Lackluster US jobs report points to ongoing slump

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The US economy added 148,000 jobs in September, less than the number expected by economists and barely enough to keep up with population growth, according to figures released Tuesday by the Labor Department.

The figures were originally scheduled to be released October 4 but were delayed by the government shutdown, which took place between October 1 and 16. The figures showed that the US economy had slowed down significantly even before the shutdown, the effects of which were not counted in the figures released Tuesday.

"September's job growth would be considered adequate in an economy that had already largely recovered from the recession, but it is well below the sustained job growth of 200,000 to 300,000 a month that would mark a robust jobs recovery," wrote Chad Stone, chief economist at the Center on Budget and Policy Priorities.

The number of people employed by the federal government fell by 6,000 in September, to 2.723 million, the lowest number of civilian employees since 1966. The federal government now employs only 2.0 percent of all employed people, down from 4.3 percent that year.

Since February 2010, the total number of state, local, and federal government jobs in the US fell by 590,000, led by a reduction of 344,000 local government jobs.

The main hiring gains in September were in the warehousing, wholesale trade, construction, and transportation sectors, while the manufacturing sector added only about 2,000 jobs.

So far, the second half of this year has averaged 143,000 jobs per month, compared to an average of 195,000 for the first part, pointing to an economic slump. The US economy needs to create more than 150,000 jobs every month just to keep up with population growth.

"The labor market lost, rather than gained, momentum over the summer, leaving us with less than a desirable cushion just as the government was shuttered," Diane Swonk, chief economist at Mesirow Financial, told the *New York Times* .

The growth in payrolls was significantly below economists' predictions of an increase of 180,000 jobs. The figures for July and August were revised upward in the report.

The US has recovered only 7 million out of the 8.5 million jobs lost during the recession. Since the beginning of the economic "recovery" in 2009, however, the working age population has increased by 7.4 million, meaning that the gain in jobs relative to population growth has been essentially zero.

"Overall, this was a weak report, and the general tone reflects a dramatic weakening in labor market momentum in the month ahead of the government shutdown and debt ceiling impasse," Millan Mulraine, director of US Research & Strategy at TD Securities, told the *Wall Street Journal* .

The share of the US population that is employed remained at 58.6 percent in September, largely unchanged from what it has been since 2009, and down from 62.7 percent in December 2007. Nearly 37 percent of all unemployed, or a total 4.1 million people, have been unemployed 27 weeks or more.

The number of people who were not in the labor force grew by 136,000 in September, according to the governemnt's survey of households. Even though the unemployment rate dropped to 7.2 percent, down from 7.3 percent the previous month, it was not accompanied by either an increase in the percentage of the population that is employed or the labor force participation rate.

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The percentage of the population in the labor force this year dropped to levels last seen in 1978, before tens of millions of women began working.

The Obama administration has made unlimited funds available for the financial elite, while nothing has been done to hire workers or address the jobs crisis in America. The supposed "jobs" programs proposed by the government have consisted almost entirely of various deregulation schemes or corporate tax cuts.

Even as the Federal Reserve pumps $85 billion into the financial system every month, the government has aggressively slashed policies that benefit working people, including the expiration of a payroll tax cut at the beginning of the year and the $85 billion in spending cuts known as the sequester. Now, in the aftermath of the government shutdown, Democrats and Republicans are conspiring to slash hundreds of billions more from key social programs, including Medicare and Social Security. The shutdown has also had a disastrous effect on the personal finances of government workers and employees at businesses affected.

Even more cuts are on the horizon. The temporary increase in Supplemental Nutrition Assistance Program (SNAP) benefits introduced in 2009 is scheduled to stop at the end of this month, leading to significant benefit reductions.

"For families of three, the cut will be $29 a month—a total of $319 for November 2013 through September 2014, the remaining months of fiscal year 2014," reported the Center on Budget and Policy Priorities. The organization added that, as a result of the cut, SNAP assistance will amount to less than $1.40 per person per meal in 2014.

Additionally, the temporary federal Emergency Unemployment Compensation program, which provides extended unemployment benefits beyond the 26-week cutoff for most state unemployment assistance programs, is scheduled to expire in December.

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