Surge of hiring cuts US jobless rate to 5.9%

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WASHINGTON — A surge in hiring last month helped drive the nation's unemployment rate down to a six-year low of 5.9 percent — within striking distance of what economists consider a healthy level.

The encouraging numbers — contained in the last government report on unemployment before the midterm elections — pushed the Dow Jones average up 209 points to 17,010 and could give an important boost at the polls to Democrats and to incumbents in general.

U.S. employers added a robust 248,000 jobs in September and generated 69,000 more jobs in July and August than previously reported, the government said Friday. That helped bring unemployment down from 6.1 percent in August.

The jobless rate now stands at the lowest level since July 2008, in the middle of the Great Recession, and is getting close to the roughly 5.5 percent that the Federal Reserve considers consistent with a healthy economy.

In a speech in Princeton, Indiana, President Barack Obama exulted over the numbers, noting that businesses have added jobs for 55 months in a row, the longest such stretch on record.

He credited "the drive and determination of the American people," and added: "It's also got a little bit to do with some decisions we made pretty early on in my administration."

Nevertheless, other gauges of the job market still bear scars from the recession. Wages aren't rising. And the number of people out of a job for more than six months or stuck in part-time jobs when they want full-time ones remains elevated.

An Associated Press-GfK poll found that the economy is the top issue in voters' minds as the Nov. 4 elections near, and while most signs point toward improvement, 62 percent of likely voters still consider the economy "poor," little changed from two years earlier.

Given the latest conditions, the Fed may not move up its timetable for raising interest rates to control inflation, economists say. Most expect the Fed won't act until the middle of next year.

Friday's data "are generally consistent with the Fed's economic forecasts and therefore should not change their thinking," Doug Handler, an economist at IHS Global Insight, said in a note to clients.

The Fed has kept its benchmark interest rate near zero for almost six years in an effort to encourage more borrowing, spending and growth.