

Unemployment Rate Analysis

Diane Kepley:

Unemployment now stands at 8.1 percent, the highest since late 1983. Hammered by the severe recession, employers slashed 651,000 jobs in February. Revised figures for January and December, 655,000 and 681,000, helped push the rate above eight percent.

David Wyss:

Well, we think the-the numbers over the last three months may be the worst of it, because companies try to accrue the restructuring charges in the previous year, so in 2008. So, a lot of these were announced in December, and then the actual layoffs get made in-between December and January. So, the January and February numbers tend to show them. Um, we're hoping that things calm down a little bit, but we still expect to lose at least another two million jobs by fall.

Diane Kepley:

The February cuts were widespread, affecting all parts of the economy: 180,000 positions in professional and business services; 168,000 at factories; 104,000 in construction. Retailers cut nearly 40,000. Employers are shrinking their workforces at an alarming clip and turning to other ways to slash costs, including trimming workers' hours, freezing wages, or cutting pay. With the government feverishly working to prop up the economy, even the best-case scenarios for recovery see unemployment moving higher as the recession deepens.

David Wyss:

We had 10.8 percent unemployment rate in 1982. Uh, I don't think we'll break ten percent, but we're gonna get awfully close to it by next spring.

Diane Kepley:

All told, the number of unemployed people now stands at 12.5 million, a number that the government expects to stay elevated until 2011. Economists say the job market may not get back to normal, meaning a five percent unemployment rate, until 2013.

Diane Kepley:

Diane Kepley, The Associated Press.

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