

PERSONALLY SPEAKING

Number 137

June 5, 2017

NY TIMES ERRS ON MONTHLY JOBS REPORTS

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Patricia Cohen, NY Times specialist on national economic affairs, last Friday published “Can You Believe the Jobs Numbers?” in an attempt to better inform the public about the Labor Department’s monthly jobs reports. Much of what Cohen says is well done especially how she differentiates between the household survey and the establishment report and calls attention to the official unemployment rate (U-3) and other measures of labor surplus.

At the same time, however, her efforts are plagued by errors of omission, commission, and near misses.

In the household survey, as she indicates correctly, a person working two or more jobs is accounted for only once in the estimate of the number of persons employed. However, the same survey provides a separate estimate of the number of multiple jobholders.

She calls attention to errors associated with both reports but does not refer to the extent of those errors. The establishment report, as she notes, bases its estimates on a sample of employers. Left out of her account is that a month-to-month change of less than 190,000 in its estimate of the number of jobs is regarded as *statistically insignificant*. In the household survey a change of less than 481,000 from one month to the next in the number of persons employed is regarded as *statistically insignificant*.

She fails to mention that the Labor Department in a single table provides the statistical errors associated with more than thirty dimensions of employment and unemployment, such as the number of adult women who are employed and the number of teenagers who are unemployed. See <https://www.bls.gov/web/empsit/cpssigsuma.pdf>

Cohen is correct when she states that both reports provide “only a temporary and incomplete snapshot of the economy”. Here again she fails to take note of another Labor Department table that shows the number of person employed in one month who in the following month changed labor force status – from employed to unemployed, for instance,

and from unemployed to not in the labor force. These data, which are known as gross-flows data, are readily available at https://www.bls.gov/web/empsit/cps_flows_recent.pdf

Cohen's definition of persons not in the labor force--- "people who are unemployed and not looking for work" -- is simply incorrect. Not in the labor force is an estimate of the number of persons who are neither employed nor unemployed.

Further in the last section on "key definitions" she does not indicate that what is meant in several references to the labor force is the *civilian non-institutionalized labor force* that excludes active-duty uniformed military personnel, persons institutionalized in prisons, nursing homes, hospitals, and rehabilitation centers, and others living in group quarters.

In like manner with the labor force participation rate and the employment-population ratio, the population actually is the *civilian non-institutionalized population*.

Cohen and the NY Times shouldn't have to be told to clear up these errors with the public.

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