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YES: GAINS MADE IN JOBS, COMPENSATION, SPENDING SHOW ECONOMY'S VIGOR

By Mark J. Perry

On Labor Day, we celebrate the important contributions working men and women make to our nation's prosperity. American workers can be especially proud this year of their continuing status as the most-productive, highest-paid workers in the world.

Workers can also be especially thankful for the significant gains in the labor market since last Labor Day, making this one of the best job markets in recent history. Month by month, the economic conditions of the U.S. labor market keep getting better and better, and American workers remain the envy of the world.

The current unemployment rate of 5 percent is the lowest in four years, far below the 6.3 percent peak two years ago, and is one of the lowest among all developed nations.

Since last Labor Day, the jobless rate has declined in 290 of the 367 metro areas, and the employment picture is so strong that four states – Nevada, West Virginia, Idaho and Montana – set all-time historical record-low jobless rates in 2005.

There have been 26 consecutive months of employment gains, a rate that has added about 2 million jobs

to the payrolls in each of the last two years. Employment growth has been so strong since last Labor Day that all of the jobs lost during the 2001 recession were completely regained by January of this year.

Since then, we have continued to add an average of almost 200,000 new jobs each month, the fastest pace for average monthly job growth in any year since 1999. There are now more Americans working today than at any time in U.S. history, and we have 1.2 million more jobs today than the previous employment record set back in 2001.

Unemployed workers are finding it easier to find jobs this year – the median time unemployed is the lowest since 2001, and is more than one week shorter than last year at this time.

Real compensation for America's workers has increased in each of the past 40 quarters, the longest string of consecutive increases in compensation since the 1960s. Along with rising compensation, worker productivity has increased for the past 14 quarters at a rate above the average of the last quarter-century.

Rising labor productivity has helped boost the output of goods and services to record levels. Growth

in real gross domestic product has exceeded 3 percent in each of the past nine quarters for the first time in more than 20 years.

The strong labor market and rising compensation have sent American workers on the biggest spending spree in American history – consumers spent more on retail sales in July – \$357 billion – than in any single other month in U.S. history. On an annual basis, retail spending surged 10.3 percent since last July, the fastest pace in more than 10 years.

Improvements for workers since last Labor Day have been so positive that the term "jobless recovery" has gradually disappeared this year as employment levels set new records.

American working men and women can confidently celebrate Labor Day this year knowing that a new term is now being frequently used to describe the current economy: "The Great American Jobs Machine."

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