

## U.S. job growth slows for 4<sup>th</sup> month in row

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Job creation sputtered almost to a standstill last month across the country, according to a mixed employment report that suggested economic uncertainty will likely remain a key issue as the presidential campaign unfolds.

The nation added just 32,000 payroll jobs in July, "little changed" from the month before, the U.S. Department of Labor reported Friday. Even so, unemployment fell slightly to 5.5 percent, from 5.6 percent the month before.

July was the fourth month in row in which the pace of job

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### JOBS FROM A1

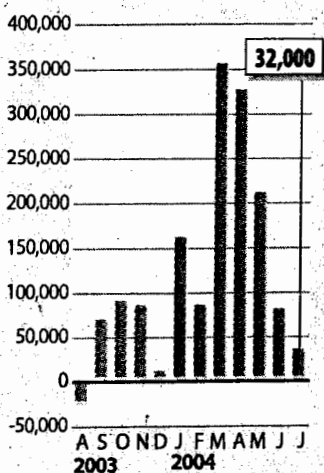
growth has slowed. In any case, job creation has long been far below what most economists regard as the levels needed for a healthy economy.

"The president keeps saying we've turned the corner," Sen. John Kerry, the Democratic presidential nominee, said in a written statement released by his campaign organization. "But unfortunately, today's job numbers further demonstrate that our economy may be taking a U-turn instead."

President Bush, a Republican, saw the data differently: "Today's employment report shows our economy is continuing to move forward, and it reminds us that we're in a changing economy," he told those attending a New Hampshire campaign rally. However, he added: "We've got more to do."

### THE JOBS PICTURE

Here is a look at the change in nonfarm, payroll employment.



SOURCE: Department of Labor

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Wall Street was emphatically negative, as investors drove stock prices broadly and sharply lower. The Dow Jones industrial average, the closely watched basket of 30 of the nation's biggest companies, fell 147.7 points, or about 1.5 percent, and the Nasdaq Composite Index fell about 2.5 percent.

"This is a very disappointing report from a national perspective," said David Scott, a University of Central Florida economist and professor of finance.

During the past year, the U.S. economy has added fewer than 136,500 jobs a month on average, Scott said, while in a normal expansion it should be adding 225,000 to 240,000 jobs each month.

"The economy is not kicking with the force it should be," he said.

Gregory Miller, chief economist at Atlanta-based SunTrust Banks Inc., had a different take on Friday's report, however.

"From the strength of the underlying economy, it was good," he said. "If you get past that payroll number, the rest of the employment report is good to pretty good."

Miller acknowledged that job production is "exceedingly weak." Even so, he said: "It's small, but it's positive. Keep in mind, last year it was negative."

The decline in the unemployment rate indicates that there has been significant hiring by small businesses, which is not as quick to show up in the Labor Department's payroll survey as hiring done by big corporations, Miller said.

The apparent contradiction of job growth's stagnating while the unemployment rate is falling is possible in part because the numbers are based on two nationwide surveys that measure different things.

An extensive survey of employers produces the payroll-jobs number, which counts jobs — more than one of which can sometimes be held by a single individual. The unemployment figures come from a smaller survey of U.S. households that counts only people who are employed or those unemployed but seeking work.

Even so, Mark Vitner, senior economist at Wachovia Corp. in Charlotte, N.C., was troubled by the mixed signals and the persistence of slow job growth.

"I can't keep saying the payroll numbers are wrong, but they seem out of sync with the vast majority of the [positive] economic data we're getting," Vitner said.

June's jobs numbers were also disappointingly weak. Now, after a repeat in July, "It's too early to say the recovery is in trouble," Vitner said. But August figures will be a crucial indicator of the economy's future when they're released next month.

"One month is a fluke," he said. "Two raises a cautionary flag. Three means you really have to change your thinking."

Though analysts expect the Federal Reserve to raise short-term interest rates Tuesday, the nation's central bankers could delay such an action if they think the economy is flagging.

As for the likely effects of the latest national employment trends on the Orlando area, a rebounding tourism industry seems to be insulating the region.

"I don't think the report portends negative business activity for Central Florida," UCF's Scott said. He warned, however, that metropolitan Orlando's job numbers, scheduled for release Aug. 20, will likely reflect the usual June-to-July seasonal decline.

In the heart of Orlando's International Drive tourist district, Grant R. Bannen, general manager of the Sheraton Studio City Hotel, was even more optimistic about prospects locally.

"The year has been so good for tourism, especially in the I-Drive area, it's difficult to envision those trends not continuing somewhat," Bannen said. The hotel, which has 302 rooms, has more business reserved for the remainder of the year than it has in previous years, he said.

Also, Bannen said his hotel's business — which normally is 15 percent to 20 percent foreign tourists — will likely benefit from the weak dollar, which makes coming here cheaper for international visitors.