

The Myth of Low US Unemployment. Twisting the Definition, Manipulating the Data

By [Stephen Lendman](#)
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"Prominent" economic analysts maintain the myth, including a NYT report in its latest edition, saying:

An "unemployment rate (was achieved) below the 4 percent threshold," the Times calling it a "milestone," claiming it indicates a "tight...labor market..."

Reality is polar opposite. Trump crowed about the phony Friday Labor Department (BLS) report tweeting: "JUST OUT: 3.9% Unemployment. 4% is Broken!"

America's privileged class never had things better. Unreported is continuation of protracted main street depression conditions.

Economist John Williams reverse engineers monthly employment numbers based on how calculated in 1980.

The so-called headlined U-3 unemployment number omits individuals without jobs wanting them, including many long-term unemployed ones not looking after months of failure to find work.

Most jobs created are low-wage, poor-or-no benefit temporary or part-time ones. Monthly BLS reports reflect BS ones without the L in between. They conceal the nation's true employment picture. It's not pretty, nothing suggesting a robust jobs situation.

The broader U-6 figure comes closer. It includes:

(1) "Marginally attached workers: people wanting jobs but not actively looking in the past 30 days, but have looked unsuccessfully in the last year."

This category also includes "discouraged workers" who completely gave up in

frustration within, but not exceeding, the past 12 months.

(2) Also included are people looking for full-time work but forced to take part-time or temporary jobs to be employed.

Williams' latest reengineered calculation, the most accurate unemployment picture, has U-3 at 4.07, U-6 at 8.0%, and his ShadowStats-Alternative at 21.7% - remotely distant from anything approaching full employment.

In the Labor Department's latest Household Survey, full-time employment declined by 311,000, continuing the erosion of what long ago was the hallmark of industrial America, mostly now operating abroad in low-wage countries, why the trade deficit is so high.

The nation's economic strength is weak. Williams cited "weakening annual growth and no economic expansion," adding:

"Mixed but faltering annual real growth in construction spending continued in a pattern last seen leading into the 2007 recession."

Paul Craig Roberts calls monthly Labor Department employment reports "a bad joke."

David Stockman explained "if the U-3 unemployment rate actually measured labor 'slack,' wage rates would be rising smartly."

They're not, Stockman calling the latest U-3 report "statistical noise," using "deeply flawed employment models," adding:

The phony "Awesome Economy narrative is actually built on institutionalized lies that service the needs of Bubble Finance on both Wall Street and at the Fed -until the don't" once inflated bubbles burst.

Job numbers are inflated, manufactured out of thin air, partly based on a so-called birth-death model, estimating net non-reported jobs from new businesses minus losses from others no longer operating.

The Bureau of Labor Statistics admits misreporting, saying

"(t)he confidence level for the monthly change in total employment is on the order of plus or minus 430,000 jobs."

The headlined monthly unemployment number conceals the job market's dismal state, along with deplorable economic conditions for most people, struggling to get by.

Except for its privileged class, the state of the nation's economic health is far different from how it's portrayed by the administration and major media - concealing reality from the public.

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My newest book as editor and contributor is titled "Flashpoint in Ukraine: How the US Drive for Hegemony Risks WW III."

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