

# November US jobs report in perspective: Most jobs “added” to US economy are low wage

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The November US jobs report released Friday by the Bureau of Labor Statistics (BLS) reported that official unemployment in the US is at a 50-year low of 3.5 percent. The government reported that 266,000 jobs were added by employers in the month of November, which is about 86,000 more than predicted by economists.

The long-term unemployed (those without a job for 27 weeks or more) account for 20.8 percent of the unemployed, unchanged from October.

The manufacturing sector added the highest number of jobs, with 54,000 jobs in November, but the vast majority of these came from the return to work of about 48,000 autoworkers at General Motors who were on strike across the country in September and October. The United Auto Workers ended the strike after imposing a concessions contract.

The contracts imposed at GM and Ford, along with a contract currently being voted on by Fiat Chrysler workers, allow the corporations to permanently hire workers as temporary and part-time, with few to no benefits and low wages.

After manufacturing, the health care sector added the second highest number of jobs, with 45,000. Most jobs added were related to ambulatory health care services (34,000) and hospitals (10,000), areas of low-paid and generally unstable work.

Despite record low unemployment numbers, wages have begun to backslide throughout 2019, a trend which continued in November.

On a longer-term scale, the rising costs of living have gradually outpaced what little income growth existed for workers in the US. The Organization for Economic Cooperation and Development (OECD) estimates that

between 1995 and 2019, education costs in the US have increased nearly 180 percent, housing costs by nearly 150 percent, health care costs by nearly 135 percent, and median income by less than 120 percent.

These figures illustrate the reality that, for all the claims of an economic “recovery,” workers have been forced into low-wage work with little to no opportunity for financial growth. A recent Brookings Institution study reported that an astounding 44 percent of US workers are earning low wages.

Last month, researchers at Cornell University Law School, the Coalition for a Prosperous America, the University of Missouri-Kansas City, and the Global Institute for Sustainable Prosperity released the new US Private Sector Job Quality Index (JQI).

The authors note, “The reporting of employment data by the U.S. government, the media, business economists, as well as by other entities providing analytics, has lacked insight to the quality of America’s employment as most workers interpret it—the basic metric of weekly dollar income that a job generates for a worker.”

The JQI provides a measure of the quality of jobs in the US as opposed to the mere quantity and sector of industry. The JQI is a measure of the ratio of what the report deems “high quality” jobs, those which offer more hours and pay than the national average weekly wage of \$755.38, to “low quality” jobs, which offer fewer hours and pay below the national average weekly wage.

The report compares the JQI from 1990 to 2019. It reveals a significant decline in the overall quality of jobs in the US over the past three decades. In 2019, the JQI is 81 according to the report, meaning that for

every 100 low-quality jobs, just 81 high-quality jobs exist.

The JQI was at its lowest in 2012, coming out of the last US recession. However, the 2019 numbers are still far below the JQI in 2006, before the 2008 stock market crash, when it calculates 90 high-quality jobs for every 100 of low quality.

An important finding of the report is that the decline in job quality for workers in the US stems from the hemorrhaging of manufacturing jobs from the US economy after the post-WWII manufacturing expansion, with a rapid loss in the 1970s and 1980s. These jobs by and large have been replaced by low-paying service jobs in four main private sector industries: retail, administration and waste services, health care, and leisure and hospitality.

The report notes that the European job market is following a similar path, pointing to a global phenomenon of the depression of wages and quality of work in order to serve the international banks and financial markets.

Also significant is the report's acknowledgment of the low participation rate of the US labor force. The BLS report notes that the labor force participation rate hovered at only 63.2 percent in November. The JQI explains that many would-be jobseekers, especially male workers in their prime working years, are giving up looking for work when faced with a job market saturated with low-wage, low-quality jobs.

The cruel reality of low-paid, temporary work is an indictment of the nationally based trade unions, which responded to the globalization of production and the decline of American capitalism by integrating themselves into corporate management and imposing layoffs, wage cuts and other concessions.

A whole series of strikes were betrayed by the United Steelworkers, Teamsters, United Auto Workers and other unions in the period of the 1980s when the report marks a significant decline in the quality of US jobs—including the strikes by Hormel meat packers, Phelps Dodge copper miners, Greyhound bus drivers, and at International Paper and US Steel.

The solutions offered by the authors of the report include a ramping up of nationalism, in particular advocating for more punitive trade actions against China, and an appeal to Democratic and Republican lawmakers to institute these measures as a way of

returning heavier manufacturing of goods such as automobiles and metals to the United States.

In fact, such measures, which began to be implemented under the administration of Democratic President Barack Obama and intensified under the Trump administration, have been based on the lowering of wages and benefits in the US to be “competitive.”

In response to the growth of social unrest and opposition, the ruling class has promoted figures like Senators Bernie Sanders and Elizabeth Warren to stem the tide of working-class anger and channel it behind a political program that offers empty phrases and poses no threat to the private profit system of rule. Both Sanders and Warren have offered their own varieties of economic nationalism.

Workers in the US and around the world seeking a way forward against the downward spiral of low-wage jobs with no benefits and no guarantee of stability must look to an alternative to the capitalist system of private profit.

The way forward is not through the trade unions and pro-capitalist political parties, but through a rejection of nationalist politics and the organization of a global movement based in the working class to fight for socialist revolution, the reorganization of the productive forces of society to meet social need, not private profit.



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