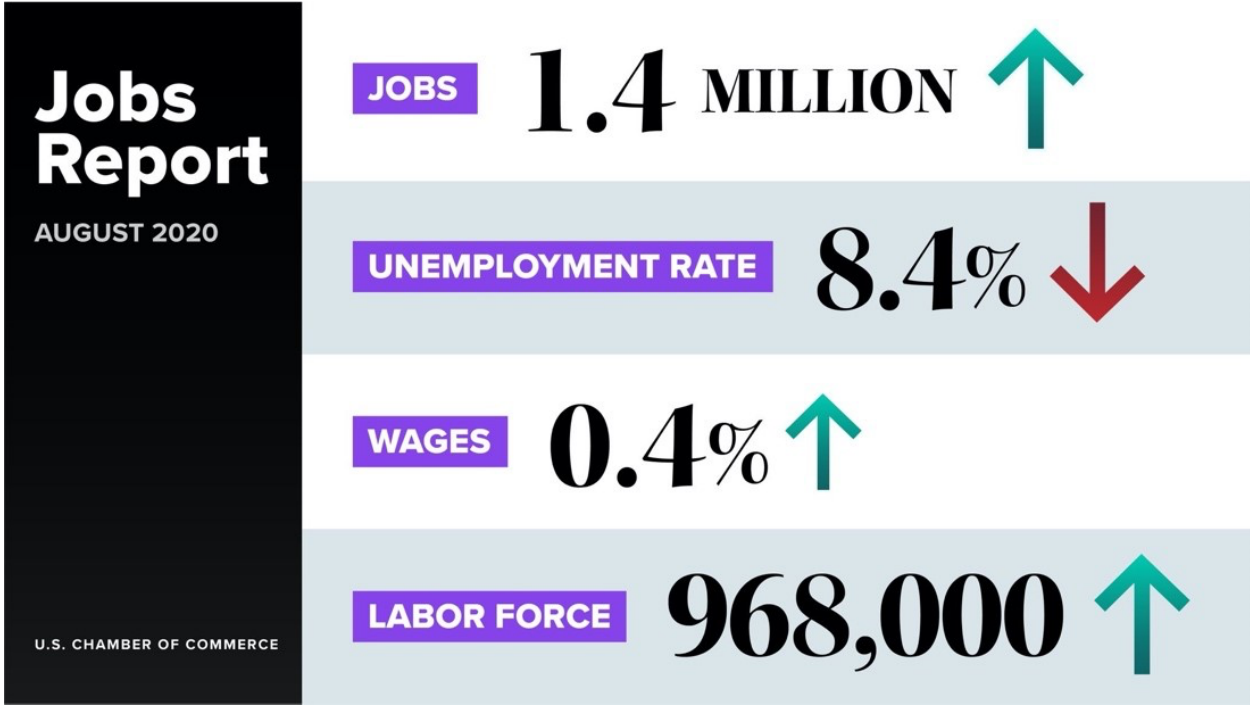


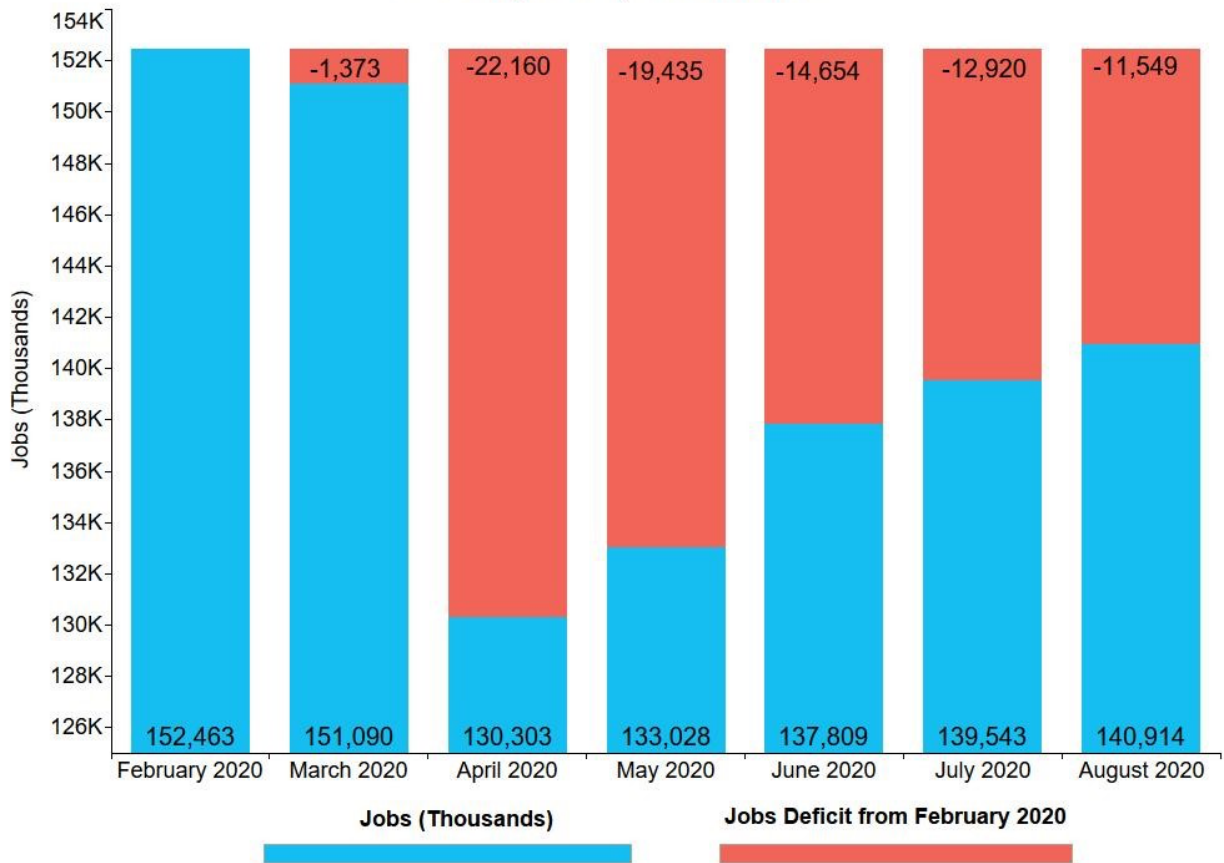
1.4 Million Jobs Were Added in August, Yet a Large Gap Remains

Last Friday, the [Bureau of Labor Statistics \(BLS\) reported](#) that the economy added 1.4 million jobs in August. Those jobs drove the unemployment rate down to 8.4% from 10.2% in July. The labor force grew by almost 1 million workers and wages rose. That is great news, of course. But the broader context of the labor market's recovery is needed to fully understand where the labor market is right now.



Mind the gap: In March and April, the labor market lost more than 22.1 million jobs. It has added a total of 10.6 million in the last four months. That is an impressive feat and deserving of optimism for a strong, relatively quick recovery. However, compared to the size of the labor market in February, there remains a gap of more than 11.5 million jobs.

The Economy Added 1.4 Million Jobs in August - A Large Gap Remains



It took a record economic expansion from June of 2009, when the Great Recession ended, to February of 2020 for the labor market to grow to the 152.5 million jobs it was then. That was almost 11 years of continuous growth. Unfortunately, it will again take years for the labor market to grow back to that level.

What's needed: The key to a faster recovery in the jobs market is containing the virus quickly. When COVID-19 cases surge, economic activity declines and job losses accelerate. The job market will spin its wheels if, while millions go back to work, millions in other sectors and regions of the economy are put out of work because of new outbreaks.

A “K-shaped” recovery: Another important factor that would help employment is effective public policy. We are in the middle of a “K-shaped” recovery. That means some industries are doing well, while others that were forced to close, or are operating at a limited capacity, continue to struggle.

Congress should be crafting assistance to help those industries and businesses on the bottom part of the “K” to keep them afloat while the pandemic continues, and to help them recover faster when the pandemic fades.

— Curtis Dubay, Senior Economist, U.S. Chamber of Commerce