



Key Labor Indicators Continue to Deteriorate

Economic Commentary – January 9, 2009



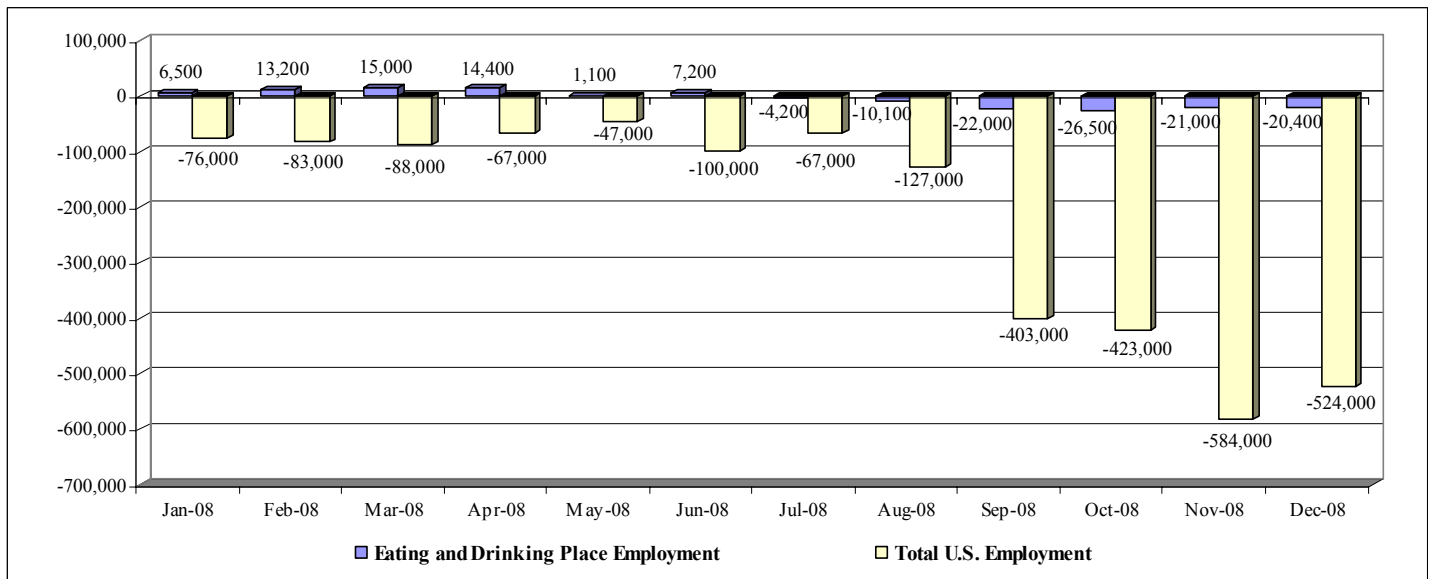
Fourth Quarter Job Losses Were the Largest in 63 Years

- The national economy sunk deeper into recession in December, as more than a half million jobs were lost for the second consecutive month. The overall economy shed 524,000 jobs in December on a seasonally-adjusted basis, which followed a drop of 584,000 jobs in November. In total during the fourth quarter, the national economy lost more than 1.5 million jobs, the worst quarterly decline since 1945. Overall, the economy has shed nearly 2.6 million jobs since the downturn began, or nearly 2 percent of the nation’s total employment base.
- The national unemployment rate stood at 7.2 percent in December, a jump of more than two percentage points since the beginning of the year and the highest level in 16 years. Overall, more than 11.1 million individuals were unemployed in December (a 25-year high), and more than 23 percent of these individuals have been unemployed for more than 6 months – a strong indication of an entrenched downturn.
- 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 jobs for the sixth consecutive month in December. In total during the last six months, eating and drinking places shed more than 104,000 jobs.

Job Losses Expected to Continue in 2009

- Job losses are projected to continue well into 2009. All told, well over 3 million jobs will likely be shed before the downturn runs its course. On an average annual basis, total U.S. employment is projected to decline 2.0 percent in 2009, its largest drop since 1958.
- As a result of the sluggish economy and expected real sales decline, eating and drinking places are projected to cut jobs at an average annual rate of 0.5 percent in 2009, the first year of job losses since 1991.

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