December US jobs report reveals weaker than expected growth

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As the Dow Jones Industrial Average stock index continues to soar, the latest report on job growth and unemployment from the Department of Labor for December makes clear that workers continue to see little of the "recovery" from the 2008-2009 financial crisis.

According to the report, 148,000 jobs were added to the market in December, below an expected growth of 190,000 jobs, making a three-month average of 204,000 new jobs. The December total was depressed by the retail sector, which continued to hemorrhage jobs through the holiday sales period, cutting more than 20,000 jobs.

The additional jobs were enough to hold the unemployment rate steady at 4.1 percent, the same as in November, the lowest official figure since 2000. Finally, average hourly wages rose by nine cents to $26.63, a 2.5 percent increase from 2016.

Despite the weaker than expected jobs report, stock prices shot up, with the Dow Jones ending the day up more than 220 points, the S&P 500 up by nearly 20 points and the Nasdaq up more than 58 points.

The *New York Times* suggested that the latest jobs report indicates "a year of increasing opportunities for American workers." Construction jobs increased by 210,000 last year, and manufacturing added 196,000 jobs. This trend is being used to herald a potential "blue-collar boom."

However, the decline in the official unemployment rate and the number of jobs added over the last year do not reflect improved conditions for the working class. The reality for millions of workers is austerity, underemployment, and wages that are not keeping up with the rising cost of living.

The slight rise in the average wage is essentially meaningless, as the median wage in the United States has remained virtually unchanged since the 1970s, only rising by 0.2 percent per year when adjusted for inflation.

According to a report released by the Department of Labor last month, when accounting for inflation and other factors, the real average hourly wage was just $10.72. This figure accounts for employees in industries that include approximately four-fifths of total employment, such as manufacturing, construction and service industries.

Furthermore, the underemployment rate, which encompasses unemployed workers looking for work and part-time workers looking for full-time jobs, rose to 8.1 percent in December. Approximately 4.9 million American workers remain stuck in part time positions despite their desire for better work.

A study by economists Lawrence Katz of Harvard University and Alan Krueger at Princeton University revealed that the proportion of American workers engaged in "alternative work" increased from 10.7 percent to 15.9 percent from 2005 to 2015. Alternative work is described as temporary or unsteady employment, such as contract work. A staggering 94 percent of job growth during that period was in alternative work.

In other words, nearly all of the 10 million jobs created in the 10-year period were temporary, and the trend likely continues today. The same policies used to promote economic/job growth in the Obama era, pumping surreal amounts of money into Wall Street, are being continued under Trump with trillions in tax cuts for corporations and the rich.

With the ever-increasing cost of living and stagnant wages, those stuck in part-time work must often work multiple jobs to make ends meet. Such jobs are typically low-wage, and offer no benefits such as health care or a retirement plan. Having to work more than one job is mentally and physically exhausting for these workers and leaves little time for family, leisure, education, or the ability to look for a better job.

The real conditions facing millions of workers are further reflected in the continuing wave of retail store closures and a decline in auto sales.

Economists predict that thousands of retail stores will close in 2018, continuing the trend from last year when a host of retail chains closed 8,000 stores nationwide. Sears Holding announced on Thursday that it would be closing 64 Kmart locations and 39 Sears stores following weaker than expected in-store holiday sales. The wave of closures is mostly due to the rise of e-commerce, particularly giants such as Amazon, which heavily exploits its workforce.

According to *Business Insider*, large department stores, known as “anchor stores,” are particularly at risk. Macy’s announced that it will be closing 11 stores, bringing the total closed in recent years to 81 out of an announced planned total of 100.

Shopping malls rely on anchor stores such as Macy’s to attract the majority of their customers, and attract commerce to smaller businesses nearby. The report indicates 310 out of 1,300 malls are at risk of losing an anchor tenant. The loss in traffic to smaller businesses also spells more job losses in retail.

In another indication of the dismal state of the real economy, US car sales fell in 2017 for the first time since 2009. Annual sales fell 1.8 percent to 17.2 million vehicles according to figures from Autodata. The decline is attributable to the rise in average car prices and the stagnation of wages. The average amount paid for a car was $35,082, up 2.5 percent from last year.

In 2009, annual auto sales declined by 21 percent to 10.3 million cars amid the financial crisis, marking a 27-year low. The fall in sales drove automakers GM and Chrysler into bankruptcy, and they received a massive bailout from the Obama administration on the condition they slash auto workers’ wages and increase the number of part-time and temporary workers.