

Election eve US jobs report reflects continuing stagnation

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The US employment report for October released by the Labor Department on Friday, four days before Election Day, provided a snapshot of an economy that continues to be mired in stagnation. The net nonfarm payroll increase was a tepid 161,000, with the bulk of the new jobs, as in previous months, made up of low-wage service and part-time positions.

Economists had predicted a payroll increase of 173,000. Even with a combined upward revision of 44,000 jobs for the months of August and September, the overall rate of job-creation has slowed markedly, averaging 181,000 a month through October as compared to 229,000 for all of 2015.

The number of long-term unemployed remained at 2 million, comprising 25.2 percent of those officially counted in the government tally. These are extraordinarily high numbers for the seventh year of a so-called “recovery.”

The decline in the official unemployment rate to 4.9 percent in October from 5.0 percent in September was not the result of workers joining the labor force and finding jobs, but the departure of 425,000 more working-age Americans, bringing the number of such workers who are outside the labor force to a near-record high of 94.6 million.

The labor force participation rate actually declined, reaching 62.8 percent in October versus 62.9 percent the prior month.

Manufacturing employment declined for the third straight month, with a net loss of 9,000 jobs. Mining continued to lose jobs, extending a monthly decline that has spanned two years.

A particularly telling indicator of the deterioration in the social and economic position of the American working class since the Wall Street crash of 2008 is the wholesale destruction of decent-paying full-time jobs

and their replacement by part-time, contingent and temporary positions. The corporate elite, operating through the Obama administration, has carried out a far-reaching restructuring of social and economic relations to reduce the living standards and increase the exploitation of workers.

In October, according to the Labor Department, some 5.89 million employees were in part-time jobs but wanted full-time work. That figure is well above the level prior to the onset of the Great Recession, which officially began in late 2007. Of those who wanted a full-time job, 2.12 million said part-time employment was all they could find, the highest number in seven months.

This social crisis is obscured, deliberately, by the focus of the Obama administration and the Hillary Clinton election campaign on the raw jobs numbers. Much is made of the quantity of jobs created under Obama, in itself an inadequate number, while virtually nothing is said of their quality.

Jacob Leibenluft, a senior policy adviser to the Clinton campaign, hailed Friday’s employment report, calling the job numbers “another reminder of the progress we’ve made since the financial crisis: the longest streak of overall job growth of record, an unemployment rate below 5 percent and wages growing at their fastest pace since the recession.”

Labor Secretary Tom Perez similarly touted the report, releasing a statement declaring that “our economy demonstrates its continued strength month after month.” Like the Clinton campaign, he also seized on the report’s figures on wage increases, which have been presented in the media as a reversal of years of stagnating or declining wages.

The Labor Department reported that average hourly earnings for private-sector workers rose 2.8 percent in

October compared with a year earlier, the highest annual wage growth since June 2009. Average hourly earnings rose 10 cents from September, or 0.4 percent, to \$25.92 in October. Economists had expected a 0.3 percent increase.

“Americans have been waiting for a meaningful raise for too long, and today’s report confirms what we’ve seen over the last year—that they are getting one,” Perez declared.

Leaving aside the fact that wages are still rising more slowly than in previous periods designated as economic recoveries, and that more than half of the increases are eaten up by inflation, the real income of millions of working class families continues to decline.

A major factor is the runaway rise in out-of-pocket health costs, a process that has been accelerated and institutionalized by Obamacare. A Kaiser Foundation report issued in September noted that since 1999, health care premiums for employer-sponsored insurance plans have increased more than three times faster than wages.

The report said that workers today are paying an average of \$18,000 for health insurance that covers fewer services, as companies shift costs to their workers by means of higher deductibles and co-payments and increases in the employees’ share of premium payments.



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