

Another Phony US Payroll Jobs Number Report. Fake Unemployment Statistics

By [Dr. Paul Craig Roberts](#)

Global Research, November 07, 2015

[Paul Craig Roberts](#) 6 November 2015

Region: [USA](#)

Theme: [Global Economy](#)

The Bureau of Labor Statistics announced today that the US economy created 271,000 jobs in October, a number substantially in excess of the expected 175,000 to 190,000 jobs. The unexpected job gain has dropped the unemployment rate to 5 percent. These two numbers will be the focus of the financial media presstitutes.

What is wrong with these numbers?

Just about everything. First of all, 145,000 of the jobs, or 54%, are jobs arbitrarily added to the number by the birth-death model. The birth-death model provides an estimate of the net amount of unreported jobs lost to business closings and the unreported jobs created by new business openings. The model is based on a normally functioning economy unlike the one of the past seven years and thus overestimates the number of jobs from new business and underestimates the losses from closures. If we eliminate the birth-death model's contribution, new jobs were 126,000.

Next, consider who got the 271,000 reported jobs. According to the Bureau of Labor Statistics, all of the new jobs plus some—378,000—went to those 55 years of age and older. However, males in the prime working age, 25 to 54 years of age, lost 119,000 jobs. What seems to have happened is that full time jobs were replaced with part time jobs for retirees. Multiple job holders increased by 109,000 in October, an indication that people who lost full time jobs had to take two or more part time jobs in order to make ends meet.

Now assume the 271,000 reported jobs in October is the real number, and not 126,000 or less,

where are those jobs? According to the BLS not a single one is in manufacturing. The jobs are in personal services, mainly lowly paid jobs such as retail clerks, ambulatory health care service jobs, temporary help, and waitresses and bartenders.

For example, the BLS reports 44,000 new retail trade jobs, a questionable number in light of sluggish real retail sales. Possibly what is happening is that stores are turning a smaller number of full time jobs into a larger number of part time jobs in order to avoid benefit costs associated with full time workers.

The new reported jobs are essentially Third World type of jobs that do not produce sufficient income to form a household and do not produce exportable goods and services to help to bring down the large US trade deficit resulting from jobs offshoring.

The problem with the 5% unemployment rate is that it does not include any discouraged workers.

When discouraged workers—those who have ceased looking for a job because there are no jobs to be found—are included the unemployment rate is about 23%.

Another problem with the 5% number is that it suggests full employment. Yet the labor force participation rate remains at a low point. Normally during a real economic recovery, people enter the labor force and the participation rate rises.

The bullion banks acting as agents of the Federal Reserve used the phony jobs number to launch another attack on gold and silver bullion, dumping uncovered shorts into the futures market. The strong jobs number provides cover for the naked shorts, because it implies an interest rate hike and movement out of bullion into interest bearing assets.

If the US economy were actually in economic recovery, would half of the 25-year-old population be living with parents? The real job situation is so poor that young people are unable to form households.

See :

<http://www.paulcraigroberts.org/2015/10/29/us-on-road-to-third-world-paul-craig-roberts/>

The original source of this article is [Paul Craig Roberts](#)
Copyright © [Dr. Paul Craig Roberts](#), [Paul Craig Roberts](#), 2015

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Dr. Paul Craig Roberts](#)

About the author:

Paul Craig Roberts, former Assistant Secretary of the US Treasury and Associate Editor of the Wall Street Journal, has held numerous university appointments. He is a frequent contributor to Global Research. Dr. Roberts can be reached at <http://paulcraigroberts.org>

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long as the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca

