



Written by [Bruce Walker](#) on April 15, 2011

Lies, Damned Lies, and (Unemployment) Statistics

There are different ways of calculating unemployment. The data provided by the Bureau of Labor Statistics culls out those who are not seeking employment, which may include people who no longer need to work (because they have retired, their spouse has found a good job, or because their financial situation improved.) Those Americans no longer seeking work, however, may also include those who have simply given up trying to find a job because the market seems hopeless.



Underemployment and employment at lower-paying jobs also make official unemployment data incomplete and potentially misleading.

Federal unemployment data also does not capture those in the country who are working outside the “official” economy, such as people who work for cash to avoid paying federal taxes, or illegal aliens working in jobs that go unreported. In a free and unregulated economy — one in which “economic security” is not the job of the federal government — these problems of incomplete or inaccurate data resolve themselves. A small businessman, for example, adds employees based on what help he needs to run his company — something he knows much better than any government bean counter, and which is much more relevant to his hiring decisions than any broad economic trends.

In the days before federal withholding taxes, Social Security, unemployment and worker’s compensation mandates on employers, as well as OSHA and affirmative action programs, there was not only little information on unemployment, but little need for that data. Businessmen operated their companies with maximum flexibility, making them very efficient — one reason why America 100 years ago was the economic dynamo of the planet.

But if one is going to look at the job market and adopt economic policies based upon that market, there is no need to look at unemployment numbers. There is a much cleaner and more meaningful number of that BLS percentage of Americans unemployed: the percentage of Americans who are employed. In other words, one need only take the number of people who are working in America and divide that number by the population.

Using that statistic, only 45.4 percent of Americans had jobs last year — the lowest percentage of citizens working in 27 years, back to 1983 when only 40.4 percent of Americans were working. There are distinctive characteristics to this trend. The number in the oldest age category considered (65-69) who are working has increased steadily over the last 30 years from 20 percent in 1980 to 31 percent in 2010. Those between 60-64 years old have also grown in that period from 43 to 55 percent. The number of young Americans workers 16-24 has dropped rather precipitously — from 66 percent in 1980 to only 55 percent in 2010 (the same percentage in 2010 as the 60- to 64-year-old group).



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Another long-term (and dramatic) trend has been the steady increase in the percentage of women 20 years or older who are employed— from 36 percent in 1960 to 56 percent in 2010. Conversely, there has been a decline in the percentage of men 20 years or older who are working — from 80 percent in 1960 down to 67 percent in 2010. In 10 years, if the trends of the last 50 years hold steady, women will be more likely than men to be employed.

That particular statistic is another example of how irrelevant statistics of either unemployment or employment may be. In 1960, for example, the 64 percent of women who were not “employed” — not working outside the home in a job counted by the Bureau of Labor Statistics — were working, and often working very hard. They were raising children, doing housework, mending clothes, cooking, growing gardens, and performing many other tasks that women today pay people to do for them.

When women entered the workforce circa 1960, it was generally because of particular family needs. These wives and mothers were a nongovernmental “social safety net” (much as extended families were), so that if a husband were laid off or a child needed special medical care, without turning to the government for a handout and without the husband taking a second job, the wife could simply enter the workforce — at least for a while. The dramatic increase in the number of women already in the workforce is evidence of how that familial economic reserve has been depleted.

That trend of men and of women who are in the workforce over the last five decades closely parallels the decline in the percentage of Americans who are married — only about 52 percent in 2008, down from 72 percent in 1960. The countervailing trend of those “never married” has grown during that period from 15 percent to 27 percent. The elitist war on the institution of marriage has compelled many millions of women to work in often dull office jobs, because there was no other breadwinner, and allowed them the liberated joy of driving, after work, to a daycare center to pick up their children.

Men also have faced increased job competition from women who are officially favored as “victims” entitled to affirmative action programs, which means that many males work at poorer and less interesting jobs than they would otherwise have held, and then go home to an empty apartment without the stability and emotional comfort of a wife and children.

What is the “unemployment rate”? Why should one care about that government-produced and artificial number? Work cannot be reasonably defined by federal bureaucrats, and the increase in those officially employed really means nothing. (The federal government could pay people, as FDR did, to destroy crops and other farm produce — and call that activity “work.”) Individuals, left alone by government, will organize themselves to do necessary and productive work efficiently and will develop reasonable divisions of labor (such as grandparents babysitting their grandchildren or adolescent boys doing yard work) which baffle those bureaucrats who look at the populace as economic ciphers in their grand calculus. To paraphrase Mark Twain, there are “lies, damned lies, statistics, and government statistics.”

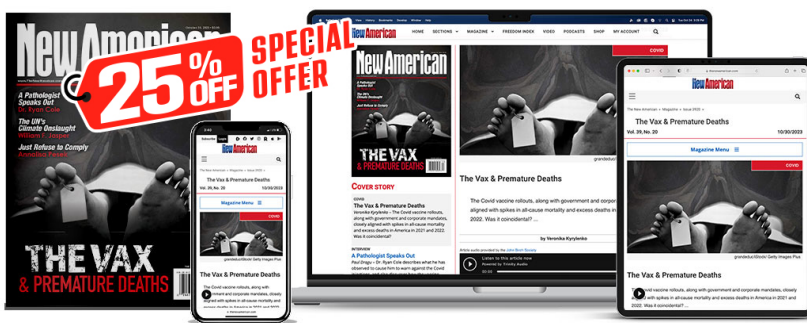


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