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92 MILLION AMERICANS NOT IN LABOR FORCE: LIMBAUGH AND FRANCIS GOT IT WRONG

Edward J. O'Boyle, Ph.D.

Mayo Research Institute

Permission to quote is granted when the source is acknowledged.

The December jobs report indicates that on a seasonally adjusted basis 91.8 million Americans 16 years of age and older were not in the labor -- a special classification for persons who were neither working nor looking for work.

Some public commentators have been speaking their minds on significance of this number without an adequate understanding of what the not-in-the-labor force (NILF) classification actually means. Two examples involving high-profile commentators suffice to make our point.

Russ Limbaugh engaged in alarmist language reflecting a judgment on his part that there is something terribly wrong in America where “the vast majority [of the 92 million] have been unemployed for so long, they’ve stopped looking for work.”

rushlimbaugh.com/daily/2014/01/10/stunning_92_million_americans_not_working

Business reporter Melissa Francis appearing on Fox News *Kelly File* said that the 92 million are “people that have just gone to the sidelines and totally given up.”

video.foxnews.com/v/3038826611001/how-will-white-house-justify-lackluster-jobs-report/?playlist_id=940325739001#sp=show-clips

Limbaugh and Francis imply that tens of millions of Americans are sitting on their hands and somehow living off the hard work of others. The BLS estimate that nearly 1 of every 16 NILF currently want a job, a number incidentally that neither one cited, seems to support their claims. Their assertions, however, are just not true and so too the implications that apparently follow. In fact both commentators are so far off the mark that for the moment they are well advised to let better-informed commentators interpret the BLS jobs report. At least until they know the fundamentals of the NILF classification system.

Among those fundamentals are the details as to how a person is assigned a NILF classification: attending school, caring for their own children or other dependents, retirement, seasonal workers who are not looking for work during the off season, the disabled, and unpaid workers in a family business whose weekly work falls short of 15

hours. The BLS jobs report and website supply detailed information on persons in some of these NILF sub-classifications allowing us to dig deeper into the significance of the total NILF numbers.

Of the 92.3 million not in the labor force in December, 11.4 million were teenagers, many of whom were in school, and 36.0 million were 65 years of age or older, of whom many no doubt were retired or disabled. Removing them from the total leaves 44.9 million Americans 20-to-64 years of age who were classified as NILF. We had to use data that are not seasonally adjusted in order to generate estimates for these age groups.

Among persons 16 to 64 years of age, the December jobs report estimated that there were 10.8 million who were disabled. Mayo Research Institute estimated that 887,000 of those were 16-to-19 year olds, leaving 9.9 million disabled persons ages 20-64 years old. It follows that there were 35.0 million persons ages 20 to 64 who were NILF and able-bodied.

Further, among those 35.0 million are many who are not frustrated jobseekers. They include unpaid, full-time at-home caregivers and others who are full-time students or are forced to stay home due to illness or injury or are hospitalized. Their numbers are not available from the BLS website.

Another fundamental relates to a powerful dynamic occurring monthly among persons who are classified as working or looking for work and those who are assigned to the NILF classification. Between November and December a total of 6.5 million persons dropped out of the labor force and were counted as NILF; another 6.1 million entered the labor force from NILF.

It is a gross misrepresentation to assert that 92 million Americans “have totally given up,” “have been unemployed for so long, they’ve stopped looking for work.” For years the BLS has estimated the number of so-called discouraged workers -- persons who met all the conditions for being classified as unemployed but did not actively look for work in the last four weeks for several reasons including they thought no work was available. They are classified as NILF and in December they numbered an estimated 917,000.

The BLS needs to do a much better job of explaining the NILF classification especially in its press releases and monthly press conference. At the same time public commentators like Francis and Limbaugh need to do their homework on what the NILF estimates indicate so that they can get their reporting right. Getting it right is their first and most important obligation. Otherwise they are likely to do more harm than good.

Edward J. O’Boyle is Senior Research Associate with Mayo Research Institute

Offices in New Orleans, Lake Charles, and West Monroe

www.mayoresearch.org

318-381-4002

edoboyle737@gmail.com
