Sky 'not falling just yet'



Annelie Ingvarsson waited in line last month to talk to potential employers during a National Career Fairs job fair in Bellevue, Wash. The United States added 103,000 jobs in September.

Economy adds 103,000 jobs, but it's too few

By Christopher S. Rugaber
The Associated Press

WASHINGTON — The jobs crisis in the United States isn't getting worse. But it isn't getting much better, either.

The economy added just enough jobs last month to ease fears of a new recession. But hiring is still too weak to bring down unemployment, which has been stuck around 9 percent for more than two years.

The U.S. added 103,000 jobs in September, an improvement from the month before, the Labor Department said Friday. But the total includes 45,000 Verizon workers who were rehired after going on strike and were counted as job gains.

Even setting aside that technicality, the job gains weren't enough to get the economy out of its soft patch. It takes about 125,000 jobs a month just to keep up with population growth. For September, the unemployment rate stayed stuck at 9.1 percent.

"Well, the sky is not falling just yet," Joel Naroff, chief economist at Naroff Economic Advisors, said in a note to clients. But there was nothing great about the report, he added. "It's incredible how low our sights have been set."

On one hand, the unemployment report was encouraging for economists. Some of them had feared the nation would lose jobs in September, raising the risk of a painful second recession.

But everyday Americans can't take much solace from it, either. The Great Recession has been over for almost 2½ years, and while corporate profits and the stock market have bounced back in that time, unemployment is still high.

There are 14 million people counted as unemployed in the United States. An additional 9.3 million are working part time and would rather work full time. And 2.5 million more have simply given up looking for a job.

The Labor Department said the economy added more jobs than first estimated in July and August. The government's first reading had said the economy added zero jobs in August.

While the report was clearly better than feared, it also showed the economy is not gaining much momentum, said Tom Porcelli, chief U.S. economist at RBC Capital Markets.

"It moves you away from the ledge," he said.

It was also discouraging news for President Barack Obama, who will almost certainly have to wage his 2012 campaign under the highest unemployment of any president running for re-election since World War II.

Gene Sperling, a White House economic adviser, said the administration was "slightly comforted" that the jobs figure came in better than expected. But he said it was not good enough.

Obama, adopting a combative tone as he waits for the Republicans to settle on a nominee to oppose him, has challenged Congress to get behind his $447 billion jobs bill or risk being run out of Washington.

The Obama plan aims to jolt the economy but cutting taxes and increasing spending on schools, roads and other public projects. He has proposed paying for it in part by raising taxes on the wealthy and corporations.

Obama's Republican rivals are trying to persuade voters that he is to blame for high unemployment and the sluggish economy. Former Massachusetts Gov. Mitt Romney told Fox News Channel on Friday that Obama is criticizing Congress simply because he is "looking for someone to blame."

The report initially sent the stock market higher. The Dow Jones industrial average rose about 100 points, then turned lower after a credit rating agency downgraded Italy and Spain, adding to concern about the debt crisis in Europe.