



Nick Przybyciel/MEDILL

Greg Stamps and his wife, Leslie, leave an Illinois Department of Employment Security office in Chicago after searching for jobs Friday. Stamps, who has been unemployed for a year, is having a difficult time supporting his five children, but is holding out hope he'll find a job soon.

Job seekers' frustration backed by underwhelming employment report

BY **NICK PRZYBYCIEL**

JUNE 01, 2012

New job growth hit its slowest pace in a year as unemployment ticked up marginally in May, according to a disappointing employment report issued Friday by the U.S. Bureau of Labor Statistics.

Only 69,000 non-farm payroll jobs were added last month, marking four months of anemic growth after last winter's strong numbers gave economists hope a recovery was well under way. Private employers added 82,000 jobs while governments cut 13,000.

April's employment report was adjusted to show only 77,000 non-farm payroll jobs added that month, 38,000 fewer than first reported.

The unemployment rate crept up to 8.2 percent from April's 8.1 percent.

“We had a warm winter which boosted job growth, so slower growth is making up for that, but the overall rate is disturbingly low overall” said David Rosnick, an economist with the Center for Economic and Policy Research, a Washington, D.C., economic think tank.

The number of long-termed unemployed—those jobless for 27 weeks or more—rose 6 percent to 5.1 million from 5.4 million in April. Additionally, the ranks of those considered “marginally attached,” or unemployed workers who are not in the labor force, and did not search for work in the last four weeks, increased 9 percent to 2.4 million from 2.2 million a year prior.

Greg Stamps, a 49-year-old salesperson from southwest Chicago, is one of those long-term unemployed. He was laid off 12 months ago. Struggling to support five children, Stamps has been taking advantage of local employment resources to find a new job, but to no avail.

“It's rough out here, man...it's been very hard,” he said. “The bills are making it almost impossible, but I'm hoping to get some help with those.”

Rick Lavenka, a 46-year-old South Loop resident who lost his security industry job in late April, complained, “I think there's a lack of opportunity and the only way you're going to get a job in this economy is to know someone. Sending out resumes online is the same as throwing them in the garbage.”

The construction industry was among the hardest hit in May, contracting by

28,000 jobs. After posting a new low in January, the industry has struggled to rebound.

“We are suffering from a large fall in demand, generally, as a result of the crash in housing wealth-- which has left millions of homeowners underwater and therefore unable to spend,” Rosnick said. “Unfortunately, that lack of spending means a lack of income to those who would produce.”

Meanwhile, employment grew in health care, transportation and warehousing, and wholesale trade.

“As for health care, we can expect continued spending there as the baby boomers retire and age,” Rosnick said.

For the most part, economists expressed moderate concern over the latest employment report and what it indicates for the economy.

“It's neither good news for the near term nor the long term, and someone in charge is going to have to act,” Rosnick said. “It would be nice if the Fed lent a lot more money to Treasury, so that Congress could spend money directly on goods and services, as well as provide grants to states, so that the states could spend money directly on goods and services. Sadly, I don't see this happening.”

Some feel more bad news for job seekers is in the offing.

“I'm not a big fan of making predictions, but the trend is for continued mediocre performance,” said Dan Mitchell, an economist at the Cato Institute, in Washington.

The employment report showed the average workweek edged down .1 hour to 34.4 hours.