

## **Recent U.S. government job data surprise private industry**

WASHINGTON, Oct. 10 (Xinhua) -- As government reports brought optimistic job data in the past few days, the private sector was largely surprised and remained suspicious.

U.S. initial jobless claims, a weekly figure that reflects firings and employment tendency, plummeted to 339,000 in the week ending Oct. 6., a downturn as sharp as 30,000, the Labor Department reported on Thursday.

In seven days the fresh figure hit the lowest level since February 2008, back to its pre-recession range of roughly 280,000 to 350,000.

Six days ago, the Labor Department monthly employment report in September, a broader view of job market, said U.S. jobless rate fell to 7.8 percent, the first time below 8 percent in almost four years and matching the level when President Barack Obama took office.

Brighter job prospects came at a perfect time for the incumbent president when economic issues are central to the presidential race and the November elections draw nearer.

However, the private sector remains cool over the government's upbeat outlook.

Small businesses "in retail, services and construction continue to add only few jobs, certainly not typical of a strong recovery", said William C. Dunkelberg, chief economist for the National Federation of Independent Business (NFIB).

The Labor Department report derived from two surveys. 114,000 new jobs in the Payroll Survey was pretty much what we expected, said Dunkelberg. "The Household Survey, however, was a shocker, finding over 870,000 new jobs, the biggest gain recorded since June 1983. But in 1983, real GDP was growing at an eight percent pace, not the 1.3 percent it is growing now," he noted.

The former CEO of General Electric Jack Welch also confirmed with the doubt of the small business association.

He pointed out that the economy would need to be growing at breakneck speed for unemployment to drop to 7.8 percent from 8.3 percent in the course of two months. But the reality is the U.S. economy is experiencing a weak recovery.

Welch said the Household Survey can be dodgy as 580,000 of the new jobs in the survey were part-time workers, a rather hollow way to reduce the unemployment rate.

For instance, the range for part-time work falls between one hour and 34 hours a week. Welch explained that if an out-of-work accountant tells a census worker, "I got one baby-sitting job this week just to cover my kid's bus fare, but I haven't been able to find anything else," that could be recorded as being employed part-time.

And the Household survey sample pools only 60,000 households, which also undermines the accuracy.

Another independent private source ADP (Automatic Data Processing) reported earlier this month that the U.S. private sector created only 162,000 net jobs in September, down from 189, 000 in August when the unemployment rate still ran over 8 percent.

Paul Krugman, a Nobel laureate in Economics, dismissed the conspiracy comments on job data as nonsense. He argued that it was very difficult to cook the jobs number because no political appointees were involved in the process.

"The more important point is that unemployment has been on a sustained downward trend," said Krugman.

But September was another month of low expectations and pessimism for the small-business community, said the NFIB. Small Business Optimism Index was edging down and still running at the recession-level, with job creation plans plunging 6 points, job openings falling one point and more firms reporting decreases in employment than those reporting increases in employment.

As what Krugman said, "you shouldn't put much weight on any one month's report." After time passes by, this "Rashomon" style of job data show will eventually come out in the wash.