

# Another Phony US Payroll Jobs Number Report. Fake Unemployment Statistics

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Region: [USA](#)

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*The Bureau of Labor Statistics announced today that the US economy created 271,000 jobs in October, a number substantially in excess of the expected 175,000 to 190,000 jobs. The unexpected job gain has dropped the unemployment rate to 5 percent. These two numbers will be the focus of the financial media pressstitutes.*

What is wrong with these numbers?

Just about everything. First of all, 145,000 of the jobs, or 54%, are jobs arbitrarily added to the number by the birth-death model. The birth-death model provides an estimate of the net amount of unreported jobs lost to business closings and the unreported jobs created by new business openings. The model is based on a normally functioning economy unlike the one of the past seven years and thus overestimates the number of jobs from new business and underestimates the losses from closures. If we eliminate the birth-death model's contribution, new jobs were 126,000.

Next, consider who got the 271,000 reported jobs. According to the Bureau of Labor Statistics, all of the new jobs plus some—378,000—went to those 55 years of age and older. However, males in the prime working age, 25 to 54 years of age, lost 119,000 jobs. What seems to have happened is that full time jobs were replaced with part time jobs for retirees. Multiple job holders increased by 109,000 in October, an indication that people who lost full time jobs had to take two or more part time jobs in order to make ends meet.

Now assume the 271,000 reported jobs in October is the real number, and not 126,000 or less,

where are those jobs? According to the BLS not a single one is in manufacturing. The jobs are in personal services, mainly lowly paid jobs such as retail clerks, ambulatory health care service jobs, temporary help, and waitresses and bartenders.

For example, the BLS reports 44,000 new retail trade jobs, a questionable number in light of sluggish real retail sales. Possibly what is happening is that stores are turning a smaller number of full time jobs into a larger number of part time jobs in order to avoid benefit costs associated with full time workers.

The new reported jobs are essentially Third World type of jobs that do not produce sufficient income to form a household and do not produce exportable goods and services to help to bring down the large US trade deficit resulting from jobs offshoring.

The problem with the 5% unemployment rate is that it does not include any discouraged workers.

When discouraged workers—those who have ceased looking for a job because there are no jobs to be found—are included the unemployment rate is about 23%.

Another problem with the 5% number is that it suggests full employment. Yet the labor force participation rate remains at a low point. Normally during a real economic recovery, people enter the labor force and the participation rate rises.

The bullion banks acting as agents of the Federal Reserve used the phony jobs number to launch another attack on gold and silver bullion, dumping uncovered shorts into the futures market. The strong jobs number provides cover for the naked shorts, because it implies an interest rate hike and movement out of bullion into interest bearing assets.

If the US economy were actually in economic recovery, would half of the 25-year-old population be living with parents? The real job situation is so poor that young people are unable to form households.

See:

<http://www.paulcraigroberts.org/2015/10/29/us-on-road-to-third-world-paul-craig-roberts/>

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