

Unemployment in America: Worst Jobs Report in 5 Months ... Thanks to Bad Government Policy

By [Washington's Blog](#)

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Region: [USA](#)

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Bad Policy Continues to Destroy the American Worker

Fewer new jobs were created last month than in each of the previous four months, and fell far [below expectations](#).

Nomura is especially concerned about [plunging retail jobs](#):

For details, job loss in the construction industry (-7k) was most likely a continuation of the reversal of the weather-related boost to jobs in this sector in December and January. Outside of construction, however, shifting weather patterns were not enough to explain the weakness in overall job creation in March. We are especially concerned by the second straight month of significant losses in retail (-29k and -34k in Feb and Mar, respectively). Again, weather patterns cannot explain this loss in retail jobs, which were concentrated in general merchandise stores. Furthermore, according to the International Council of Shopping Centers (ICSC) comparable chain store sales experienced solid growth in March, both on a year-on-year and month-on-month basis (Figure 1). It is possible that shifts in seasonal hiring are at play in the retail sales figures, nevertheless the puzzling job loss makes the March retail sales report (released on Monday, 16 April) all the more important.

Pimco CEO Mohamed El-Erian is [worried](#) about the ability of our political system to deal with the economy (summary courtesy of [Business Insider](#)):

These disappointments partly reflect changing seasonal factors, including the prior impact of this winter's unusually mild weather. But there is something much larger in play, and the implications go beyond economics; they influence key elements of the political narrative for the upcoming presidential and congressional elections.

The report demonstrates that firms "lack conviction" to hire for "expected future business."

Why? Uncertainty about everything, writes El-Erian:

American consumers, as a group, still carry too much debt and have to cope with higher oil prices. The prospects for exports, which have grown markedly, are gradually dimming now that the

rest of the world is slowing. Meanwhile, policymakers have yet to find a way to deal properly with a year-end fiscal cliff, the result of Washington's repeated inability to design coherent fiscal policy.

This demand uncertainty compounds worrisome structural impediments to growth.

His evidence that we already face structural problems: 5 million long-term unemployed; 9-month average time out of work; 25% unemployment for 16-19 year olds; and 12.6% unemployment for those without high school degrees.

The only option, he says, is for Congress to act and address impediments to growth "that have been repeatedly identified" but gone unaddressed.

But he's not optimistic that will happen:

"Political bickering and dithering may again deliver a depressingly familiar seasonal pattern that undermines the wellbeing of millions and renders the subsequent recovery even more difficult to secure."

I am not sure "political bickering and dithering" are the problem.

I think there is bipartisan agreement and action to benefit the 1% at the expense of the rest of the country:

- There are [lots of jobs for the 1%, but few for the poor](#)
- The politicians and lobbyists are doing great - [D.C. has the highest income in the country](#) - and yet [Main Street is suffering](#)
- [Idiotic government policies](#), [never-ending bailouts](#) and [ruthless behavior by the big banks](#) have led to [Depression-level unemployment](#)

As Robert Reich [writes](#):

The economy has been growing but almost all the gains have gone to the very top. As I've noted, this is the most lopsided recovery on record.

You will hear other theories about the hiring slowdown, but they don't wash.

It's not due to "uncertainty" about the economy. That's a tautology — the economy's future is always uncertain, especially when consumers don't have the dough to keep it going.

It's not because of fears about a European recession. Europe has been in the skids for some time now. Besides, the American economy doesn't really depend on exports to Europe.

And it's not about gas prices or the rise in health care insurance premiums. Both are up, but they've been trending up for many months.

It's because consumers' pockets are almost empty.

[Indeed](#). See [this](#) and [this](#).

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