Written by <u>Michael Tennant</u> on June 4, 2010



Little Improvement in U.S. Employment in May

The U.S. Bureau of Labor Statistics just released its employment figures for the month of May, and they would appear to be very encouraging indeed: 431,000 new jobs were created, and the unemployment rate fell to 9.7 percent. President Obama hailed this as proof that his economic policies are succeeding, saying, "This report is a sign that our economy is getting stronger by the day."

Hold the champagne. Of those 431,000 new jobs, 411,000 were temporary census-taker jobs that, as the President said, "are only going to last until the fall." (One wonders how many fewer census takers would be needed if the government did only what is constitutionally mandated, i.e., counting the number of people in the country, not prying into the details of their lives.) Moreover, as <u>TNA reported</u>, many temporary census workers are being "hired, fired, and then rehired repeatedly," so one might reasonably ask how many of the 411,000 census takers hired in May are really new hires rather than former census workers rehired to inflate the employment numbers.

The private sector, <u>reports Fox News</u>, "added just 41,000 jobs, down from 218,000 in April and the fewest since January." Meanwhile, temporary employment continues to grow, adding 31,000 jobs in May; "employment in the [temporary help services] industry has risen by 362,000 since September 2009," according to the BLS. This indicates that the private sector neither is experiencing a robust recovery nor has confidence that the recovery, such as it is, will continue.

The 9.7 percent unemployment rate, while a slight decline from April's rate of 9.9 percent, is still, as the BLS says, "the same rate as in the first 3 months of 2010." Furthermore, it was achieved in part by "322,000 people leaving the labor force for any number of reasons," says Fox News. In fact, the underemployment rate, which includes those who either have given up looking for work or are working part time when they wish to work full time, is still at a staggering 16.6 percent, according to Fox News, a half-percentage-point reduction from April's rate. The number of long-term unemployed, defined by the BLS as "those jobless for 27 weeks and over," remained constant at 6.8 million. None of this suggests that, *contra* Obama, "our economy is getting stronger by the day."

Clearly whatever gains the economy realized from the so-called stimulus bill have vanished, as anyone with an understanding of economics would have expected. The money may have given the economy a temporary jolt, but it couldn't last. Nor is the solution for Washington to keep spending money it doesn't have; inflation is no help to the private sector either.

According to CBS News, Obama, speaking to workers at a Maryland truck company, said that "the failed economic policies of the past" have brought us to the current situation and that those policies must be abandoned. He is correct, but not in the way he intends. The failed economic policies of the past are the Keynesian tax-borrow-inflate-and-spend policies employed by Obama and his predecessors going back at least as far as Herbert Hoover. The solution is indeed to abandon these policies and to begin cutting spending and regulations dramatically.



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As Senate Minority Leader Mitch McConnell (R-Ky.), who has done his share of contributing to those failed policies, correctly noted, "When America truly begins creating jobs that help our economy grow, it will be despite our government, not because of it" — a truism no matter how large or how small the government is, for the greatest thing any government can do to improve its citizens' economy is to get out of the way.

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