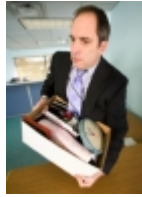




Written by [Steven J. DuBord](#) on June 5, 2009

Good and Bad News on May Unemployment

Getting the bad news out of the way first, *The Wall Street Journal* [reported on June 5](#) that the unemployment rate increased from 8.9 percent to 9.4 percent, “the highest level since August 1983.” This rise in the unemployment rate “to a fresh 25-year high served as a sober reminder that even if the economy does stabilize in coming weeks, a rapid return to growth is unlikely given the pressures households face from a sluggish labor market.” In fact, there is even worse news if marginally attached and involuntary part-time workers are added to the mix. Then the rate of unemployed or underemployed workers stands at 16.4 percent.



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Now the good news, relatively speaking. Keith Hall, commissioner of the Bureau of Labor Statistics, said that “jobless losses continued to be widespread in May, but the rate of decline moderated in construction and several service-producing industries.” Non-farm payrolls lost 345,000 jobs, the smallest drop since September 2008. Temporary employment jobs fell by the smallest amount in many months, losing “only” 6,500. Economists consider temporary employment to be a leading indicator of positive future employment prospects. Nevertheless, unemployment still went up compared to the previous months, albeit at a slower rate.

The *Journal* welcomed the news of decelerating layoffs as one of the signs the recession may be nearing an end. They also noted an increase in automobile sales and in the Institute for Supply Management’s manufacturing index. Taken together, these are “an indication that businesses and consumers alike may be finding their footing.”

If business and consumers are just beginning to find their footing, now is certainly not the time for government to put its foot to their backside. President Obama [recently mentioned](#) that he hasn’t ruled out taxing employer-provided healthcare benefits or forcing almost all employers to provide insurance. The deadly combination of requiring every employer to provide insurance that the government could then tax would certainly knock U.S. businesses and workers right off their feet.

Americans need to let their representative and senators know that they will not stand for this.



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