

Wages flat despite job growth in latest US employment report

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According to the Labor Department's latest monthly jobs report, the American economy added 321,000 jobs in November while the official unemployment rate held steady at 5.8 percent. Even though the US economy continued its streak of monthly job growth, workers' wages continued to stagnate, seeing extremely limited growth.

Professional and business services, retail trade, health care, and manufacturing all reported significant monthly job growth in November. White collar professions lead the pack with the addition of 86,000 jobs in bookkeeping, temporary help, consulting, and computer system design, as well as architectural and engineering services. Retail businesses added 50,000 jobs in November in advance of the holiday shopping season.

Other sectors of the economy that showed strong growth were health care (29,000), manufacturing (28,000), food services and drinking places (27,000), financial activities (20,000) and transportation and warehousing (17,000). Construction continued an upward trend adding 20,000 jobs, primarily in the residential housing sector.

The US economy has added at least 200,000 jobs for 10 consecutive months, with 2.64 million new jobs in 2014. November's job growth was much stronger than economists' expectations of approximately 230,000, and jobs numbers from September and October were revised upward by a total of 44,000.

The class chasm in America is deepening month-by-month, as the stock market hit new record highs, with the Dow-Jones index over 18,000 and corporate profits soaring, even as workers' wages remain stagnant.

Job growth under the Obama administration has been centered largely on the expansion of low-wage jobs in the temporary and service sectors. The Obama

administration has also openly and ruthlessly pursued a policy of cutting labor costs by lowering wages, encouraging employers to offload health care benefits to Obamacare exchanges, and backing the attack on public workers' pensions in the bankruptcy of Detroit.

On this cost-cutting basis, the Obama administration has promoted a limited revival of American manufacturing. As part of the federal bailout of the Big Three US auto companies carried out by the Obama administration, wages for new hires were slashed in half.

Despite relative job growth over the last several years, the labor force participation rate remained at 62.8 percent, the lowest it has been since 1978. The employment-to-population ratio, which measures the proportion of the working-age population that is currently employed, remained flat at 59.2 percent, still significantly below a peak of 63.4 percent in 2006.

Overall wage growth has barely outpaced the relatively low rate of inflation. The average wage has risen by 2.1 percent since November 2013, little more than the 1.74 percent rate of inflation. The average hourly wage for all employees rose by less than 0.4 percent in November, and for those in private sector production and non-supervisory jobs, average hourly wages rose by 0.2 percent.

No sector of the economy has experienced average wage growth significantly above 2 percent over the last year. Those employed in the fields of education and health care experienced a 0.5 percent decline in wages between 2013 and 2014. Those in the fields of trade, transportation, utilities, manufacturing and finance have all seen their wages stagnate.

The situation for those without work remained largely unchanged in November. The unemployment rate for teenagers was 17.7 percent, 11.1 percent for African

Americans, and 6.6 percent for Hispanics. The number of long-term unemployed held steady at 2.8 million. These individuals, unemployed for 27 or more weeks, account for 30.7 percent of the unemployed. The number of involuntary part-time workers remained fixed at 6.9 million. The number of people marginally attached to the labor force, those who wanted work but had not looked in the last four weeks, was fixed at 2.1 million.

The recent fall in oil and gas prices, significantly lowering transportation costs, may account for some of the job growth as well as an increase in consumer spending in November. The average price of a gallon of gas in the United States was down to \$2.70, the lowest price in approximately five years. It is estimated that if prices hold at their current levels, the average household will save approximately \$600 over the next year. The price of a barrel of crude oil fell 1.7 percent on Friday to \$65.63, the lowest price since 2009.



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