

Jobs Report Spotlights Democrats' Election Challenge

by SCOTT NEUMAN



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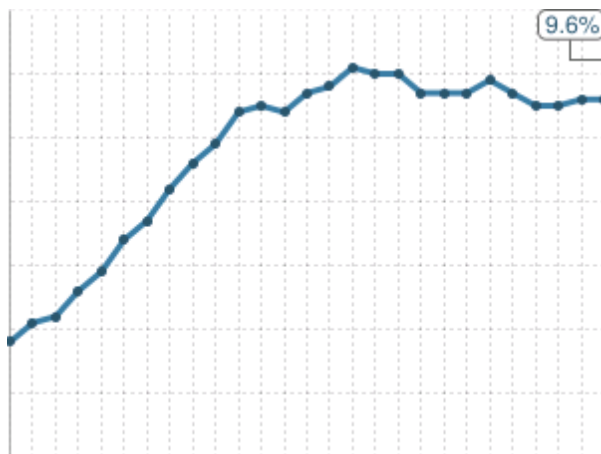
Demonstrators demanding government action to create jobs protested outside the office of Sen. Dianne Feinstein (D-CA) last month in San Francisco.

October 8, 2010

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The nation's unemployment rate held steady at 9.6 percent last month while private hiring remained weak, according to the Labor Department. The results came in the final jobs report before midterm elections that are likely to be a mandate on Democrats' economic policies.

[Friday's numbers](#) reflected an economy still struggling to create jobs. The nation's payrolls dropped for the fourth straight month, shedding a more-than-expected net total of 95,000 jobs. That more than offset the 64,000 jobs added in the private sector — the most anemic hiring since June.



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Graph: Tracking U.S. Monthly Unemployment

A total of 159,000 government jobs were lost, mostly due to the loss of 77,000 temporary census workers.

"Many of the people that are still out there, out of work, have been unemployed since the height of the financial crisis in the fall of 2008," said Diane Swonk, chief economist with Mesirow Financial.

"What we're really worried about is the longer they remain unemployed, the harder it will be for them to be re-engaged in the labor force even if the economy were to pick up."

Control Of Congress In The Balance

While the unemployment rate was unchanged in September, it has now topped 9.5 percent for 14 consecutive months — the longest stretch of bad jobs numbers since the 1930s. Nearly 14.8 million Americans remained out of work last month.

Planet Money

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Swonk said she thinks there's a "more than 50 percent chance" that the jobless rate could touch 10 percent again before the end of the year.

The high unemployment rate weighs heavily on Democrats' chances in the Nov. 2 midterms, with many analysts projecting that Republicans will win control of the House and gain a number of seats in the Senate.

"There's no question that the economic numbers are not lining up to help the Democrats," said Daniel Mitchell, a senior fellow at the libertarian Cato Institute.

Shades Of 1982?

The situation President Obama and Democrats are facing is being compared to what Republicans ran up against in 1982 — just two years after Ronald Reagan took the White House from President Jimmy Carter in a landslide victory. Going into the '82 midterm election, the U.S. unemployment rate stood at 10.2 percent and while Republicans kept the reins in the Senate, they wound up losing 26 seats in the Democratic-controlled House.

Mitchell says he's no fan of Obama's economic policies, but thinks the president is getting "a bit of a hard time" because of the economic troubles he inherited from the Bush administration. "Just in the same way that Reagan had a hard time in his first mid-term election because of the mess" he inherited from Carter, he was quick to add.



Enlarge

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President Obama talked about the economy last month in the Rose Garden, flanked by (from left Labor Secretary Hilda Solis, Treasury Secretary Timothy Geithner and Small Business Administrator Karen Mills.

Larry Sabato, director of the University of Virginia's Center for Politics thinks that analogy is lacking. He agrees that Obama is suffering partly because the economy was in trouble when he took over, but says Democrats have done a poor job of creating any breathing room on the issue.

"In 1982, Reagan and the Republicans ran a conscious slogan of 'give the guy a chance,'" Sabato says. "I've been surprised that Obama and the Democrats didn't do that. And they could have made a good case."

Obama has made no bones about reminding audiences that the economy had been "driven into a ditch" before he took office, but he also has stated that it's his job to fix it.

"I love these folks who helped get us in this mess and then suddenly say, 'Well, this is Obama's economy,'" the president told a Michigan audience in a July 2009. "That's fine. Give it to me. My job is to solve problems, not to stand on the sidelines and carp and gripe."

His administration forecast early in the economic crisis that with the Democratic stimulus package, the

national unemployment rate would peak at 8 percent and then gradually decline. Instead, it reached 10.1 percent in October 2009 and has since hovered just under 10 percent.

In a [poll released last month](#) by the Pew Center for the People & the Press, 32 percent of respondents said Obama's policies had made the economy worse, while 27 percent thought they had made things better and 36 percent said they had had no effect. A recent [Gallup poll](#) found that 46 percent of people "approve" of the job Obama is doing, while 48 percent said they "disapprove."

Lessons From The Midterms

University of Denver political science professor Seth Masket has analyzed unemployment rates and midterm elections and thinks the correlation is slim.

Masket points out that even though Republicans lost 26 seats in the '82 midterms, the number is "actually right around average for the party in the White House."

"The unemployment rate has less to do with it than other economic and political factors," he said.

President John F. Kennedy's deft handling of the Cuban Missile Crisis a month before the 1962 midterms gave Democrats a boost, and the party lost only four seats in the House and gained two in the Senate, Masket said. In 1974, Republicans got clobbered over President Gerald Ford's pardon of Richard Nixon, dropping 48 seats in the House and four in the Senate.

Sabato said the 1994 midterms might be just as instructive. That year, Democrats lost 54 House seats and eight in the Senate in the first midterm under President Bill Clinton.

"After this election, people are going to have a tendency to write Obama off as a one-termer," Sabato said. "That's exactly what they said about Clinton in 1994."

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