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JOBS Published September 5, 2025 8:31am EDT

US job growth missed expectations in August amid economic uncertainty

Department of Labor releases closely watched August jobs report

By **Eric Revell** | **FOXBusiness****Former Labor secretary warns Trump is moving US toward stagflation**

First Trust Advisors chief economist Brian Wesbury joins 'Varney & Co.' to discuss former Labor Secretary Robert Reich's warning that President Donald Trump is pushing the U.S. into stagflation.

The U.S. economy added jobs at a slower pace in August amid uncertainty about economic conditions, adding to signs of a weakening labor market.

The Labor Department on Friday reported that employers [added 22,000 jobs](#) in August, a figure that was well below the 75,000 estimate of economists polled by LSEG.

The [unemployment rate](#) also rose to 4.3% in August, which was in line with expectations and up from the 4.2% reading in July.

The August data follows a similarly soft employment report last month that prompted President Donald Trump to fire the commissioner of the Bureau of Labor Statistics (BLS).

Job gains in the prior two months were both revised in the August report, with job creation in June revised down by 27,000 from a gain of 14,000 to a loss of 13,000; and July job creation was revised up by 6,000 from a gain of 73,000 to 79,000.

Taken together, employment in June and July was 21,000 jobs lower than previously reported.

TRUMP ORDERS TERMINATION OF LABOR STATISTICS OFFICIAL AFTER JOBS REPORT AND DOWNWARD REVISIONS

Private payrolls added 38,000 jobs in August, well below the gain of 75,000 jobs projected by LSEG.

[Government payrolls](#) declined by 16,000 jobs. Federal government employment fell by 15,000 jobs, while state governments shed 13,000 jobs. Those job losses were partially offset by gains of 12,000 jobs in local government, most of which were in education. Federal employment is down 97,000 jobs since its January peak, and the BLS noted employees on rapid leave or receiving severance pay are counted as employed in the establishment survey.

The [manufacturing sector](#) lost 12,000 jobs in August, a steeper drop than the decline of 5,000 jobs estimated by LSEG.

[Healthcare employment](#) added 30,600 jobs, which was below the average monthly gain of 42,000 over the past 12 months. Employment continued to trend up in August for ambulatory healthcare services (+12,700), nursing and residential care facilities (+9,100) and hospitals (+8,800).

TREASURY'S BESENT SAYS HE DOESN'T SUPPORT SUSPENDING MONTHLY JOBS REPORTS

The August jobs report was weaker than expected, showing a gain of just 22,000 jobs, well below the 75,000 expected by LSEG economists. (Yuki Iwamura/Bloomberg via

Getty Images / Getty Images)

Social assistance employment trended higher in August with a gain of 16,200 jobs amid continued growth in individual and family services.

[Oil and gas](#) extraction, mining and quarrying employment declined by 5,500 jobs in August after having changed little over the past 12 months.

The labor force participation rate was little changed at 62.3%, and the employment-population ratio was unchanged at 59.6%. Both measures have declined by 0.4 percentage points over this year.

The number of people considered to be long-term unemployed, defined as being jobless for 27 weeks or more, was little changed at 1.9 million in August but has risen by 385,000 this year. The long-term unemployed accounted for 25.7% of all unemployed people in August.

The manufacturing sector lost more jobs than expected in August, and is down 78,000 jobs this year. (Emily Elconin/Bloomberg via Getty Images / Getty Images)

Workers who were employed part-time for economic reasons changed little in August at 4.7 million. These workers would've preferred full-time work, but were working part-time because their hours were cut or they couldn't find full-time jobs.

Multiple jobholders increased by 443,000 jobs in August and represented 5.4% of total employment last month.

FED CHAIR JEROME POWELL SIGNALS JOB MARKET, INFLATION OUTLOOK COULD ALLOW FOR INTEREST RATE CUT

The August jobs report comes as the Federal Reserve is weighing a potential interest rate cut despite [persistent inflation](#), which has risen further from the Fed's 2% target in recent months as tariffs boost consumer prices, due to signs of weakness in the labor market.

Fed Chair Jerome Powell has suggested if employment and inflation are both worsening, policymakers will focus on the side of their dual mandate under the most pressure. (Kent Nishimura/Getty Images / Getty Images)

Fed Chair [Jerome Powell](#) previously noted that the central bank likely would've cut rates earlier this year but for concerns about tariffs fueling inflation. The consumer price index (CPI) inflation print for July was 2.7%, while the personal consumption expenditures (PCE) inflation reading for that month was 2.6%. August's CPI data is due out next week ahead of the Fed's Sept. 17 rate cut decision.

"The labor market is coming to a standstill as businesses slow the pace of hiring and await clarity on tariffs and Fed policy," said LPL chief economist Jeffrey Roach, who noted the Fed is likely to focus on labor market weakness in its rate cut decision. "The labor data is probably not weak enough for the Fed to cut by 50 basis points given inflation persistence, so as of now, our expectations are for a 25 basis point cut."

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Seema Shah, chief global strategist at Principal Asset Management, said that the August jobs report "just about strikes a balance between reinforcing market expectations for a sequence of Fed rate cuts and not yet inviting renewed concerns around recession, so the broad market response should be mildly positive."

"But concerns about the health of the economy are starting to creep in and a further deterioration in the labor market would soon tip the balance to 'bad news is simply bad news.' Equally, a strong inflation print next week could strike new fears about a stagflationary mix," Shah added.

The market reacted to the August jobs report by locking in expectations for a September rate cut from the Fed's current federal funds rate range of 4.25% to 4.5%. The probability of a 25-basis-point cut was 96.4% yesterday and dropped to 84% today, as the likelihood of a 50-basis-point cut rose from zero to 16%, according to the CME FedWatch tool.

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MAGA_is_TDS

1 day ago

So just to be clear, everyone but Trump and MAGA thought tariffs were a terrible idea as well as removing a large portion of the workforce. We are clear on that, yes?

This is not the Biden economy, this is all Trump.

It's not blame the Fed but Trump will say that. In fact, because of Trump's tari...

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H

hogwash646

1 day ago

As Trump continues to enrich himself with his crypto coin business the economy is grinding to a stand still

So no Republicans we will not grow our way out of the 4 trillion this term and 6 trillion from his first term of new national debt

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independent-one

1 day ago

Four months of anemic job growth averaging 26K/month, which coincides with Trump's tariff policies. Inflation has also been steadily rising over the last four months.

Sorry MAGAs, there's no way to spin this. Everyone was right about how tariffs would impact the economy. Trump was wrong. It's t...

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T **trumptarder** ...

1 day ago

as posted above by someone else, Fox News was calling 266,000 new jobs in 2021 under Biden as "measly"....

So 1/10th of 266K is 26.6K and somehow they just bury the story.

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A **aethelbeorn** ...

1 day ago

The oil patch lost 5,500 jobs because the price of oil continues to drop. Due to Trump's tariffs there is a decrease in transportation, less ships, trucks, and rail traffic.

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bigmaple37 ...

1 day ago

This is only the tip of the iceberg. Job numbers and manufacturing are going to get way worse, tariffs take a while to kick in and affect the economy and the economy is just starting to show that.

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P **PhairAndUnbalanced** ...

1 day ago

Last month, while inflation rose to 2.7%, WHOLESale inflation came in at 3.3%, meaning that the costs the importers incurred had not been passed on to the consumer....YET.

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surlythor ...

1 day ago

Manufacturing lost 12,000 jobs in August, a steeper drop than the decline of 5,000 jobs that LSEG projected.

This should be its own article given how someone keeps talking about manufacturing coming back bigly...

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s **SixBankruptcies** ...

1 day ago

I love Fox News. If these numbers were good, they would have been at the top of the Fox News main page. What's there now - an article about AOC.

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O OnlyTruth956

...

1 day ago

Inflation is rising.

Job growth is stagnant.

Wage growth is stagnant.

Deficits are increasing.

Dollar value declining.

Market volatility is wild.

The bubble is about to pop and the people in charge are still in denial about it.

Trump is Herbert Hoover 2.0

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T TraderJdub

...

1 day ago

- "Inflation is rising.
Job growth is stagnant.
Wage growth is stagnant.
Deficits are increasing.
Dollar value declining.
Market volatility is wild.

The bubble is about to pop and the people in charge are still in denial about it." Untruth956 in 1984, with Dow at 1400 level

- Today, intraday, Dow hit record h...

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H Holymackinac311

...

1 day ago

So according to Trump, manufacturers are pouring back into the US at levels never seen before. \$15T of new investments according to him, so why are we still losing manufacturing jobs? Sept will look similar too.

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T TrumptheConvicted

...

1 day ago

When Trump says, "at levels never seen before", he's right in a way because no one is seeing it anywhere. It doesn't exist.

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s strandedinthecenter

1 day ago

Meanwhile, Trump is refusing to say if future economic numbers will be reliable. He'll have to "see the numbers" first. So I guess we can't trust the numbers unless Trump likes them. Now that's how you run an economy!

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 1 reply

O OnlyTruth956

1 day ago

Inflation is rising.

Job growth is stagnant.

Wage growth is stagnant.

The bubble is about to pop.

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N Neil

1 day ago

This lands squarely on Trump.

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T trumptarder

1 day ago

Prediction: The new Bureau of Labor Stats chief (who has been on the job for a month and hired after their predecessor reported "bad" numbers) will be gone by Oct 1, and there will be two more fired by the end of the year. It is not permissible to report data that upsets the supreme leader.

(Edited)

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P PhairAndUnbalanced

1 day ago

It takes a couple of months to figure out a way to make these dismal job numbers into something that doesn't make Trump's policies look like the failure they actually are.

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