

Bad news: U.S. Jobs market getting worse

More jobs were lost in September than expected and unemployment rate hits 26-year high of 9.8%.

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NEW YORK (CNNMoney.com) -- Employers cut more jobs from their payrolls in September, as the long-battered U.S. labor market took an unexpected turn for the worse, according to a government report Friday.

The Labor Department said there was a net loss of 263,000 jobs in the month, up from a revised loss of 201,000 jobs in August. Economists surveyed by Briefing.com had forecast losses would fall to 175,000 jobs.

The unemployment rate rose to 9.8% in September from 9.7% in August. That was in line with economists' forecasts, but the unemployment rate is now the highest since June 1983. The average work week also fell to a record low of 33 hours, down from 33.1 hours in August. ■

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