

US economy adds fewest jobs in five years

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In another indication of a deepening slump in the US economy, the Labor Department reported yesterday that the US economy added only 38,000 jobs in May, the lowest monthly job growth since September 2010.

The report was released merely two days after US President Barack Obama declared in a speech in Elkhart, Indiana that the belief, widespread in the US population, that the economy is doing poorly is a “myth.”

“By almost every economic measure, America is better off,” Obama declared.

The latest figures sharply contradict such claims. Summarizing the findings of the report, Laura Rosner, an economist at BNP Paribas, told the Associated Press, “The shockingly low payrolls gain in May provides further evidence that the economy is showing clear signs of slowing.”

In addition to the dismal rate of payrolls growth, the Labor Department said a massive 459,000 people left the workforce last month. In other words, 12 times more people gave up looking for work than got a job last month. Simultaneously, the Labor Department reported the number of people working part-time, but who would prefer to have full-time work, increased by 468,000 in May.

The labor force participation rate decreased by 0.2 percentage points, after an earlier 0.2 percent decline in April, to a nearly four-decade low of 62.6 percent.

The Bureau of Labor Statistics also revised downward the figures for March and April, which overestimated job growth by a combined 59,000 jobs. Together, the number of jobs created each month between March and May was 116,000, a marked decline from last year’s monthly average of nearly 230,000.

According to the Labor Department, the construction sector lost 15,000 jobs last month, mining and logging industries lost 11,000 jobs and the manufacturing sector

lost 10,000 jobs. As with previous months, the jobs added were centered in the low-wage service sector.

The past several quarters have shown slow economic growth in the US. Real gross domestic product (GDP) increased at an annual rate of just 0.8 percent in the first quarter of 2016, down from 1.4 percent in the fourth quarter of last year.

The Institute for Supply Management also released a report Friday that rated the US non-manufacturing index as falling to 52.9 from 55.7 in April.

Many major US department store chains, including Macy’s, Kohl’s, JCPenney and Nordstrom, reported sharp declines in sales and profits during the first quarter of 2016.

The Federal Reserve’s Open Market Committee, which sets monetary policy, meets again on June 14-15. Many had anticipated that the Fed would raise the benchmark federal funds rate, but May’s unexpectedly poor jobs report makes it more likely that the Fed will hold off on raising interest rates until at least its next meeting in late July.

The employment figures were released just days before the crucial California Democratic Primary. In recent weeks, Bernie Sanders has narrowed the gap with frontrunner Hillary Clinton, trailing by only one point among eligible voters in a Thursday *Los Angeles Times* poll.

Throughout the primary campaign, Clinton has upheld Obama’s legacy as President and maintained that she will continue his economic policies.

Even aside from the most recent jobs report, Obama’s claim that “almost every economic measure” has improved under his administration is a patent absurdity.

In reality, the US working class has experienced an unrelenting assault on its living standards over the past eight years. The so-called economic “recovery” under Obama has entailed the creation of part-time and

poverty-wage jobs, the slashing of employee benefits, and a continuation of mass unemployment.

A report published earlier this year by Princeton University and the RAND Corporation found that all job growth in the US over the last decade was accounted for by the growth of “alternative work arrangements,” or people working as independent contractors, temps, through contract agencies or on-call. Such jobs usually entail minimal job security, health benefits and vacation days.

Between 2005 and 2015, the percentage of the workforce in such contingent arrangements rose from 10.1 percent to 15.8 percent, placing nearly one in six full-time workers in a contingent status. Of these contingent workers, a staggering 32 percent are forced to hold multiple jobs to make ends meet, due to the lack of job security and benefits.

The growth of poverty-wage employment, particularly for young people, has resulted in sweeping demographic changes. A Pew report released last week found that for the first time in 130 years, Americans aged 18-24 are more likely to be living at home than with a spouse or partner.

As a result of eight years of near-zero interest rates, bank bailouts, and “quantitative easing” money printing operations, the wealth of the US financial oligarchy has soared, and social inequality has widened dramatically. Under Obama, 95 percent of all income gains have gone to the richest 1 percent of society, while median household income has declined by thousands of dollars.

In one of the starkest indications of social distress, the death rate in the US increased last year for the first time since 2005, fueled by increases in the rate of death from Alzheimer’s, heart disease, drug overdoses and suicides.

These figures make clear that, far from being a “myth,” working people have seen an enormous reversal in their living standards during the Obama presidency. For all the declarations by Obama and the Democrats that things are better than ever, the vast and pervasive economic distress felt by millions of people is fueling the growth of political opposition, expressed in the ongoing popular support for the candidacy of Bernie Sanders, who claims to be a socialist, as well as the growth of social struggles by the working class, such as last month’s strike by nearly 39,000

communication workers at Verizon.



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