

# ***PERSONALLY SPEAKING***

***Number 54***

***January 12, 2009***

---

**MUSTARD SEEDS IN THE DECEMBER LABOR REPORT:  
AN EXCLUSIVE TO LARRY KUDLOW**

**Edward J. O'Boyle, Ph.D.**

**Mayo Research Institute**

**Copyright © January 12, 2009. All rights reserved.**

---

By now virtually everyone with more than a passing interest in labor market conditions in the United States knows that 524,000 payroll jobs were lost between November and December and that over this period the unemployment rate climbed from 6.7 percent to 7.2 percent. Pundits, independent economic analysts, and the incoming president's economic advisers all are wringing their hands and forecasting that conditions will deteriorate in 2009 and that massive and immediate government intervention is absolutely necessary. The downside risk is that the government will forge ahead without a full understanding of the nature and scope of the problem and may do considerable harm along with whatever good may come from their initiatives. Our advice is simply this: consider these *mustard seeds*.

▶ Of the 143.3 millions persons employed in December, 2.1 million were unemployed in November and another 3.5 million were not in the labor force. That means that 5.6 million had jobs in December who were not working in November. *Compare this to the 3.0 million jobs the incoming president says he will save or create with his stimulus/recovery package.* Among the 75.8 million men employed in December, 2.6 million were not employed in November.

▶ The decline in the number of employed married women since December 2007 is so small (-30,000) it isn't even statistically significant.

▶ An estimated 431,000 additional women 55 years of age and over were employed in December 2008 than one year earlier.

▶ Over the same one-year period, 380,000 more men 55 and older were counted among the employed.

▶ Among the 11.1 million unemployed in December, there were 1.0 million who quit their jobs and 1.5 million on temporary layoff.

▶ A total of 7.4 million persons held more than one job in December. One year earlier, the number of multiple jobholders was 7.5 million.

At the moment, we are faced with two options. Act in haste based on what we fear will happen in the months ahead, or act in moderation based on what we know today. Given the enormous cost of the proposed stimulus/recovery package and the taxes future generations of Americans will have to pay just to service the increase in the public debt that will follow, the second option is more prudent than the first unless of course we are willing to risk doing more harm than good.

---

*Edward J. O'Boyle is Senior Research Associate with Mayo Research Institute. Since completing his doctorate in economics from Saint Louis University more than 35 years ago, Dr. O'Boyle has specialized in economic research and analysis increasingly from the perspective of the human person engaged in everyday activities both as a unique individual and as a community member. In January 2004 the Association for Social Economics conferred on Dr. O'Boyle its prestigious Thomas Divine Award for lifetime contributions to social economics and the social economy. He taught economics at a state university in Louisiana for 30 years prior to his retirement in 2007.*

---

*Mayo Research Institute    1217 Dean Chapel Road    West Monroe, Louisiana 71291  
edoboyle@earthlink.net    [www.mayoresearch.org](http://www.mayoresearch.org)    318-396-5779 & 318-381-4002*

---