



Friday's Unemployment Numbers: Correcting the Corrections

The news released by the Bureau of Labor Statistics (BLS) on Friday appeared to be all good: The unemployment rate was down by 0.2 percent to 8.3 percent, the lowest since the month after President Obama was inaugurated. November and December estimates were revised upward. Most private industries showed growth, including 70,000 new business services jobs, 50,000 new manufacturing jobs, and a remarkable 21,000 new jobs in the construction industry. The labor force expanded by 500,000 which appeared to indicate that more people are coming back into the market looking for work.



But the skeptics were legion: the [Wall Street Journal](#), while accepting the numbers at face value, said, "Even with the recent gains, this is by far the worst jobs recovery since the Great Depression, and the U.S. still has about 5.5 million fewer jobs that it did before the recession began in December 2007." Across town, the [Washington Times](#) said the numbers looked better than they should because of the number of young people dropping out and the paper even found an economist at the Federal Reserve to agree with it. Brian Holter, who works at the Minneapolis Fed, said: "However these factors stack up, the improvement in unemployment is largely the work of declining participation rates and, unfortunately, not job growth."

John Ransom, writing at [Townhall.com](#), was blunt in his assessment of the BLS report:

Another 1.2 million people dropped out of the workforce, which means that the Bureau of Labor Statistics economists can say that unemployment has moved down to 8.3 percent without that messy job-creation thing getting in the way.

Daniel Mitchell, [also writing at Townhall.com](#), showed his readers a graph of declining unemployment rates since November of 2010 and said Republicans should take credit for the improvement which "began almost precisely at the moment they took control of the House of Representatives." Anthony Wile [told his subscribers](#) that "the idea of an up-trending of the US economy is nothing more than a bald-faced lie, the most devious kind of propaganda." He added:

The US is not in recovery, from my point of view. The US cannot be in recovery as a collective economy because the economy itself is filled with propped-up enterprises that in turn support the failed, monopoly fiat-money system that the power elite for the moment insists on continuing...

The charade expands because there is no other way, apparently, to re-elect Obama. And Obama is seemingly important to the power elite's plans to create world government. They seem to want to keep him in power for another four years.



Written by [Bob Adelman](#) on February 6, 2012

Republican presidential candidate Ron Paul noted [in an interview](#) with CNN's Piers Morgan on Friday night that there is an "under-reported element" in the latest jobs numbers and that "if you admit the truth, we [the Bureau of Labor Statistics] quit counting people."

An unnamed pundit and poet put together a parody of Abbot and Costello trying to explain to each other the difference between being "unemployed" and "out of work." It is [viciously hilarious](#).

And of course President Obama himself had little difficulty restraining himself, assuring, "The recovery is speeding up, and we've got to do everything in our power to keep it going." He then said he had a message for Congress: "Do not slow down the recovery we're on now. [Don't muck it up](#)."

After the skeptics had finished venting, John Mauldin took the time actually to read the BLS report and then pointed out [in his weekly newsletter](#) that a lot of the numbers in the BLS January report were heavily adjusted for changes that had taken place in its base numbers over the last year, partly because of the census data they were now incorporating into their analyses. Said Mauldin, "There were some extensive revisions." He added:

The number in the work force did not actually drop. Those who thought so completely missed [the point] that this million+ people isn't some new January phenomenon but a result of the BLS using the 2010 census data to have more accurate data.

In other words, the changes in the Household Survey to the various measures had taken place over the years prior to 2010 but, for simplicity's sake, the BLS incorporate[d] them into one month.

Mauldin then took a step back from the immediate report to see how the economy has been doing over the past several years, job-wise. [Using numbers from the St. Louis Federal Reserve](#), Mauldin noted his disappointment at both the partisans celebrating the news and the naysayers decrying it:

What is not amusing [to me] is the reality that is masked by the joyful response of the stock market to the good news. This was a good employment number, not a great one. It takes about 125,000 new jobs just to keep up with population growth each month. That means we created roughly 120,000 jobs that helped bring down the unemployment number. The US economy has created almost 3 million jobs in the last two years. That means we only need another 7 million *to get back to where we were in 2007!* ... [Emphasis added.]

If we create 250,000 jobs a month, it will take almost five years to get back to where we were in 2007.

It's one thing to present false data appearing true. It's another to accept it at face value and then draw improper conclusions from it. "Figures can lie..." goes the saying.



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