



Undercounting the Unemployed

With 13.9 million people in the United States out of work according to the federal government's unemployment calculations (a tally that excludes those who are classified as "discouraged" workers and "involuntary part-timers," among others), the Labor Department reported that only 54,000 jobs were added to nonfarm payrolls in May, down significantly from an average of 130,500 new jobs per month during the first four months of this year.



The number of "discouraged" workers — those who are out of work but no longer trying to get a job because they consider the prospects to be too poor — is currently 1.3 million according to the federal number crunchers, the highest number since the figures began to be tabulated in 1994.

The U.S. labor force, the total of those who are working or actively looking for work, has shrunk by 246,000 people over the past four years. Correspondingly, the labor participation rate, the percentage of the working-age population that is working or seeking work, is now 64 percent, a 25-year low.

At 54,000 new jobs per month, it would take 22 years to get the unemployed 13.9 million people back to work. Even with the economy growing at the higher rate of 130,500 new jobs per month, it would still take nine years to get the 13.9 million currently jobless workers back on the job.

And that doesn't take into account the additional job growth that's required to create work for the approximately 150,000 people who newly enter the U.S. labor force each month.

But it's even worse than that.

On top of the 13.9 million unemployed, the Labor Department reported last week that the "number of persons employed part time for economic reasons (sometimes referred to as involuntary part-time workers)" was 8.5 million in May.

These 8.5 million were "working part time because their hours had been cut back or because they were unable to find a full-time job," explained the Labor Department.

In addition, "2.2 million persons were marginally attached to the labor force" in May, reported the Labor Department. "These individuals were not in the labor force and were available for work, and had looked for a job sometime in the prior 12 months. They were not counted as 'unemployed' because they had not searched for work in the four weeks preceding the survey."

Included in this group of the "marginally attached" are the aforementioned "discouraged workers," defined as "persons not currently looking for work because they believe no jobs are available for them."

Also uncounted as jobless in the official unemployment statistics are those who were out of work and



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couldn't find a job and went back to school full-time. Hanging around graduate school until you're 30 or 40 isn't a job.

Additionally, not one of the 2.3 million people currently incarcerated in the U.S. shows up in the government's unemployment reports, even though a segment of this jailed population surely ended up behind bars because the economy is millions of jobs short of providing full employment.

And then there are all those house husbands who stay home to watch the kids watch TV because what they can earn in this down economy is less than the price of day care. None of these guys show up in any official count as unemployed or underemployed.

There's also all those uncounted women who are involuntarily at home, skilled but unwillingly to go to work to ask people if they want their Coke supersized.

Also missing from the official unemployment number in the headlines are those who've been forced or bribed into early retirements.

Said Chamber of Commerce economist Martin Regalia, "By failing to alleviate the uncertainty businesses are feeling, Washington continues to stifle hiring."

It's worse than that. Washington is adding to the uncertainty, just not failing to alleviate it.

President Obama referred to the lack of job growth in May as "a bump in the road." Unfortunately, it's more like a 100-car pileup.

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