



National Economy Plunges Deeper into Recession

Economic Commentary – December 5, 2008



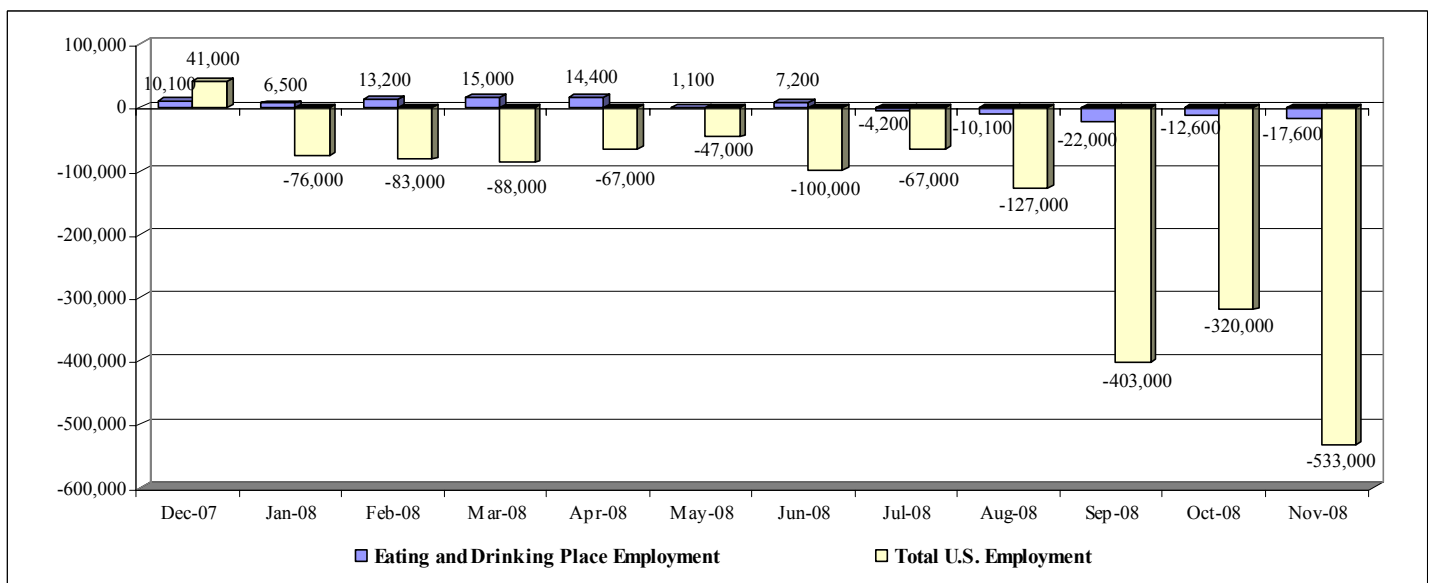
November Job Losses Were the Largest in 34 Years

- As if additional evidence was needed to demonstrate that the country is in a recession, the national economy shed jobs at its fastest pace in 34 years in November. The overall economy lost 533,000 jobs in November on a seasonally-adjusted basis, the largest decline since 602,000 jobs were cut in December 1974. The November losses followed substantial declines of 403,000 jobs in September and 320,000 jobs in October, and this total loss of more than 1.2 million jobs was the largest three-month decline since 1975. In total during the last 11 months, the national economy shed more than 1.9 million jobs, or 1.4 percent of the nation’s total workforce.
- Meanwhile, the national unemployment rate stood at 6.7 percent in November, up from 6.5 percent in October and the highest level in 15 years. In the last 12 months alone, the unemployment rate shot up 2 percentage points. More than 10.3 million people were unemployed in November, the highest number since 1983.
- Consumer confidence, which was already near record lows, will continue to falter as job losses are expected to continue well into 2009. This will dampen consumer spending even further, which fell in the third quarter at its strongest rate in 28 years.

Restaurants Cut Jobs for the Fifth Consecutive Month

- 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 17,600 jobs in November on a seasonally-adjusted basis, the fifth consecutive month of job losses in the industry. In total during the last five months, eating and drinking places shed nearly 67,000 jobs. For historical context, throughout the duration of this Bureau of Labor Statistics data series which began in 1958, eating and drinking places had never posted job losses in five consecutive months.

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