

to
9-10-25

New data: Job market weaker than thought

BY PAUL WISEMAN

THE ASSOCIATED PRESS

WASHINGTON >> The U.S. job market was much weaker in 2024 and early this year than originally reported, adding to concerns about the health of the nation's economy.

Employers added 911,000 fewer jobs than originally reported in the year that ended in March 2025, the Labor Department reported Tuesday.

The department issues the so-called benchmark revisions every year. They are intended to better account for new businesses and ones that had gone out of business. The numbers issued Tuesday are preliminary. Final revisions will come out in February 2026.

The revision showed that leisure and hospitality firms — including hotels and restaurants — added 176,000 fewer jobs than originally reported, professional and business services companies 158,000 fewer and retailers 126,000 fewer.

The report comes after the department reported Friday that the economy generated just 22,000 jobs in August, adding to fears that President Donald Trump's erratic economic policies, including massive and unpredictable taxes on imports, have created so much uncertainty that businesses are reluctant to hire. *Note*

Sal Guatieri, senior economist at BMO Capital Markets said the revisions painted "a much weaker portrait of the job market than initially thought. While the revision doesn't say much about what has happened since March, it suggests the labor market had less momentum heading into the trade war. And, recent data suggest the market has downshifted further." Since March, monthly job creation has decelerated to an average 53,000.

When the preliminary benchmark revisions last year showed 818,000 fewer jobs in the year ended March 2024, then-presidential candidate Trump declared the numbers had been rigged to conceal economic weakness and help Democrats in the 2024 election. However, he did not explain why the government would release the revised numbers two and a half months before voters went to the polls. (The final revisions for the 12 months that ended March 2024, which came out in February this year, were less dramatic but still bad: Payrolls ended up 589,000 lower than originally reported.)

The latest revisions will likely increase pressure on the Federal Reserve to cut its benchmark interest rate at its meeting next week to give the economy a boost. James Knightley, an economist at ING, also expects the Fed to cut again at its meetings in October and December.

Note
In a commentary, Knightley wrote that the Labor Department numbers "can be significantly wrong" when the economy is at a turning point. "In the early stages of a downturn they tend to overestimate the jobs created by new start-ups — 'births' — and underestimate the number of jobs lost by the 'death' of failing small businesses," he wrote. "These revisions suggest that jobs momentum is being lost from an even weaker position than originally thought. It also reinforces the belief that even the poor numbers seen in 2025 are probably overstating the health of the employment market."

After the Labor Department issued a disappointing jobs report for July, Trump fired the economist in charge of compiling numbers and nominated a loyalist to replace her. He was especially enraged by revisions that took 258,000 jobs off May and June payrolls.

Government economists have been struggling with a dramatic drop in the number of employers that respond to their surveys. Still, most economists and financial analysts consider the official jobs numbers reliable.

The Labor Department compiles its monthly hiring report by surveying 121,000 employers, representing 631,000 individual worksites nationwide.