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In this Aug. 31, 2011, photo some of an estimated 4,000 people wait to enter a job fair called the "For The People Jobs Initiative," where job seekers met employers, job counselors, skills trainers and others, at Crenshaw Christian Center in South Los Angeles. Employers stopped adding jobs in August, an alarming setback for an economy that has struggled to grow and might be at risk of another recession.

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Unemployment rate remained at 9.1 percent

BY CHRISTOPHER S. RUGABER AND PAUL WISEMAN
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WASHINGTON — Employers stopped adding jobs in August, an alarming setback for an economy that has struggled to grow and might be at risk of another recession.

The government also reported that the unemployment rate remained at 9.1 percent. It was the weakest jobs report since September 2010.

Stocks tumbled on the news. The Dow Jones industrial average sank more than 200 points in afternoon trading.

Total payrolls were unchanged in August, the first time since 1945 that the government has reported a net job change of zero. Econo-

mists warned that the economy can't keep growing indefinitely if hiring remains stalled.

"Underlying job growth needs to improve immediately in order to avoid a recession," said HSBC economist Ryan Wang.

Fears that the United States will slip back into recession have been rising since the government reported over the summer that the economy barely grew in the first half of the year. Consumer and business confidence has been sapped by the political standoff over the federal debt limit, a downgrade in the U.S. government's credit rating and a debt crisis in Europe.

Job growth had already been sputtering before it stalled com-

pletely last month. The economy produced an average 166,000 a month in the first quarter, 105,000 a month in the second quarter and just 28,000 a month so far in the third quarter, said John Silvia, chief economist at Wells Fargo.

The dispiriting job numbers for August will put more pressure on the Federal Reserve, President Barack Obama and Congress to find ways to stimulate the economy. So far, Fed Chairman Ben Bernanke has been reluctant to try a third round of bond purchases designed to jolt the economy by further lowering long-term interest rates.

Obama next week will deliver a rare address to a joint session of

Congress to introduce a plan for creating jobs and boosting economic growth. He is facing criticism within his own party, particularly from black lawmakers who say he hasn't done enough to help chronic unemployment in black communities.

The unemployment rate for black men jumped a full percentage point in August to 18 percent. That's the highest level for that group since March 2010. Unemployment for all black people increased from 15.9 percent in July to 16.7 percent last month.

But Obama's unlikely to win support for any stimulus spending from congressional Republicans, who say the president's economic policies have failed.