



Written by [Raven Clabough](#) on September 10, 2012

Unemployment Still High; Not for Government Workers

While a record number of Americans are not currently in the labor force, according to the Department of Labor, unemployment for government workers drops to 5.1 percent, the lowest among all industries.

In a report issued by the Department of Labor, the number of Americans counted as “not in the civilian labor force” in the month of August reached a record high figure of 88,921,000.



CNS News [explains](#), “The Labor Department counts a person as not in the civilian labor force if they are at least 16 years old, are not in the military or an institution such as a prison, mental hospital or nursing home, and have not actively looked for a job in the last four weeks.”

Those considered by the Department of Labor to be “in the civilian labor force” meet the same characteristics but either have a job or have been actively pursuing a job in the last four weeks.

Between the month of July and August, 368,000 Americans dropped out of the labor force and did not look for a job. In August, there were 119,000 fewer Americans employed than there were in the month of July.

Meanwhile, some are celebrating a small drop in the unemployment rate from July to August, from 8.3 to 8.1 percent. But CNS notes, “That is because so many people dropped out of the labor force and stopped looking for work.”

The unemployment rate is merely a rating of the number of people in the labor force, as defined by the Department of Labor, that do not have a job. As James Pethokoukis of the American Enterprise Institute explains, “If fewer Americans hadn’t given up looking for work, the unemployment rate would have risen.”

Mortimer Zuckerman of the *Wall Street Journal* [contends](#) that the actual unemployment rate is actually somewhere around 19 percent. He writes:

The key indicator of our employment health, in all the statistics, is what the government calls U-6. This is the number who have applied for work in the past six months and includes people who are involuntary part-time workers—government-speak for those individuals whose jobs have been cut back to two or three days a week.

They are working part-time only because they’ve been unable to find full-time work. This involuntary army of what’s called “underutilized labor” has been hovering for months at about 15% of the workforce. Include the eight million who have simply given up looking, and the real unemployment rate is closer to 19%.

To make matters worse, 40 percent of the people considered unemployed by the Department of Labor have been out of work for 27 weeks or more. In total, that is 5.2 million “long-term” unemployed Americans.

And job creation has moved at an infinitesimal pace. In the month of August, just 96,000 new jobs were



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added, significantly less than the projected but minute figure of 125,000 new jobs and still less than the meager 139,000 that the economy has averaged in 2012.

More than 40 percent of the private sector jobs that are available are in low-paying industries such as restaurants and healthcare.

Furthermore, the Bureau of Labor Statistics also reports that the labor force participation rate — defined as the percentage of people in the civilian non-institutionalized population who had a job or actively looked for one — for the month of August has dropped to a 30-year low of 63.5 percent. CNS News observes, “The last time the labor force participation rate was as low as 63.5 percent was in September 1981.

And if the labor market was not a significant indicator of the current state of the economy, the fact that more than 45 million Americans are currently receiving food stamps should be. That amount equals 15 percent of the population, nearly twice the amount of participation from the years 1970–2000. Likewise, over 11 million Americans are collecting federal disability checks, half of whom only began receiving those checks when President Obama first took office.

Analysts [contend](#) that the sluggish job growth will likely provoke the Federal Reserve to unveil a new bond-buying program that would lower long-term interest rates to encourage more borrowing and spending.

“If there was any lingering doubt within the Fed about announcing a new round of quantitative easing next week, this should surely push them over the edge,” said Tom Porcelli, an economist at RBC.

However, despite these efforts by the Federal Reserve, economists such as Peter Schiff [note](#) that the Fed’s policies very rarely offer any relief, and in fact create inflation, thereby weakening economic growth. According to Schiff, the best way for the Fed to “create maximum employment is to focus on ... price stability.” Schiff contends that the easiest way to combat unemployment is for the federal government to stop over-taxing and over-regulating.

In the meantime, however, not every industry is struggling with staggering unemployment, evidently. According to the Bureau of Labor Statistics, the unemployment rate for government wage and salaries workers has dropped from 5.7 percent in July to 5.1 percent in August. CNS News [explains](#), “The Bureau of Labor Statistics counts someone as a government wage and salary worker if they are not in the military and they are currently employed by any level of government—local, state or federal—or they are unemployed, they are looking for work, and their last job was for any level of government.”

That 5.1 percent unemployment rate is the lowest unemployment rate for any industry, for which employment rates are tracked and monitored by the Department of Labor on a month to month basis.

Likewise, the number of government workers considered to be unemployed has decreased by 123,000 from July to August.

Meanwhile, President Obama seemed to reveal just how little he understands the struggling economy when he told reporters on June 8 that the private sector was “doing fine” while it was the government jobs that were suffering.

“The private sector is doing fine,” said Obama. “Where we’re seeing weaknesses in our economy have to do with state and local government, oftentimes cuts initiated by, you know, governors or mayors who are not getting the kind of help that they have in the past from the federal government and who don’t have the same kind of flexibility as the federal government in dealing with fewer revenues coming in.”



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The statistics put forth by the Bureau of Labor Statistics indicate that it is just the opposite.

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