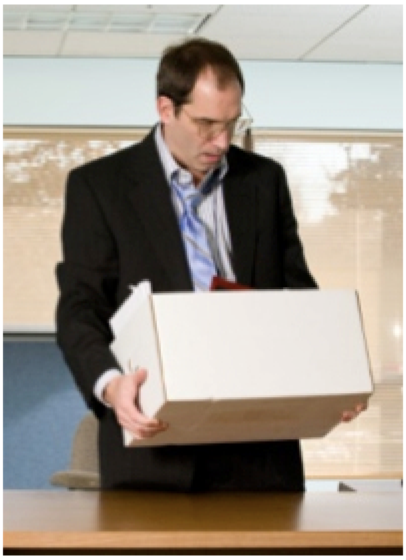
Written by **Steven Yates** on April 2, 2010

Real Unemployment Still in 17 Percent Range



According to the U.S. Labor Department, the economy added 162,000 jobs in March, the most since the beginning of the worst recession since the 1930s. This was below expectations that predicted 190,000 jobs.

Associated Press released this comment: "The nation's economy posted its largest gain in three years in March" but adds immediately that "the unemployment rate remained at 9.7 percent for the third straight month." According to mainstream economists this is evidence that "the economic recovery is sustainable and healing in the job market is beginning." Is it, though?

The same article concedes that the 162,000 total includes 48,000 temp workers hired for the U.S. Census. These are, of course, government jobs rather than productive jobs, in addition to their being temporary. Subtract 48,000 from 162,000 and we get 114,000 jobs created in March.

A breakdown of the remainder lends further support to the idea that the U.S. economy has gravitated towards poorly paid domestic services. Forty thousand of these new jobs are also temporary. Health care added 47,000 jobs. Twenty two thousand more were in leisure and hospitality.

Only 17,000 were in manufacturing and 15,000 were in construction, the latter possibly an inflated figure due to weather-related slowdowns in February.

Fifteen million Americans remain out of work, not counting "discouraged workers" who have given up and former workers who have gone back to school. Neither group is considered part of the labor force, and so doesn't count in the government's unemployment statistics. The statistics do not distinguish part-time from full-time work, and so do not consider the number of Americans working part-time because part-time work was all they could find. According to the report, when these and "discouraged workers" who have given up the search for work are included, the "underemployment" rate rises to 16.9 percent.

Moreover, the number of those unemployed for six months or longer increased to 6.5 million, a record high. More than 44 percent of those out of work are long-term unemployed, also a record high.

Average hourly earnings fell by two cents in March to $22.47, which in an average work week of 34 hours (rising from 33.9 in February), totals an average wage of $763.98 per week, or slightly over $38,000 per year.

High unemployment is enabling employers to hold down wages.

A CBS News Poll released Friday cites a figure of 84 percent of Americans still believing the economy is in bad shape. Almost six in ten are concerned about job losses. Consumers are, however, spending at their fastest pace since the recession began. According to mainstream economists, this is a good thing:

they believe it means we have avoided the danger of a double-dip recession. This suggests that neither consumers nor economists are ready to face the unpleasant truth that spending alone cannot generate economic prosperity (except, perhaps, for the Chinese).

Both the Federal Reserve and the Obama administration state that they expect unemployment to remain above 9 percent for the duration of this year, which doubtless means that real unemployment (which counts discouraged workers and the other groups excluded by the post-1992 methodology from the labor force) will probably remain in the 17 percent range.