



Job Losses Accelerated in September

Economic Commentary – October 3, 2008



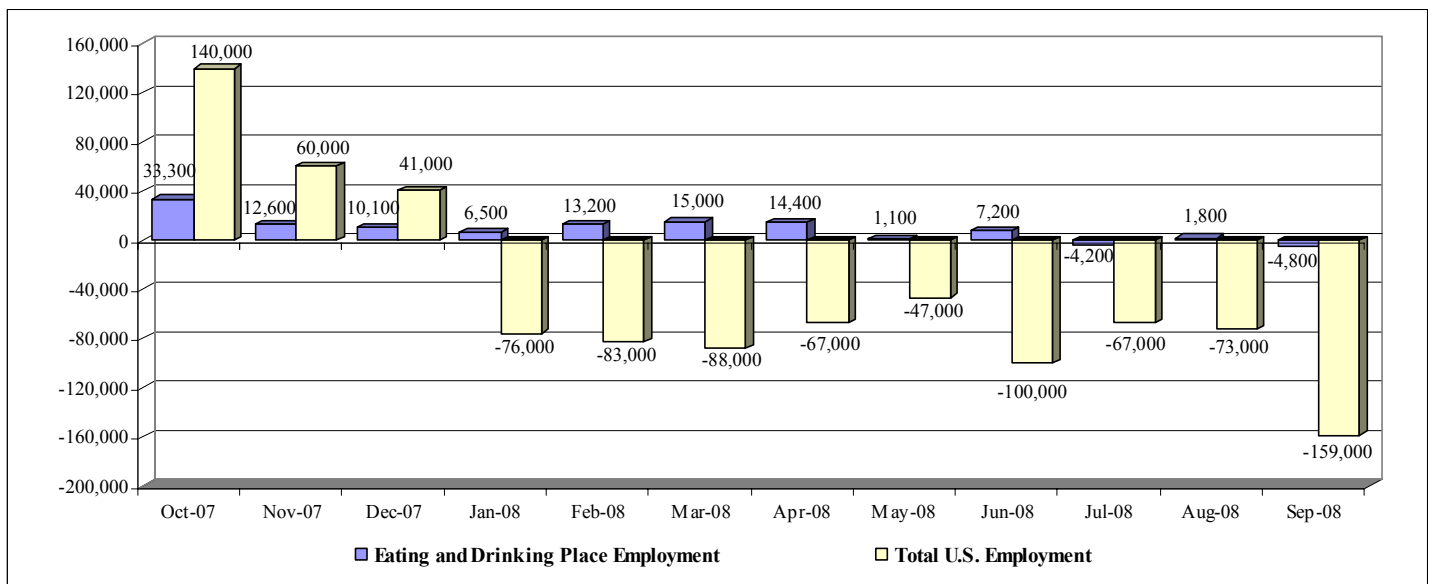
National Economy Lost Jobs for the Ninth Consecutive Month in September

- The national economy sunk deeper into its job recession in September, as employers cut jobs at their sharpest rate in more than five years. The economy shed 159,000 jobs in September on a seasonally-adjusted basis, which marked the ninth consecutive monthly decline – a total loss of 760,000 jobs. Job losses were broad-based in recent months, with the manufacturing, construction, retail trade, financial activities, and professional-and-business service sectors all posting substantial declines.
- The national unemployment rate stood at 6.1 percent in September, unchanged from August. However, the weakness in the labor market was masked somewhat by a sharp increase in the number of normally full-time workers who were downgraded to part-time in September. More than 6 million individuals fell into this category in September, up 337,000 from August and the highest level since the recession of the early-1990s. Overall, nearly 9.5 million individuals were unemployed in September (a 16-year high), and more than 21 percent of these individuals have been unemployed for more than 27 weeks – a strong indication of an entrenched slump.

Restaurant Industry Employment Turned Negative in the Third Quarter

- After bucking the trends in the overall economy and adding jobs during the first half of the year, restaurant industry employment also turned downward in the third quarter. Eating and drinking places – the primary component of the restaurant industry which accounts for roughly three-fourths of the total restaurant and foodservice workforce – cut 4,800 jobs in September on a seasonally-adjusted basis, their second decline in the last three months. [The Bureau of Labor Statistics originally reported positive job growth for the restaurant industry in July, but revised it negative after the inclusion of more complete data.]
- Despite the recent declines, eating and drinking place employment remained 0.9 percent above its year-ago levels, while total U.S. employment was down 0.4 percent during the same 12-month period.

Monthly Job Growth: Eating and Drinking Places vs. Total National Economy



Source: National Restaurant Association analysis of Bureau of Labor Statistics data; figures are seasonally-adjusted