



# NEWS

## AMERICANS FOR TAX REFORM

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## Taxes Down, Jobs Up: Unemployment falls to 5.9%

*Economy adds more jobs in November bringing 4-month gain to 328,000*

WASHINGTON – On Friday, the Labor Department (DOL) reported that U.S. payrolls expanded by 57,000 last month, dropping the unemployment rate to 5.9%. Additionally, service sector hiring in November grew at its strongest rate in 3-1/2 years while the manufacturing sector expanded at a 20-year record rate, according to the most recent report from the Institute for Supply Management (ISM).

While Wall Street had expected payrolls to grow by 150,000 or more, the DOL noted that grocery store strikes in California deducted up to 30,800 workers from November's numbers. As for the service sector, it expanded at a slower than expected---though still very strong---pace according to ISM's survey, though the employment component rose to its highest level since March 2000.

**“With surging profit margins, peaking productivity, and high output levels, firms are hiring new workers and will continue hiring to keep production sizzling,”** said taxpayer advocate Grover Norquist, President of Americans for Tax Reform in Washington D.C. **“Job growth is here and the pace of hiring will accelerate when the next round of tax cuts comes online next year.”**

The 57,000 net job gain in November comes on the heels of the upwardly revised increase of 137,000 in October, bringing total job gains since July to 328,000. ISM's non-manufacturing index, which is a gauge of the service sector that makes up about three-quarters of U.S. economic output, dipped to 60.1 last month from 64.7 in October, but still represents a 64,000 increase in service jobs in November. Readings above 50 indicate expansion and November was the eighth straight month of growth.

A second ISM survey showed the manufacturing sector growing at its fastest pace in 20 years. Factory job losses have averaged 17,000 since August, compared with an average decline of 53,000 for the 12 months before August.

**“Even amidst staggering productivity gains, firms are ramping up their hiring because lower taxes have boosted profits,”** continued Norquist. **“While businesses, consumers, and job-seekers can take pride and satisfaction in this news, Democrats keep telling themselves that tax cuts don't work. They aren't totally wrong, however, because the tax cuts will indeed result in job losses. In about 11 months, a lot of Democrat politicians will be jobless.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at [jcollegio@atr.org](mailto:jcollegio@atr.org).