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## The Economic Situation Facing Employers

As Congress considers legislation impacting employers, it should bear in mind the challenges employers face in this tight economy.

1. **Economic growth was most recently measured at -1.3 percent** and has not exceeded 2.0 percent since the third quarter of 2000 (source: Commerce Department).
2. **Growth in consumer demand has dropped to just 1 percent** from nearly 6 percent in the beginning of 2000 (source: Commerce Department).
3. **Investment in businesses has fallen every quarter since December 2000** (source: Commerce Department).
4. **After-tax corporate profits have fallen every quarter since September 2000** (source: Commerce Department).
5. **The jobless rate has shot up to 5.8 percent** after spending the year 2000 near 4 percent. It is 9.6 percent for those aged 20-24 and 16 percent for those aged 16-19 (source: BLS).
6. Some **1.4 million jobs have been lost** since the official beginning of the recession (March 2001). Eighty percent of lost jobs came from manufacturing (source: BLS).
7. “The manufacturing sector has been weak for an extended period of time. The industrial production index, for example, peaked in June 2000 . . . **1.5 million manufacturing jobs have been lost since July 2000**” (source: JEC).
8. **Federal regulations impose a hidden tax of \$1,700 per employee** per year (source: George Mason University’s Mercatus Center).
9. **Every percentage point increase in the jobless rate results in 860,000 Americans losing their health insurance** (source: MIT, NBER, Kaiser Family Foundation).
10. **Employee health benefit costs increased 11.2 percent in 2001, or about \$600 per employee.** Health benefit costs have risen faster than inflation for the past four years and are expected to stay in double digits in the near future (source: William M. Mercer).

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