

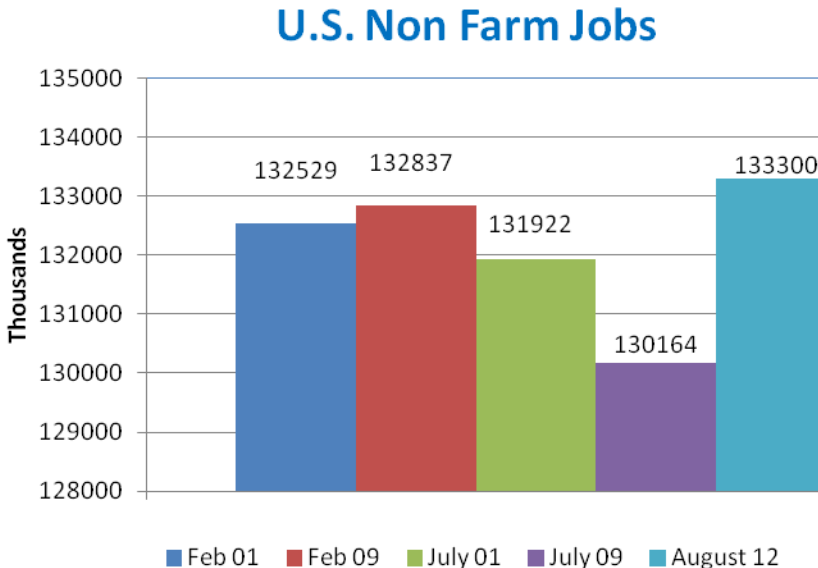
Job Growth During the Bush and Obama Administrations

There have been a lot of numbers thrown around in the media about job growth during President Obama's administration. This *Numbers in the News* describes the most recent numbers including the August 2012 job report. The data shown are for total non-farm wage and salary jobs seasonally adjusted as reported by the U.S. Bureau of Labor Statistics (BLS)

There are two questions of interpretation that will be left to readers. The first question is what the starting date should be for comparison of job change. The data is tabulated beginning in February, the month after the President's inauguration and beginning in July, six months into the President's term.

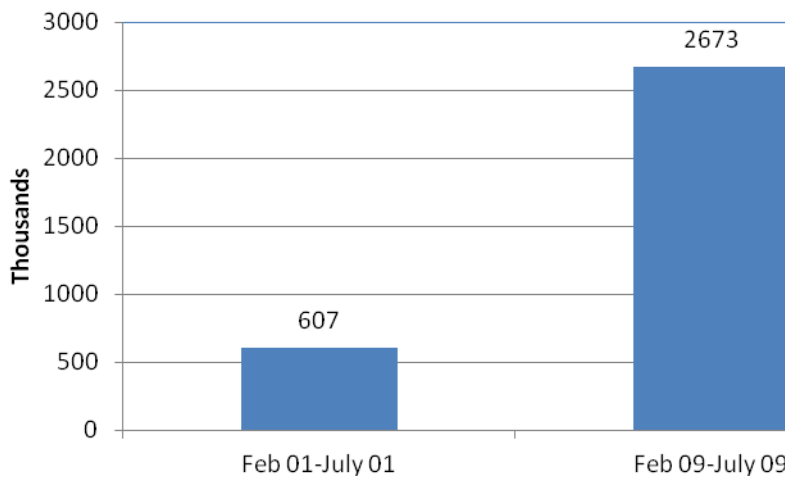
The second question is how to assess any President's responsibility for job changes during their administration. The President does set an economic policy agenda but Congress has to act on most important policies and the Federal Reserve Bank has an independent role in implementing monetary policy. So what role does the President's policies actually play in job growth?

Below are the job data for February and July 2001 and 2009 and for August 2012.



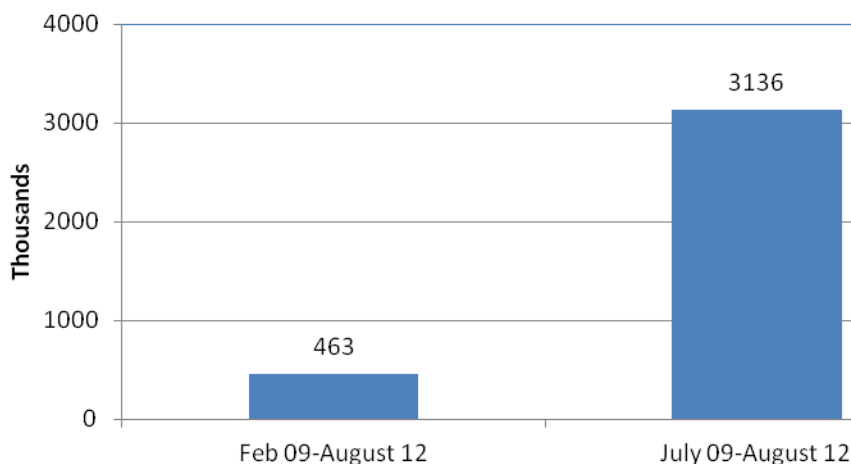
The choice between starting in February or July makes a difference in discussing when to begin to assign responsibility to a President for economic policy. But in the case of Presidents Bush and Obama it makes an especially large difference since both Presidents were inaugurated in the midst of recessions that started earlier. So both Bush and Obama saw job losses during the first six months of their administration.

February-July Job Losses

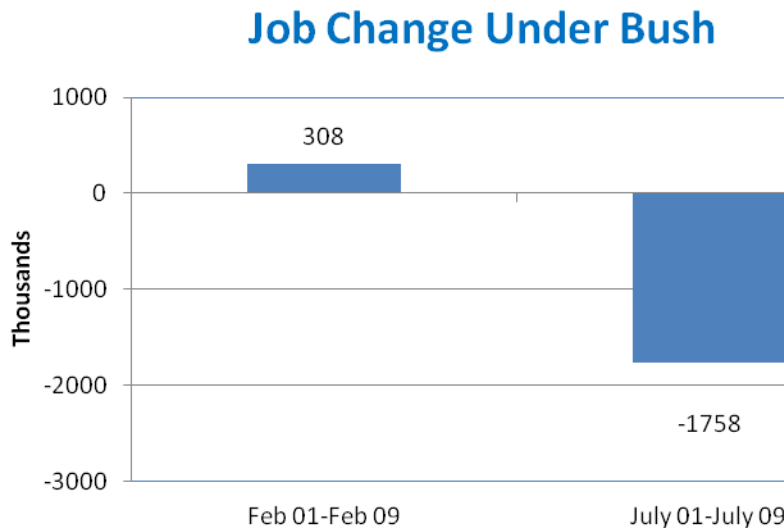


As a result how each President is rated on job growth depends on when you start counting. If one starts counting from the February 2009 job report, there has been a gain of 463,000 jobs through August 2012. If one starts counting from July 2009, the job gain increases to 3,136,000 jobs.

Job Change Under Obama



Here are the comparable numbers for President Bush. A lot depends on who is considered “responsible” for job changes in the first months of their administration. On a February 2001 to February 2009 perspective 308,000 jobs were added but on a July 2001 to July 2009 perspective there were 1,758,000 job losses.



The media and the President have discussed two other numbers this week. After the August jobs report came out CNN reported that the nation would have to gain 261,000 jobs in the next two months to regain all the jobs lost during the President’s administration. That calculation results from starting not in February 2009 but in January 2009 using data collected by BLS a week before the inauguration.

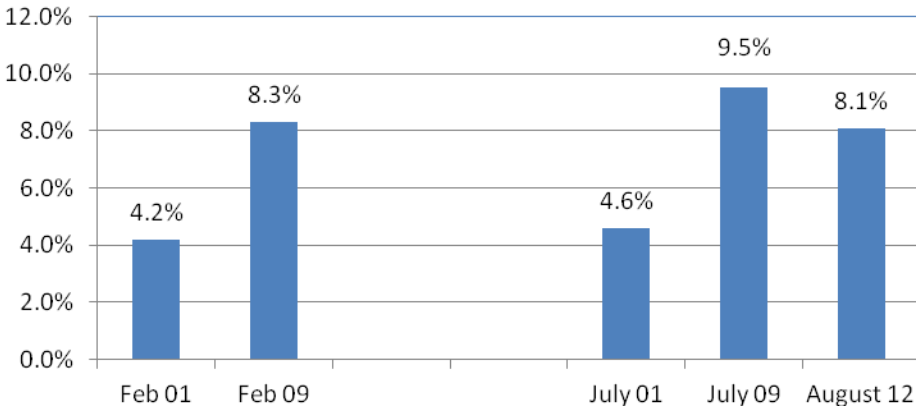
The President has talked about 4 ½ million private sector jobs recovered in the past 30 months. This calculation starts in February 2010 and omits the early months of his administration and also excludes the nearly 600,000 government jobs lost between February 2010 and August 2012.

The President talks about more than 500,000 manufacturing jobs added in recent months. This is correct but starts from January 2010 after manufacturing job losses of 5.5 million starting in January 2001 including 200,000 after July 2009 and 900,000 after February 2009.

The Unemployment Rate

Below are the seasonally adjusted unemployment rates on the key dates used in the job growth analysis.

In Whose Administration Did Unemployment Rise



Between February 2001 and 2009 the unemployment rate rose from 4.2% to 8.3%. From July 2001 to July 2009 the rate rose from 4.6% to 9.5%.

Between February 2009 and August 2012 the unemployment rate fell from 8.3% to 8.1% and from July 2009 to August 2012 the rate fell from 9.5% to 8.1%.

The media reports that the unemployment rate was above 8% for 43 months as of August 2012 and that is accurate. The previous high since the Depression was 27 months in the early years of the 1980s.

There has been a lot of media discussion of the August labor force participation data. The labor force did decline by 368,000 in August 2012. How much was due to people dropping out from frustration in finding jobs versus going back to school versus retirement is unknown.

Over the year from August 2011 to August 2012 here are the trends

Labor Force +1 million
 Number of People Holding Jobs +1.3 million
 Number of People Unemployed -1.4 million

Below is the number of unemployed workers by month

February 2009 12.9 million
 July 2009 14.6 million
 Peak in October 2009 15.4 million
 August 2012 12.5 million