



Written by [Steven J. DuBord](#) on October 2, 2009

September Unemployment Hits 9.8 Percent

The national unemployment rate hit 9.8 percent in September, the highest it has been since June 1983. A total of 15.1 million Americans are now out of work, and 7.2 million jobs have been eliminated during the recession, the Labor Department said.

According to the Labor Department, employers eliminated 263,000 positions in September. A survey of Wall Street economists by Thomson Reuters pegs this as exceeding earlier forecasts of 180,000 job losses.

If laid-off workers who have settled for part-time employment or who have abandoned searching altogether are factored in, unemployment actually stands at 17 percent, the worst it has been since 1994.

Department figures indicate that 571,000 persons who were unemployed completely dropped out of the work force in September. This sent the percentage of the U.S. population that is employed or seeking employment plummeting to a 23-year low.

These drop outs from the work force are primarily older workers who are requesting Social Security. The Social Security Administration recently reported a 23-percent jump in retirement applications and a 20 percent increase in disability claims.

Americans who do stick it out are having to look for work longer. Almost 36 percent of the unemployed have been seeking work for six or more months, with the total number of persons in this category shooting up to a record 5.4 million.

Some industries are suffering worse than others. Construction jobs were down by 64,000 in September after losing 60,000 in August. Service sector jobs dropped by 147,000 last month, more than twice August's loss of 69,000. Retailers did away with 38,500 positions, exceeding four times the 9,000 jobs lost the previous month. Even government saw 53,000 jobs eliminated, though it was local governments and not the federal bureaucracy that suffered the most.

The average work week fell in September to a record-setting low of 33 hours. This is significant because some economists expect companies to add hours to the schedules of current employees prior to hiring new workers. The drop in hours indicates that companies aren't even at the point of increasing the work load on their current staff members, much less seeking to increase their staff size.

Perhaps because fewer people are doing work to cover what their former coworkers used to do, hourly earnings actually rose by a single penny in September. On the other hand, weekly wages fell \$1.54 to \$616.11, possibly explained by the average 33-hour work week.

"We still think the overall trend is moving in the right direction," declared Christina Romer, who chairs





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the President's Council of Economic Advisers. "We're going from much larger job losses earlier this year. They are moderating. We want them to moderate more."

Republicans pointed out that jobs have continued to hemorrhage at an alarming rate despite the administration's stimulus and bailout programs. "Wasteful government spending is not the solution to what ails this economy," noted Representative Mike Pence (R-Ind.), the House Republican caucus chairman.

Representative Pence is correct, but this needs to be taken a step further. Government must not only spend less, it must become less.

Big government imposes a terrible economic cost through its policies of excessive taxation and regulation. And it thrives in the worst of times while the private sector suffers; witness that most of the government jobs lost were from local governments, not the federal leviathan.

Small towns are losing police officers, firefighters, and other important public servants while Congress recently granted itself and its staff a budget increase through federal spending legislation to prevent the government from shutting down.

The U.S. economy can be strong and vibrant only in direct proportion to how small and limited the federal government is constitutionally constrained to remain.



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