

US jobs report: Employment numbers obscure deeper social crisis

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Friday's job figures for December from the US Bureau of Labor Statistics (BLS) was an occasion for praise by business commentators and self-congratulatory statements by Obama administration officials. The economy unexpectedly added 292,000 jobs last month, considerably above analysts' projections of 211,000 according to a poll of economists by CNNMoney. The official unemployment rate remained at 5.0 percent.

Jason Furman, chairman of the White House's Council of Economic Advisors, bragged that the report "[marked] the strongest two years of job creation since 1998-2000." Secretary of Labor Thomas Perez declared in a written statement that "the longest streak of private-sector job growth on record continues... the worst economic crisis in generations is behind us. Despite unprecedented obstruction from Republicans in Congress, the nation is enjoying an historic recovery."

Notwithstanding its decent headline payroll figure, the report, upon closer examination, reveals a continuation of economic stagnation and low wage growth that are wreaking havoc with tens of millions of American workers, for whom there has been no "recovery" from the 2008 financial crisis. Even on the jobs front, overall payroll growth for 2015 declined roughly 13 percent relative to 2014, from 3.1 million added jobs to 2.7 million.

This stagnation is borne out by the breakdown of employment figures in the report. The service industry, a traditionally low-wage sector, was the biggest driver of last month's growth, with 231,000 additional jobs. In the professional and business services subcategory, which showed the biggest growth in the service sector, nearly half of the new jobs, 34,000 out of 73,000, were part-time.

Mining and manufacturing jobs continue to stagnate

or decline, driven by a deepening slump in demand and fall in commodity prices. While manufacturing showed a modest increase of 8,000 jobs, employment in the durable goods subcategory, which includes heavy machinery and computer products, declined by 6,000 over the month. The mining and logging sector continued its long decline, shedding 8,000 jobs for a total of 129,000 over the entire year.

"Involuntary part-time workers," or people working part-time because they are unable to find full-time work, remained unchanged at 6 million people. While this represents a decline of 764,000 over the course of 2015, it is still nearly 50 percent higher than 10 years ago.

The low-wage, casualized labor market, the result of a systematic restructuring of the American economy to place the burden of the financial crisis on working people, continues unabated.

Erik Holm, the deputy editor of the *Wall Street Journal*'s MoneyBeat blog, noted in a post that for non-management employees, overall year-on-year wage growth was a meager 2 percent, before factoring in inflation. "So for the vast majority of Americans," Holm wrote, "there's virtually no appreciable or noticeable wage growth." He continued: "That shows two things clearly: employers still by and large do not have to pay up to find workers--even with an ostensibly 'full employment' landscape--and the big picture for employees still by and large has not changed."

"That is not the picture of a robust, healthy, growing economy," Holm concluded. "The headline numbers may look like 'jobs market full speed ahead,' but the reality of the wage numbers shows where things actually stand."

Average hourly earnings actually fell one cent in December.

The 5 percent official unemployment rate, while formally considered close to full unemployment, is widely acknowledged to significantly undercount the real state of joblessness, with the head of the Gallup polling agency going so far as to call it a “Big Lie.” The fall in unemployment numbers is largely driven by a collapsing labor force participation rate, as millions of people, discouraged by the weak job market, have given up looking for work altogether. While this figure rose in December 0.1 percentage points to 62.6 percent, it remains near the lowest levels in almost 40 years.

Because they are not counted as part of the labor force, people discouraged from looking for work are not considered in the official unemployment figures. The Economic Policy Institute, which analyzes the government’s monthly employment figures, estimates that there were 2.9 million such “missing workers” in December 2015. The official unemployment rate would rise to 6.7 percent if these workers were counted as part of the labor force, the think tank noted.

An alternative measure of unemployment tabulated by the BLS, which includes marginally attached workers and involuntary part-time workers, and which is informally dubbed the “real unemployment rate” in the press, stayed constant last month at 9.9 percent, nearly twice the official level.

The end of 2015 and the first week of 2016 saw several high-profile announcements of layoffs by American corporations. Only days after the Christmas holiday, chemical giant DuPont announced it would lay off 1,700 of its 6,100 workers in the state of Delaware, where the company is based. The layoffs are part of a plan to trim the company’s global workforce by 10 percent in advance of an announced \$130 billion merger with Dow Chemicals.

The Macy’s department store chain announced plans on Wednesday to slash 4,800 jobs and close 40 US stores in the aftermath of a dismal holiday season for the retail giant. A story by *Business Insider*, also released on Wednesday, reported that Yahoo plans to lay off 1,000 workers, or 10 percent of its workforce, beginning as early as this month.

Overall figures on the American economy continue to sour amid growing signs of a new global financial downturn. On Monday, JP Morgan Chase halved its forecast for GDP growth in the fourth quarter of 2015 from 2 percent to 1 percent, citing weak manufacturing

and construction figures.



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