

PERSONALLY SPEAKING

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JOBLESS RATE FOR FULL-TIME WORKERS IN SEPTEMBER WAS 8.3 PERCENT

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In the partisan spinmeisters' eagerness to trumpet the September jobless rate of 7.8 percent or dismiss it, several important labor force developments have been overlooked.

First, the September unemployment rate for the 126 million *full-time* workers, who make up more than 80 percent of the entire civilian labor force, was 8.3 percent which is *higher* than the 8.2 percent rate for these workers when Obama was inaugurated. The 7.8 percent for all workers in September is the result of a much lower rate – 5.8 percent – among part time workers.

Second, with so many more persons employed why was there a one-year increase of 498,000 in the number of persons not in the labor force in September 2012 who currently want a job?

Third and notwithstanding a rollback of 456,000 in the number of persons unemployed between August and September, average duration of unemployment increased by 0.6 weeks to 39.8 weeks.

Fourth, as widely reported in the media total August-September employment climbed by 873,000. Among full-time workers the *increase* was 838,000. Among part time workers, inexplicably, there was a *decrease* of 26,000. Those numbers simply don't compute. Did the BLS fumble the numbers?

Fifth, even though total part-time employment actually *fell* in September, why did part-time employment for economic reasons (principally slack work) *rise* by 582,000?

How to explain? Perhaps the persons involved had been working full-time and had their hours reduced. Or, they were unemployed or not in the labor force and began looking for

full-time work but found only a part-time job. They were on layoff from their employer and were called back but not on a full-time basis.

What does this increase in part-time work for economic reasons mean? It indicates that two-thirds of the net increase of 873,000 in employment took place among persons working part-time for economic reasons.

Sixth, with 873,000 more persons employed, why was there virtually no change in the number of employed black men 20 years of age and over, and no statistically significant increase for employed black women of the same ages?

Seventh, the difference between the seasonally adjusted and unadjusted estimates of total employment in September was +59,000. For full-time workers the difference was +452,000; for part-time workers it was +76,000. Why this statistical oddity?

Finally, why was the August-September change in part-time employment so much greater for the unadjusted estimate (1,311,000) than the seasonally-adjusted estimates (-26,000)? Why was the month-to-month increase in the adjusted estimates of total employment (873,000) so much greater than in any September since 1948? Are the changes made by the BLS to the unadjusted estimates an accurate correction for seasonal swings in labor market activity?

Maybe BLS Acting Commissioner John Galvin ought to ask his staff to re-think and re-examine its seasonal adjustment factors and re-run and re-check the September numbers again.

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