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LATEST EMPLOYMENT AND UNEMPLOYMENT FIGURES:
A MONETARY/FISCAL NIGHTMARE

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Earlier today the Bureau of Labor Statistics reported a loss of 62,000 payroll jobs in June, continuing a downward spiral in payroll employment for the sixth straight month. At the same time, there was hardly any change in the total number of persons unemployed and only a small decrease in the number employed. The rate of unemployment remained unchanged at 5.5 percent which is very substantially lower than the double-digit jobless rate that sets off alarm bells.

These aggregate figures, however, can be misleading. Disaggregate the data, extend the time horizon, and another more complex picture of the U.S. labor market emerges. Some of it is troubling, some not. All of the data reported below are seasonally adjusted.

The troubling news since June 2007 …

> **an additional 1,328,000 persons are jobless and looking for full-time work.**
>
> **an additional 428,000 persons are unemployed for 27 weeks or more.**
>
> **employment for 20-24 year old women has dropped by 94,000; among 35-44 year old women the decrease has been 26,000.**
>
> **employment for men has dropped sharply: 20-24 year olds (-156,000), 25-34 year olds (-172,000), 35-44 year olds (-512,000).**
>
> **employment for married men has dropped by 537,000.**
>
> **an additional 1,013,000 persons are working part time due to slack work or business conditions.**
>
> **the number of self-employed nonagricultural workers is down by 428,000.**
>
> **one-half of the unemployed have been out of work for 10 weeks or longer. One year ago one-half were jobless for 8.3 weeks.**

The not-so troubling news since June 2007 …

> **employment for women 45-54 years of age is up by 66,000 and for women 55 years of age and older by 447,000.**
>
> **employment for women who are married is up by 159,000.**
>
> ***perhaps most remarkable of all is that employment of men who are 55 years of age and older is up by 563,000.***

We are not quite sure what to make of the 128,000 one-year increase in the number of multiple jobholders.

The Federal Reserve System can be expected to ease the money supply and lower interest rates when employment is falling and unemployment is rising and tighten the money supply and raise interest rates when employment is rising and unemployment is falling.

In turn, Congress and the White House likely would cut taxes and raise spending when the labor market is sluggish and to raise taxes and cut spending when it is over-heated.

Clearly, the current stream of labor force information doesn't tell us which remedy to employ. Confused? Perplexed? So too are Washington, Wall Street, and Main Street.

Edward J. O'Boyle is Senior Research Associate with Mayo Research Institute. Since completing his doctorate in economics at Saint Louis University more than 35 s 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.

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