

Fewer Americans Working at Start of Obama’s Second Term: More Americans are unemployed, dropping off payrolls, and falling out of the labor force as President Barack Obama begins his second term compared to when he was first sworn into office. According to the Bureau of Labor Statistics, 12.1 million Americans were unemployed in December 2012, compared to 11.3 million unemployed Americans in December 2008. Of these unemployed workers, 1.1 million are discouraged workers, up from 929,000 discouraged workers in December 2008.

Nonfarm payrolls fell by 358,000 over the last four years, and there were five million fewer Americans in the labor force in December 2012 (88.8 million) than in December 2008 (83.8 million). Consequently the labor force participation rate dropped over the last four years from 64.6% to 63.6% (prior to March 2012, this low rate was last seen in December 1981). Many Americans are not out of the labor force by choice – 6,750,000 want a job now, an increase of 557,000 from December 2008 when 6,193,000 said the same.

Labor Force Before 2009 Inauguration Compared to Today

	Inauguration 2009	Inauguration 2013	Difference
Total Nonfarm	134,379,000	134,021,000	-358,000
Labor Force Participation Rate	64.6%	63.6%	-1%
Not in the Labor force	83,804,000	88,839,000	+5.04M
Not in the Labor Force; Want a Job Now	6,193,000	6,750,000	+557,000
Unemployed	11,286,000	12,206,000	+920,000
Unemployment Rate	7.3%	7.8%	+0.5%
Discouraged Workers	929,000	1,068,000	+139,000

Source: Bureau of Labor Statistics Reports for December 2008 and December 2012

The Construction and Manufacturing sectors saw the most job losses over Mr. Obama's first term, with payrolls declining the last four years by 1.1 million and 861,000, respectfully. The Information, Financial Services, and Government sectors also shed jobs, while Retail Trade, Professional and Business, Leisure and Hospitality, and Education and Health sectors saw modest job gains. Gains in the Education and Health industry were likely due to the administrative roles necessary for the implementation of the Affordable Care Act.

Mr. Obama emphasized his signature 2009 stimulus would boost job creation in the Construction and Manufacturing sectors, so it would be wise to be skeptical of future spending during the president's second-term. Nor will Mr. Obama find it so easy to blame his predecessor for the job situation and economy as he begins his second term.

Employment Situation for Select Sectors

	Inauguration 2009	Inauguration 2013	Difference
Construction	6,705,000	5,564,000	-1,141,000
Manufacturing	12,849,000	11,988,000	-861,000
Retail Trade	14,882,000	14,900,000	18,000
Information	2,909,000	2,625,000	-284,000
Financial Services	7,996,000	7,776,000	-220,000
Professional/Business	17,218,000	18,065,000	847,000
Education/Health	19,025,000	20,531,000	1,506,000
Leisure/Hospitality	13,265,000	13,784,000	519,000
Government	22,555,000	21,925,000	-630,000

Source: Bureau of Labor Statistics Reports for December 2008 and December 2012