

Clinton, Obama tout tepid US jobs report

Shannon Jones
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Democratic presidential nominee Hillary Clinton and President Barack Obama wasted no time hailing Friday's Labor Department employment report for the month of July, which showed a modest net increase in the number of jobs and a small increase in wages.

The department's Bureau of Labor Statistics said total employment rose by 255,000, leaving the official unemployment rate unchanged at 4.9 percent. Average hourly earnings rose an adjusted 0.3 percent, marginally more than the projected increase of 0.2 percent.

"Today's strong jobs report is further proof that Democratic leadership in the White House is the right choice to keep our economy growing," interim Democratic National Committee Chair Donna Brazile said in a statement.

On Twitter, the White House boasted of the creation of 15 million new jobs over the past six-and-a-half years, a statement that was re-tweeted by Clinton.

Harry Reid, the leader of the Senate Democrats, declared that the economy had "experienced the longest streak of private-sector job growth on record" in the face of what he called "unprecedented Republican obstruction and gridlock."

Despite such bluster, a closer look at the employment numbers reveals many indications of continuing economic stagnation and deepening hardship for wide layers of the population.

Far from producing a genuine recovery for the vast majority of the American people, the economic policies of the Obama administration, which can be summed up as limitless subsidies for the financial industry after the 2008 Wall Street crash and harsh austerity for the working class, have fueled a record growth of inequality and a drastic decline in the social position of the working population.

The payroll figure for July was lower than that for June and followed a miserable report for May. Net

payroll gains in May totaled only 38,000 jobs, the lowest monthly figure in more than five years, and even with a net increase of 287,000 in June, the average monthly increase for the first half of 2016 was well below the pace for 2015.

Moreover, government figures on economic growth show the economy expanding at an annual rate of only 1 percent, about half the pace for the period since the official end of the "Great Recession" in June of 2009—and that rate, about 2 percent, is far below the rate of growth for previous recoveries since World War II.

The most important domestic factor in the slowing rate of growth is a sharp decline in business investment, which fell in the second quarter by 9.7 percent, the third straight quarterly decline. This is a reflection of the growth of economic parasitism, as cash-rich corporations put off productive investment in order to finance stock buybacks, dividend increases and mergers and acquisitions.

What Clinton, Obama and the Democratic Party fail to mention is that the vast majority of new jobs are part-time, temporary or low-wage positions. Friday's jobs report for July reflected this trend. The figure for underemployment, which combines the number of officially unemployed people with the number of those who have stopped looking for work and those working part-time because they cannot find a full-time job, rose to 9.7 percent from 9.6 percent in June. The increase was largely due to a rise in the number of involuntary part-time workers.

The labor force participation rate, which measures the percentage of people in the civilian non-prison population who are 16 or older and either working or actively seeking work, remained extremely low by historical standards in July, coming in at 62.8 percent. This is a continuing indicator that millions of workers and young people have been permanently driven out of

the labor market and are living at the margins of society.

In fact, the rate for men ages 25-54, considered the prime working years, was only 88.4 percent in July, matching the worst level of the year. The labor force participation rate for this demographic reached 97.9 percent in 1954.

The number of long-term unemployed, those out of work for 27 weeks or more, rose in July by 41,000 to 2 million. There are now as many long-term unemployed as there were at the low point of the 2002–2004 recession. The share of the total number of jobless who are long-term unemployed is over 26 percent.

In July, there were 2 million workers marginally attached to the labor force who were not counted in the official unemployment numbers because they had not looked for work within the past four weeks. Among the marginally attached were 591,000 discouraged workers--those not currently looking for work because they believe there are no jobs available for them.

Among the job categories recording some of the biggest job gains were traditionally low-wage sectors such as hospitality (43,000) and food service (21,000). By comparison, employment in construction rose 14,000 and manufacturing by just 9,000.

Employment in the mining industry, which includes oil and gas extraction, declined by 6,000 in July, pointing to the impact of a slowing world economy. Since reaching a peak in 2014, the number of jobs in this industry has fallen by 220,000, or 26 percent.

According to a report by CareerBuilder, low-wage jobs, defined as those paying less than \$13.81 per hour, are expected to grow by 5 percent between 2016 and 2021. Middle-income jobs, defined as those paying between \$13.84 and \$21.13, are expected to grow by just 3 percent. Besides the absurdity of classifying those in the \$13-\$21 pay range as “middle income,” the analysis points to the continuing prevalence of poverty-level and near-poverty-level jobs in the US economy.

Matt Ferguson, CEO of CareerBuilder, said, “The US is facing a sustained trend of declining middle-wage employment that has serious implications not only for workers, but for the economy overall.”

An analysis of Friday’s jobs report by the Economic Policy Institute notes that the official numbers do not include what the EPI calls “missing workers,” i.e., potential workers who because of the lack of job

opportunities are neither employed nor actively seeking work. Based on the most current data available, there were 2,330,000 “missing workers” in July. If they were included in the official statistics, the unemployment rate would be 6.2 percent.

The pace of layoff announcements increased in July. Employers announced 45,346 job cuts, a 19 percent increase over June. The energy sector accounted for 17,725 of those job losses.



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