

533,000 Jobs Lost in November

Unemployment rate shoots to 6.7 percentA deepening recession has battered the job market, as the U.S. Labor Department reports unemployment rose to 6.7 percent last month. Employers cut payrolls by 533,000 jobs during the month.

Economists were braced for bad news, but not this bad. "This was one of those reports that when you use the term shocking, you are not overstating things," said Joel Naroff, chief economist of the private forecasting firm Naroff Economic Advisors, in Holland, Pa. "This was a truly disturbing report." The losses were across just about the entire economy as gains were posted only in health care and education. In addition, the September and October losses were revised upward, and were actually nearly 200,000 higher than initially reported. "In November, firms gave up trying to hold on to their workers and instead started concentrating on surviving the recession," Naroff said. "As a result, they cut their workforce by the largest number of workers since December 1974." So far this year, over 1.9 million jobs have been lost. Firms are also cutting back hours worked sharply, in effect reducing the pay of hourly employees. The 6.7 unemployment rate is now the highest since October 1993.

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