

US employment report: Payrolls rise, wages fall

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President Barack Obama seized on the February employment report, released Friday morning by the Labor Department, to tout the supposed “success” of his economic policies and paint a picture of a thriving US economy. The report, which showed a larger-than-predicted growth in private nonfarm payrolls of 242,000 jobs, confirmed that the US economy was “the envy of the world,” Obama told reporters at a White House appearance.

“The fact of the matter is that the plans that we have put in place to grow the economy have worked,” he boasted.” He derided “an alternative reality out there from some of the political folks that America is down in the dumps.” He countered, “America is pretty darn great right now.”

He did not attempt to explain why the “alternative reality,” which his labor secretary, Thomas Perez, attributed to “fear-mongers and fact-deniers,” is believed by tens of millions of Americans, whose anger over economic injustice is dramatically reflected in the current election campaign.

One does not have to look too closely at the Labor Department’s report, however, to get an idea of what is fueling the social indignation of working people in the eighth and final year of the Obama administration. Behind the top-line number for new jobs and the quasi-fictional official unemployment rate of only 4.9 percent, ongoing trends with disastrous consequences for the working class are evident. They account for two other important indices in the report: a decline in average earnings from the previous month of 3 cents, or 0.1 percent, to \$25.35, bringing the increase for the year down to just 2.2 percent, and a fall in the average private-sector workweek of 0.2 hours to 34.4 hours, a two-year low.

These two figures arise from the fact that the vast

bulk of new jobs created in February were low-wage and a huge percentage were part-time. The low-paying service sector—retail, bars and restaurants, health care—accounted for 245,000 jobs. The reality of recession in basic production was reflected in a 16,000 decline in manufacturing and the loss of another 19,000 mining jobs, bringing to 171,000 the total decline in mining since September 2014. The only better-paying industrial sector that saw an increase was construction, which recorded a gain of 19,000.

Another figure highlights the hollow and socially regressive character of Obama’s so-called “recovery.” The financial cable network CNBC pointed out that according to the Labor Department’s household survey, which is the basis for the unemployment rate figure (the figure on payroll growth is derived from a separate survey of business establishments), full-time jobs increased in February by only 65,000, while part-time positions increased by 489,000. This means that a mere 11.7 percent of new jobs in February were full-time!

These statistics point to the fact that the American ruling class, through its instrument, the Obama administration, has utilized the financial crash of 2008, for which it was responsible, to fundamentally reorganize the US economy, transforming it into a low-wage system. The millions of decent-paying jobs that were destroyed have been largely replaced by poverty-wage, part-time and temporary jobs.

The median household income has fallen sharply. Pensions and health benefits have been gutted, schools closed by the thousands, teachers and other public workers laid off by the millions. At the other end, the Federal Reserve and the US Treasury have pumped trillions of dollars into the financial markets, driving up the stock market and bringing the concentration of

wealth at the very top to unprecedented levels. This is what Obama lauds as “success.”

Meanwhile, millions of Americans remain mired in long-term unemployment. The number of long-term unemployed, defined as without work for 27 weeks or more, was essentially unchanged at 2.2 million in February. This number has not shifted significantly since last June. The long-term jobless accounted last month for 27.7 percent of the unemployed, a far higher percentage than in any previous period categorized as an economic recovery.

A broader measure of unemployment that includes people working part-time but wanting full-time work and those too discouraged to seek employment registered 9.7 percent last month, nearly double the official jobless rate. There are, in addition, millions of people who have dropped out of the labor market and are not even counted in government employment reports.

While the employment-to-population ratio edged up to 59.8 percent and the labor force participation rate rose slightly to 62.9 percent, both measures remain extraordinarily low by historical standards.

The impact of soaring social inequality and falling living standards for broad sections of the population is reflected in a growing crisis in the retail sector. This week, sporting goods chain The Sports Authority filed for Chapter 11 bankruptcy protection and announced it was closing at least 140 of its 463 stores and laying off 3,400 of its 13,000 employees. This follows recent announcements by Walmart, Sears/Kmart and Macy’s of hundreds of store closures and thousands of layoffs.



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