Economy Added 103,000 Jobs In September

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WASHINGTON (AP) — The United States added 103,000 jobs in September, a burst of hiring that followed a sluggish summer for the economy. The figure at least temporarily calms fears of a new recession that have hung over Wall Street and the nation for weeks.

The Labor Department also said Friday that the nation added more jobs than first estimated in July and August. The government's first reading had said the economy added zero jobs in August.

The unemployment rate stayed at 9.1 percent.

While the report was clearly better than feared, it also showed the economy is not gaining much momentum, said Tom Porcelli, chief U.S. economist at RBC Capital Markets.

"It moves you away from the ledge," he said.

Stock futures jumped after the report came out an hour before trading.

The unemployment report, one of the most closely watched economic indicators, showed that there are two ways of looking at the economy. On one hand, the news was encouraging for economists. Some of them had feared the nation would lose jobs, raising the risk of a devastating second recession.

But everyday Americans can't take much solace from that. Unemployment has been stuck at around 9 percent for more than two years. The economy has to add roughly 125,000 jobs a month just to keep up with population growth, more to bring down unemployment.

The report included some signs that business activity is increasing. The temporary help industry added almost 20,000 jobs, and the length of the average workweek increased slightly. Wages also rose a bit.

More hiring and better pay could add up to more consumer spending. That accounts for 70 percent of the economy. When people spend more money, it generates demand for businesses, which hire more workers.

The private sector added 137,000 jobs, up from August but below July's revised total. The economy lost 34,000 government jobs. Local governments in particular cut teachers and other school employees.

Among the industries that added jobs in September were construction, retail, temporary help services and health care. Manufacturing cut jobs for a second

straight month.

The economy returned in September to something closer to the job growth of earlier this year. In February, March and April, the nation added an average of more than 200,000 jobs a month.

But then manufacturing slowed, consumer confidence crashed, and Washington was caught in gridlock — first over whether to raise the nation's borrowing limit and then on how best to get the economy going.

Meanwhile, hiring slowed dramatically. The economy added only 53,000 jobs in May and 20,000 in June. The figures out Friday showed hiring improve in July, slowed slightly in August, and improved again in September.

Still, Federal Reserve Chairman Ben Bernanke warned Congress earlier this week that the economic recovery was "close to faltering," with slow job growth dragging down consumer confidence.

Bernanke, speaking in ununsually blunt terms, said he could not blame Americans for being frustrated at the financial industry "for getting us into this mess" and at Washington for not coming up with a strong response.

President Barack Obama, adopting a combative tone as he prepares for next year's re-election campaign, has challeged Congress to get behind his $447 billion jobs bill or risk being run out of Washington.

The Obama plan aims to jolt the economy but cutting taxes and increasing spending on schools, roads and other public projects. He has proposed paying for it in part by raising taxes on the wealthy and corporations.

Nearly half of the job gains last month came from the rehiring of 45,000 Verizon employees who had been on strike.

August's figures were revised up to show a gain of 57,000 jobs, up from a previous estimate of zero. July was revised up to 127,000 jobs, from 85,000.

More Americans are working part time but would prefer full-time work. When these people are added to those without jobs who have given up looking, the so-called "underemployment" rate rose to 16.5 percent from 16.2 percent.

The faltering economy has led many employers to reduce hiring. In the first half of this year, the economy grew at the slowest pace since the recession ended in June 2009. Since then, Europe's debt crisis and stock market declines have heightened fears that the economy will struggle to grow enough to avoid a recession.

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