



Steep Descent: 40% of All U.S. Jobs are now low-wage

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The Labor Department report of 430,000 part-time jobs being created in the United States in June, and 170,000 full-time jobs being eliminated, has jolted the financial-media fantasy of a U.S. "recovery" contrasting to the increasingly deep European recession. The Federal Reserve is searching for the elusive "exit" from massive money-printing because it sees increasingly ominous debt bubbles, not because it sees "recovery" coming.

There is more evidence of the U.S. transition to a part-time and low-wage economy becoming available.

None is more conclusive than a report published monthly by the BLS for over 75 years: "Labor [i.e., employee, not "union worker"] share of U.S. non-farm business income". This is all employees' total wage-and-benefit income, as a share of total non-farm business revenue. After varying in a band between 63-67% for seven decades, that share has fallen steadily throughout the disastrous 13 Bush/Obama years to today, from 66% down to 57%, and still dropping. The Bush/Obama impoverishment of labor is continuous for the years since 2000; not caused or changed by the 2007-08 crash, it was rather an important contributing cause of that crash.

Since the start of 2013, nearly 750,000 new part-time jobs have appeared in the U.S. economy while more than 130,000 full-time jobs have disappeared. Full-time employment in the United States is still 6 million below 2007 level, but part-time employment is 4 million higher than 2007, and at record level.

A New America Foundation study in January 2012 found that 40% of *all* existing U.S. jobs were low-wage (defined as below 2 times the poverty level, \$22,000 or less for an individual). This low-wage share was only about 28% in 2008. In 2012, some 53% of U.S. jobs paid under \$30,000/year. And Council for Economic and Policy Research found that if "good" jobs mean \$18.50/hr or more, health benefits partially paid by the employer, and retirement benefits, only one-quarter of U.S. jobs qualify.

The BLS reports that in addition to the 27 million U.S. part-time jobs, there were in June 2013 about 2.7 million temp "full-time" jobs, in the particular week the survey was taken, and this was a record number; but American Staffing Association reports that about 5 million Americans are in or between temp work at any given time, earning 25% less than full-time employers' employees doing the same jobs. Kelly Temps is now the United

States second-largest employer behind Walmart, and other temp agencies also very big. They of course have no benefits, and deduct fees from wages.

So overall one-twelfth of the total labor force are unemployed, and one-sixth are part-time/temp. *About 11% of all factory production/warehouse work now is done by temps.*

A *USA Today* article on this July 8 adds the other "non-employee" categories: "Companies are increasingly turning to temps and to a much larger universe of freelancers, contract workers and consultants. Combined, these workers number nearly 17 million people who have only tenuous ties to the companies that pay them." So we have, of those in the labor force, 8% unemployed, 17% part-time, and 13% temp, freelance, and contract labor.

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