



Written by [Gary Benoit](#) on May 9, 2010

## Jobs Up, Unemployment Rate Up

The Labor Department's Bureau of Labor Statistics announced good and bad economic news on May 7: The economy added 290,000 jobs in April compared to March, but the unemployment rate climbed from 9.7 percent to 9.9 percent.

After the employment statistics for April were announced, President Obama pointed to the increase in jobs as the "truest measure" of economic progress and said the news was encouraging. "From the first days of this administration, amidst the worst economic crisis since the Great Depression, I've said that the truest measure of progress would be whether or not we were creating jobs," Obama said. "That's what matters in people's lives. What matters is whether someone who needs a job can find work — whether people can provide for their families and save for the future and achieve some measure of economic security. Everything we've done has been with this goal in mind. And today, I'm happy to report that we received some very encouraging news. In April, the economy added 290,000 jobs, with the vast majority — approximately 230,000 — coming from the private sector."



Although everyone would agree that the increase in the number of jobs is welcome economic news, many would disagree regarding the underlying reasons for this growth — including how much of the growth is the result of market forces and how much is the result of government stimulus and bailout programs (and in the latter case how long-lasting the growth will be). The President obviously views the growth as a consequence of his economic policies, saying that "everything we've done has been with this goal in mind." However, the administration's policy to borrow and spend our way out of recession has resulted not only in the creation of jobs in government-favored sectors but also the loss of jobs in the economy as a whole. This is for the simple reason that government does not produce wealth — not even when it creates money out of thin air through the Federal Reserve — and whatever it spends for economic growth must be siphoned out of the economy one way or another.

Also, even though "the vast majority" of the 290,000 additional jobs came from the private sector, 60,000 did not. And the 60,000 additional government jobs — representing more than one-fifth of all of the additional jobs — will create a further drag on the economy.



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While focusing on the increase in jobs, President Obama also acknowledged in his remarks that the unemployment rate “ticked up slightly from 9.7 percent to 9.9” percent. And he added that this “this increase is largely a reflection of the fact that workers who had dropped out of the workforce entirely are now seeing jobs again and — are now seeking jobs again, encouraged by better prospects.” However, Bloomberg reported that “the so-called underemployment rate — which includes part-time workers who’d prefer a full-time position and people who want work but have given up looking — increased to 17.1 percent from 16.9 percent.”



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