

# US lost 14,000 manufacturing jobs in August

Shelley Connor  
3 September 2016

The US economy added only 151,000 jobs in August, according to the Labor Department's latest jobs report, released Friday. The figure was less than the 180,000 new jobs projected by economists, and marked a slowdown from previous months. The official unemployment rate, meanwhile, stubbornly hung at 4.9 percent, above the predicted rate of 4.7 percent.

Most significantly, the US economy lost 14,000 jobs in the key manufacturing sector, which typically pays higher wages. The goods-producing sector as a whole, which includes manufacturing, lost 24,000 jobs, including 4,000 in mining and 6,000 in construction.

The entirety of the jobs created in August was in the service sector, which is dominated by low-wage, contingent, and part-time employment. The healthcare sector, which, in addition to some highly paid skilled workers, overwhelmingly employs lower-paid workers such as home health aides, added 36,000 jobs.

Eight years after the 2008 financial crisis, wage growth remains suppressed. Hourly wages for private sector workers rose by three cents in August. Average hourly wages have risen by 2.4 percent over the past year, or only 1.6 percent after accounting for inflation.

The labor participation rate fell from 62.8 percent in June to 62.7 percent for August—among the lowest rates the United States has seen since the late 70s. These figures point to the fact that many Americans remain “outside the circle of work,” according to reports by the Center for Economic and Policy Research (CEPR). In particular, the labor force participation rate amongst men between the ages of 25 and 60 has plummeted from 98 percent in 1958 to a mere 88 percent today. The CEPR notes, “the evidence is consistent with reduced labor market opportunities for lower-skilled workers, a factor that is also consistent with the decline in relative wages of lower-skilled workers.”

The August jobs report comes just as Wal-Mart, the United States' largest private employer, announced

plans to cut 7000 of its best-paying jobs.

The company announced that accounting and invoicing will be done by accountants in its home office in Benton, Arkansas. Cash counting operations, which are currently handled by store employees nightly, will be automated. Should these cost-cutting measures yield the results desired by the company and its shareholders, it will expand the project to more of its stores.

Other major employers announced similar plans this week. ConocoPhillips announced Friday that it will lay off about 6 percent of its global workforce in response to a continued slump in oil prices. The same day, Bombardier sacked aerospace employees in Montreal, Canada. The company plans to eliminate 7,000 jobs over two years.

Anheuser-Busch, which recently acquired rival SABMiller, indicated in takeover documents published Friday that about 5,500 jobs—3 percent of its combined workforce—would be eliminated as part of the takeover plan.

Other statistics point to the impoverishment of US workers. The National Employment Law Project reported that while US businesses added 1.85 million low-wage jobs between 2008 and 2014, they eliminated 1.83 million medium-wage and high-wage jobs during the same time.

These realities bear fruit in the social conditions facing the American working class. In June, reports from the Center for Disease Control and Prevention indicated that the death rate amongst workers had increased for the first time in decades. Among the reasons cited were an uptick in cardiac disease, Alzheimer's complications, drug overdose, and suicide, all of which highlight increasingly austere living standards for workers. This is further illustrated by the fact that there is a fifteen-year difference between the life expectancy of poor white women and their wealthy

counterparts.

The stagnation of wages, the continued loss of manufacturing jobs, and the increase in mortality rates for workers all give the lie to President Barack Obama's claims that "things have never been better" for Americans.

Perversely, the stock markets closed up for the day on the negative economic jobs report, expecting that it would lead the Federal Reserve to delay raising interest rates. The Dow Jones Industrial Average gained 84 points; the Standard and Poor's 500 gained eight points, and the NASDAQ added 20 points.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**