

LABOR DEPARTMENT REPORT BELIES PREDICTIONS – ONLY 115,000 JOBS ADDED IN APRIL



Labor Department report released Friday, shows that the nation's employers are creating less than half the jobs, that were being created at the beginning of the year. The department reported an addition of a mere 115,000 jobs, belying optimistic projections by analysts and economists. The March report had been dubbed as hugely disappointing. In comparison April added fewer jobs than even March, when 154,000 jobs were added. A number of reasons and explanations have been proffered for the dismal performance, ranging from falling of gas prices from their highs, unusually warm winter, early spring hiring, but nothing can camouflage the disheartening fact, that 13.7 million Americans remain jobless and the news that new job openings are not being created will only discourage them further. It was presumed that a good April report would rekindle enthusiasm and desire amongst workers who have left the workforce, to re-enter the job market. On the contrary it has had a reverse effect, with more joining the ranks of those who have opted out. It is estimated that 342,000 workers dropped out of the market in April, forcing the unemployment rate to fall to 8.1 percent from 8.2 percent. The average period of unemployment has now reached 39.1 weeks, tired of the endless wait; many people have stopped looking for work. Most would have given up long ago, but for the fact that continued search for a job would keep them entitled for extended unemployment benefits. Alan B. Krueger, chairman of President Obama's Council of Economic Advisers expressed reservations about workers continuing to drop out and said, "I think you're going to have crosscurrents. One factor is that extended benefits have kept people in the labor force. But then some of the reforms that the president proposed and that Congress has passed will encourage the unemployed to search for a job." Americans of working-age, who are employed or looking for a job is at its lowest level since 1981. Americans taking part in the labor force is at 70 percent, a stat never before reflected since the Labor department began collecting data in 1948. Andrew Tilton, a senior economist at Goldman Sachs said, "There were a lot of younger people who had gone back to school to get more education and training and we thought we'd see more of them joining the workforce now. Instead the number of young people in the labor force also fell. May, June and July, the months when people typically come out of schooling, will be the big test." Enrolment in Colleges, especially among women has been increasing, showing that a buoyant future economy will have a skilled and competent workforce. Black women have emerged as winners in the dismal findings. Their unemployment rate has fallen from 13.9 percent to 10.8 percent, a gain of 3 percent. That is the biggest gain by any demographic group. Their male counterparts registered a growth from the December stats, their unemployment rate falling from 15.7 in December to 13.6 in April. For White women and white men the rate remains unchanged at 6.8 percent. A good report would have done wonders for President Obama's prospects in November and Republicans were quick to attack the April report. Mitt Romney said, "This is way off from what should be happening in a normal recovery. You have more people dropping out of the workforce than you have getting jobs." "This is not progress," he concluded. Obama countered Romney's jab by saying that businesses have added around 1 million jobs over the last 6 months. He however, agreed that "we're going to have to do more" to get back the jobs lost during the recession. "My message to Congress is going to be, 'Just saying no to ideas that will create new jobs is not an option,'" he said.

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