

March jobs report points to protracted US downturn

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3 April 2010

The US economy gained 162,000 jobs last month, the most in three years, according to the latest figures from the Labor Department. Far from a recovery, however, the figures reveal a stagnant economy with mass long-term unemployment and a continual decline in wages.

The official unemployment rate remained at 9.7 percent. Even by government estimates, the rate is expected to stay at or above 10 percent for months, if not years.

Approximately 48,000 jobs added in March were temporary hires as part of the US census. According to some estimates, 150,000 jobs have to be created every month in order to keep up with population growth. Combining these two figures erases the jobs gain.

The broadest measure of unemployment, which includes “discouraged” workers who have left the labor market and people working part-time because there are no full-time jobs, increased to 16.9 percent. This was the third consecutive monthly increase of this figure.

Long-term unemployment continues to rise, as millions of people have been unable to find jobs for months or years. More than 6.5 million have been out of a job for at least six months, up 414,000 from last month, and an all-time high. The average length of unemployment also rose to the highest level on record going back more than six decades—31 weeks.

An article in the *Wall Street Journal* Friday noted that the problem of long-term unemployment “is markedly worse in this recession than even in the deep slide of 1981 and 1982.” At the peak of the earlier crisis, the percent of unemployed out of work for six months or more was 26 percent, compared to over 40 percent today.

Many of the long-term unemployed will see the cut-off of their benefits and health care this week, as the

Senate failed to pass an extension of benefits before taking a two-week recess.

A vast portion of American society is either unemployed or underemployed. About 15 million people are without jobs and look for work every week. Another 9.1 million work part-time because full-time work is not available. And millions more have simply given up looking for work.

The US economy has lost 8.4 million jobs since the start of the downturn, and would need to create 10.8 million jobs for the unemployment rate to return to pre-recession levels.

Wages are also stagnant, as employers have seized on mass unemployment to cut costs and boost profits. Average hourly wages fell by 0.1 percent in March, without taking into account inflation. When inflation is taken into account, average weekly wages fell by 2.2 percent in the third quarter of last year, the latest figures for which data is available.

March’s tepid job growth does not represent, as Obama termed it, “turning the corner” and the beginning of a sustained recovery in jobs. Even by the Obama administration’s own estimates, the US economy will not reach its pre-crisis level of unemployment for another seven years, if ever.

Obama met the jobs report with a speech at a lithium-ion battery plant in Charlotte, North Carolina. The White House had a propaganda video prepared beforehand, featuring interviews from workers at the company, Celgard, who had been rehired after their employer received money from the stimulus bill.

Obama used the speech to insist once again that there would be no federal jobs program to address the unemployment crisis. “The true engine of job growth in this country has always been the private sector, businesses like Celgard,” he said. “What government

can do is create the conditions for companies to succeed.”

Indeed, the main component of the “recovery” has been in the profit levels of corporations, aided by the Obama administration. Corporate profits, which are highest when workers are overexploited and underpaid, grew explosively in 2009. The Obama administration’s various “jobs” programs, including the \$750 billion stimulus bill, have gone in large part into subsidies to businesses like Celgard.

The growth of exploitation is reflected in a dramatic increase in labor productivity. Last month the Labor Department announced that labor productivity increased at a rate of 6.9 percent, meaning that, on average, people are working 7 percent harder now than they were a year ago.

All of this has taken its toll on the working class. A study of court records found that there were 158,000 personal bankruptcy filings in March, an increase of 35 percent since February, and up 20 percent from the same time last year.

The housing situation is even worse. In 2009 there were 2.8 million foreclosures, but RealtyTrac.com, a property marketplace, expects another 4.5 million people to lose their homes next year.

The Obama administration is presiding over a job-cutting offensive on all levels of the government. States and cities are facing record budget deficits and are responding by slashing social programs and jobs. Leaving aside temporary census hiring, the government sector shrank dramatically in March, including 3,500 postal jobs, 5,000 state government jobs, and 4,000 in local government.

But even more job cuts are coming. Employers announced plans in March to cut 67,611 jobs according to Challenger, Gray & Christmas. This is a 61 percent increase from February. Planned layoffs in the government sector amounted to an astounding 75 percent of total job losses. The US Postal Service is leading other services, announcing that it would reduce its workforce by 30,000 this year.

Far from creating jobs, the Obama administration’s program is to foster an economic environment with high unemployment, low social spending, and falling wages. This is done in the direct interest of boosting the profits of corporations.



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