



Behind the Jobs Report: Weakness in Manufacturing, Transportation

The headline number from [Friday's jobs report](#) was a tepid 156,000 new jobs created in September. Not only did this number fall short of economists' expectations of 170,000, it was 19-percent below the average job growth of the last three months and 22 percent below the level of monthly job growth of 229,000 in 2015.

The Bureau of Labor Statistics, the agency reporting from inside the Labor Department, was none too sanguine itself in reporting the results: The unemployment rate "changed little in September," the number of long-term unemployed "was essentially unchanged," and the number of people employed part time for economic reasons (read: involuntarily working part time because they can't find full time work) "was little changed in September."

If one counts all the people who want a job but gave up looking, all the people with a part-time job who want full-time work, and all the people who aren't counted because their unemployment benefits ran out, the real unemployment rate is 9.7 percent, twice the "official" rate of 5 percent reported by the BLS.

Mark Vickery, senior editor of Zacks Investment Research, said that the three-month average of job growth "indicates an overall slowdown in jobs creation, especially looking back through the past dozen quarters."

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Outside the jobs report, other indices are showing a slowing as well. David Adler, writing in Bloomberg, pointed out a number missed by mainstream economists: domestic heavy truck sales fell a jaw-dropping 29 percent in August compared to a year ago, "the weakest month in well over three years," according to Adler. He added:

Any drop that dramatic could always be an anomaly, but heavy-truck sales have been slipping for two years. Broad weakness in this category has historically been a reliable hint that a recession is on its way....

We've never seen a plunge this steep that didn't foretell a recession.

There's the Cass Freight Index, a measure of North American freight volumes and expenditures, which was down 3.3 percent in August from July, and 6.3 percent year-over-year.

This drop was also confirmed in numbers buried in the jobs report, under "employment in





Written by [Bob Adelman](#) on October 7, 2016

manufacturing.” Job growth disappeared there a year ago July, and continues its downward march in September with another decline of 13,000 jobs.

And then there’s the Hanjin bankruptcy. The shipping container company, once the world’s seventh largest, went bankrupt in August, stranding 90 of its container ships on the high seas.

Most unnerving perhaps is the BLS report of employment in “transit and ground passenger transportation” with the September number down 14 percent over August. As Mish Shedlock expressed it: “If retailers are stocking up for Christmas, you would not know it from [those numbers].”

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