



Written by [Thomas R. Eddlem](#) on September 4, 2009

Unemployment Continues to Climb

The U.S. Labor Department reported unemployment rose to 9.7 percent during the month of August from 9.4 percent, the highest unemployment rate in 26 years. “Nonfarm payroll employment continued to decline in August (-216,000),” the U.S. Bureau of Labor Statistics reported September 4, making a total of 6.9 million jobs lost in the recession since December 2007.



Most mainstream news outlets painted these more modest job losses of 216,000 in August — when compared with a 600,000 monthly average loss earlier in the year — as a sign that the recession is about to end. It is possible that job losses will continue, though at a slower pace even if the recession is ending. Job losses have historically continued a year or more after a recession officially ends. But the U.S. economy has yet to show any quarterly economic growth that would take the U.S. officially out of the current recession.

A deeper look at the unemployment data indicates that the job market may actually be worse than most mainstream media outlets are admitting. The U.S. Bureau of Labor Statistics also reported:

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About 2.3 million persons were marginally attached to the labor force in August, reflecting an increase of 630,000 from a year earlier. (The data are not seasonally adjusted.) These individuals were not in the labor force, wanted 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 4 weeks preceding the survey.... Among the marginally attached, the number of discouraged workers in August (758,000) has nearly doubled over the past 12 months.

One sector where there have been scant cutbacks has been government jobs. The [Washington, D.C., job market is booming](#), and only [18,000](#) of the 22.5 million government jobs were cut in August, primarily because of deficit spending and President Obama’s “stimulus” bill. Indeed, though government revenues have [fallen nearly 20 percent](#) since the beginning of the recession, total government employment at the federal, state, and local level has only been cut about about [one half of one percent \(124,000\)](#) over the past year according to the Bureau of Labor Statistics — or increased by about the same amount if you believe [the private Nelson A. Rockefeller Institute of Government](#).

The federal government is now spending nearly two dollars for every dollar it receives in tax revenue, a trend that cannot continue long-term. Eventually, there will be massive layoffs of government workers,



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or an equally massive tax increase that could provoke a renewed and deeper recession.

The only question remaining is: is this the end of the recession, or a lull caused by another bubble about to burst?

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