

More Bad News From The Jobs Front: US Labor Force Continues Transition from First to Third World

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The Bureau of Labor Statistics headline this morning reads: “Payroll employment increases by 248,000 in September; unemployment rate declines to 5.9%.”

How can this be? As I reported yesterday, US corporations are investing in buying back their own stocks, not in new business ventures that produce new jobs.

<http://www.paulcraigroberts.org/2014/10/02/poverty-report-contradicts-gdp-claims-paul-craig-roberts/>

According to the Census Bureau’s Poverty Report, US real median family income has declined to the level of twenty years ago.

<http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf>

Consumer credit and real retail sales are not growing. Construction is limited to rental units. Construction shows 16,000 new jobs, half of which are “specialty trade contractors” or home remodelers.

The payroll jobs report lists 35,300 new jobs in retail trade. How is this possible when J.C. Penny’s, Macy’s, Sears, and the dollar store chains are in trouble and closing stores, and shopping centers are renting space by the day or hour?

At a time when there is a surfeit of office buildings and only 500 new jobs in “heavy and civil engineering construction,” the jobs report says 6,000 new jobs have been created in “architectural and engineering services.” What work are these architects and engineers doing?

The 4,900 computer systems jobs, if they exist, are likely short-term contracts from 6 to 18 months. Those who have the jobs are not employees but “independent contractors.”

The payroll jobs report gives an unusually high number—81,000—of “professional and business services” jobs of which 60,000 are “administrative and waste services,” primarily “temporary help services.”

“Health care and social assistance” accounts for 22,700 of the new jobs, of which 63 percent consist of “ambulatory health care services.”

“Performing arts and spectator sports” gave the economy 7,200 jobs, and 20,400 Americans found employment as waitresses and bartenders.

State governments hired 22,000 people.

Let's overlook the contribution of the discredited "birth-death model" which overstates on average the monthly payroll jobs by at least 50,000, and let's ignore the manipulation of seasonal adjustments. Instead, let's assume the numbers are real. What kind of economy are we looking at?

We are looking at the workforce of a third world country with the vast bulk of the jobs in low-pay domestic service jobs. People working these part-time and independent contractor jobs cannot form a household or obtain a mortgage.

As John Titus, Dave Kranzler and I have shown, these jobs are filled by those aged 55 and over who take the low paying jobs in order to supplement meager retirement incomes. The baby boomers are the only part of the US labor force whose participation rate is rising.

<http://www.paulcraigroberts.org/2014/09/04/lie-serves-rich-roberts-titus-kranzler/>

Of the claimed new jobs in September, 230,000 or 93 percent were jobs filled by those 55 and older. Employment of Americans of prime working age (25-54) declined by 10,000 jobs in September from the August level.

<http://www.bls.gov/news.release/empsit.t09.htm>

As the US labor force continues its transition from first world to third world, real median family income will continue to decline. Ladders of upward mobility will continue to be dismantled, and income and wealth will continue to concentrate in the pockets of the One Percent. America is truly a country run for the few.

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