

US jobs report shows growth in part-time, low-wage work

By Andre Damon
4 July 2014

The US economy added 288,000 jobs in June, while the unemployment rate fell to 6.1 percent, according to the latest jobs report issued Thursday by the Labor Department. While the number of new jobs created was higher than in recent months, the new jobs were largely part-time and in low-wage sectors, continuing the trend of replacing better-paid workers laid off during the 2008 crash with lower-paid, more highly exploited employees.

A large share of the growth in employed people was, according to the report, attributable to an increase in workers employed part-time for economic reasons, whose numbers grew by 275,000. These workers, “who were working part time because their hours had been cut back or because they were unable to find a full-time job,” hit 7.5 million. The number of people employed full-time actually dropped.

The Obama administration seized on the jobs report to once again proclaim an economic turnaround. “This is one of the strongest reports we’ve seen since the end of the recession,” said Labor Secretary Thomas E. Perez. “There was good job creation in high-wage, mid-wage and low-wage positions. It was broad-based.”

In reality, jobs growth was again led by low-wage industries. The retail trade sector added 40,000 jobs, while the leisure and hospitality sector, which pays an average of \$13.83 per hour, added 39,000. The health care sector added 34,000 jobs. Relatively higher paying sectors lagged behind. The manufacturing sector added only 16,000 jobs, while construction added only 6,000.

As a result, wages have remained stagnant. The average hourly wage for private sector workers increased by just six cents last month, and has increased only 2 percent over the past 12 months, less than the rate of inflation.

In fact, a disproportionate number of jobs created during the economic “recovery” pay less than \$13 per hour, according to a report issued earlier this year by the National Employment Law Project. While US businesses have on the whole added 1.85 million low-wage jobs over the past six years, they have eliminated 1.83 million medium-wage (paying between \$13 and \$20 per hour) and high-wage (between \$20 and \$32) jobs, according to the report.

The report found that low-wage industries accounted for just 22 percent of job losses during the 2008 recession, but 44 percent of jobs gained since 2008. By contrast, mid-wage jobs accounted for 37 percent of job losses and just 26 percent of jobs gained, while high-wage jobs accounted for 41 percent of job losses but only 30 percent of new jobs.

The number of workers at temporary employment agencies grew by 10,000 last month. The percentage of workers employed by temp agencies has nearly doubled, from 1.3 percent of all employees in 2009 to 2.1 percent of all employees last month. There are now 2.9 million workers in such jobs. They are employed not by the companies that exploit their labor, but rather by labor contractors. “Once known as a source of stopgap labor used primarily for routine clerical assignments, temp help services now play an important role in the US economy,” the Bureau of Labor Statistics wrote earlier this year.

The latest jobs report comes a week after the Commerce Department said the US economy contracted at a 2.9 percent annual rate in the first three months of this year, the sharpest quarterly fall in output since 2009. The figure was the second revision to the gross domestic product (GDP) estimate released in late April and is the biggest such revision on record.

For the 49th time in 50 months, the percentage of

unemployed people who left the labor force was larger than the number of those who found a job. If these “missing workers” were counted in the employment figures, the unemployment rate would be 9.6 percent, according to figures from the Economic Policy Institute.

The labor force participation rate, meanwhile, remains at its lowest level in almost three decades, before the mass entry of women into the labor force. The share of adults in the labor force rate has remained at 62.8 percent, down from more than 67 percent at the turn of the 20th century.

The combination of falling wages and mass unemployment has had a devastating impact on workers’ incomes. The median household income in the US plummeted by 8.3 percent between 2007 and 2012. Meanwhile, the net worth of America’s billionaires reached \$1.2 trillion last year, more than double what it was in 2009.

The jobs report came as the cutoff of extended federal jobless benefits for those unemployed for more than 27 weeks entered its seventh month and the number of people whose benefits have been cut off hit more than 3 million. While the Democrats had earlier this year pledged to wage a major campaign to extend long-term jobless benefits, they have now dropped the issue for all practical purposes.

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>