

U.S. Sept non-farm payrolls plunge 263,000

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WASHINGTON (Reuters) - U.S. employers cut a deeper-than-expected 263,000 jobs in September, lifting the unemployment rate to 9.8 percent, according to a government report on Friday that fueled fears the weak labor market could undermine economic recovery.

The Labor Department said the unemployment rate was the highest since June 1983 and payrolls had now dropped for 21 consecutive months.

Analysts polled by Reuters had expected non-farm payrolls to drop 180,000 in September and the unemployment rate to rise to 9.8 percent from 9.7 percent the prior month. The poll was conducted before reports, including regional manufacturing surveys, showed some deterioration in employment measures.

The government revised job losses for July and August to show 13,000 more jobs lost than previously reported. Preliminary annual benchmark revisions, released together with September's employment report showed that total non-farm payroll employment for March would have to be revised down about 824,000.

Stubbornly high unemployment is viewed as the missing link in the economy's recovery from its worst recession in 70 years. The economy is believed to have started growing in the third quarter.

Since the start of the recession in December 2007, the number of unemployed people has risen by 7.6 million to 15.1 million, the department said. While the decline in payrolls has moderated from early this year, companies are still not hiring on a wide scale, likely waiting for a signal that the economic recovery is sustainable.

Manufacturing employment fell by 51,000 in September, while construction industries payrolls dropped. The service-providing sector cut 147,000 workers in September, while goods-producing industries shed 116,000 positions.

Education and health services added a mere 3,000 jobs, while government employment fell 53,000.

(Reporting by Lucia Mutikani; Editing by Andrea Ricci)

http://finance.yahoo.com/news/US-Sept-nonfarm-payrolls-rb-589941939.html;_ylt=AgF7QmOXivkcMV94W6X4D1i7YWsA;_ylu=X3oDMTE1aThqZ2dwBHBvcwMyBHNIYwN0b3BTdG9yaWVzBHNSawN1b?x=0&sec=topStories&pos=main&asset=&ccode=