

## **Weak job data increases chances of Fed's move**

WASHINGTON, Sept. 7 (Xinhua) -- The U.S. unemployment rate edged down to 8.1 percent in August from 8.3 percent in July, but the meager job growth offered little relief on the weak labor market and increases the likelihood of additional monetary easing measures from the central bank.

A jobs data report released by the U.S. Department of Labor Friday also showed that the economy added a paltry 96,000 jobs last month, falling short of the market expectation of 125,000. The level was far below what is needed to bring down the jobless rate.

The number of unemployed was little changed at 12.5 million in August. The labor force participation rate, the percentage of Americans who were working or seeking jobs, fell from 63.7 percent in July to 63.5 percent in August, the lowest level in more than 30 years. About 368,000 Americans left the labor force last month, giving up looking for work.

Worse still, the changes in total nonfarm payroll employment for June and July were revised down to 45,000 and 141,000, respectively.

"The breadth of employment gains also hit a new recovery low, with only about half of all industries adding to employment," said Mark Zandi and Aaron Smith, economists of Moody's Analytics, in a statement.

The U.S. Labor Department said in a separate report issued Thursday that the number of Americans applying for unemployment benefits fell by 12,000 last week. And a leading industry report estimated that private employers added 201,000 jobs in August. The upbeat data raised hopes of strengthening in the job market ahead of Friday's monthly unemployment report.

Friday's report by the Department of Labor was under close watch as it is one of the only three job reports before the November presidential election and the one just days before the policy meeting of the U.S Federal Reserve.

The Fed Chairman Ben Bernanke last week left the door wide open for further stimulus measures. Speaking in Jackson Hole, Wyoming, he described the economy situation as "far from satisfactory" and the stagnation of the labor market as "grave concern."

Bernanke reiterated that the Fed "will provide additional accommodation as needed to promote a stronger economic recovery and sustained improvement in labor market conditions in a context of price stability."

"The report dashes hope that a sustained improvement in job growth is under way and increases the odds that the Federal Reserve will initiate more large-scale asset purchases in addition to extending its projections for ultra-low interest rates at next week's meeting," said Mark Zandi and Aaron Smith.

"I agree with Bernanke that the job market problems are cyclical, not structural. They are a function of weak demand, not the loss of skills of the workforce or a mismatch between the skills workers are supplying and employers are demanding," said Jared Bernstein, a senior fellow at the Center on Budget and Policy Priorities.

The former Obama administration economic advisor said he is confident that with stronger growth, more people would get back to work.

The scant job growth also put Barack Obama, the incumbent president and also the Democratic nominee for a second term, on the defensive. Mitt Romney, the Republican presidential nominee, pounced Obama on the weak job report, saying that after 43 straight months of unemployment above 8 percent, it is clear that Obama just hasn't lived up to his promises and his policies haven't worked.

At a campaign event in Portsmouth, New Hampshire, Obama said the businesses have added jobs for the 30th month in a row in August, a total of more than 4.6 million jobs. "But that's not good enough. We know it's not good enough," he said. "There is a lot more that we can do."