hit Americans.

