

LETTER TO THE EDITOR

THE TRUTH ABOUT THE JOBLESS RATE!

Sometimes TRUTH is stranger than FICTION!



By Stephen L. Bakke  May 3, 2014

Here's what provoked me:

We constantly hear and read about the slow but regular recovery in employment statistics. I think that it's a shame that the entire story about our employment woes isn't usually covered by mainstream media outlets. Specifically, we never hear anything about the shrinkage in the labor participation rate, which is economically very damaging. That statistic represents the percentage of employable population that is actually working. "Employable" includes those who have become frustrated and dropped out of the active labor force. The dirty little secret is that when this number grows - which is a very bad thing - it actually tends to improve the unemployment rate, and this is proclaimed as a positive.

Here's my response:

The Truth about the Jobless Rate! Sometimes Truth is Stranger than Fiction!

Much is reported about the ever-improving job market. Nationally, the unemployment rate is down to 6.3%. But we're seldom told the entire story!

For the month of April, pundits proclaim "GOOD NEWS, the job increase of 288,000 was better than expected!" The BAD news: over 800,000 workers left the work force, which lowered the Labor Participation Rate to 62.8%. The Bureau of Labor Statistics confirmed that the participation rate is lower than any time since 1978. That means that "those with jobs," as a percentage of the "employable" population, has been declining for decades, and is continuing!

While Obama brags about creating millions of jobs, he doesn't disclose that the NET gain since he took office is under 500,000 jobs. He also forgets to report another inconvenient fact: **Approximately 10 million people have left the workforce since he took office. This mass exit is the main reason unemployment numbers have improved!** If we factor in those on the sidelines who would seek employment if conditions improved, and part-timers preferring full time work, the unemployment rate would become 12.3%!

Conveniently for Obama, this phenomenon of people withdrawing from the workforce actually improves the unemployment numbers. You can't make this stuff up!