

**Members of House Republican Leader John Boehner's (R-OH) informal "kitchen cabinet" of economists weigh in on the August employment report:**

**DOUGLAS HOLTZ-EAKIN**

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Groundhog Day

The August labor market looks like the July labor report which looks like....more of the same.

- The top-line numbers showed a decline of 54,000 jobs – predictable because of layoffs of temporary Census workers – and an unemployment rate of 9.6 percent, up 0.1 percent from July.
- The better indicator of the labor market is the modest 67,000 increase in private sector jobs. This growth is accompanied by other modest signs of expansion:
  - Average hourly earnings and average weekly earnings for production workers expanded at a steady pace.
  - Average weekly hours worked and the index of aggregate hours for production workers grew solidly.
  - Employment rise in the temporary help – typically a leading indicator of greater labor market strength.
  - The labor force and employment in the household survey both rose strongly – typically associated with strength at turning points.

This report is another strike against fear of a double-dip recession, but shows no indication of robust growth. The economy continues to grow but at an unacceptably slow pace and unemployment will remain stubbornly high.

*The bottom line: The August report should calm fears of an imminent double dip. It will not signal a robust expansion and speaks volumes for the need for a new approach to economic policy in Washington.*

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As children return to school, they all know the excuse "The dog ate my homework." The administration's excuse for August's higher 9.6% unemployment rate, with another 54,000 lost jobs, is that it's George Bush's fault. The real story is that the administration is flunking economics through job-destroying policies of raising taxes and government spending and imposing new costs on hiring.

Only 763,000 private sector jobs have been created since December 2009, despite the \$862 billion stimulus package. That's over a million dollars spent for each new job. Meanwhile, Americans face one of the highest tax hikes in history in January, further destroying the weak economy.

The administration is not just failing, but failing the American people. Christina Romer, the President's top economic adviser, who has just published a paper showing that "tax increases are highly contractionary," recently left the White House to return to academia, where, unlike the Obama administration, the students are interested in economic reality. How high does the unemployment rate have to get before the administration changes course?