



Written by on November 12, 2009

Statistics: Useful Tool for Promoting Falsehoods

The Obama administration's Bureau of Labor Statistics (BLS) recently announced that the nation's unemployment rate for the month of October reached 10.2 percent, the highest in nearly three decades.

This latest BLS figure exceeded the 9.8 percent unemployment rate given in September. It means that another 190,000 jobs were lost in one month.

Putting the usual spin on this dismal report, Labor Secretary Hilda Solis crowed that the rate of job deterioration had "slowed." She even claimed, "We're making a tremendous turning point here." Job seekers will surely disagree!



But the bleak picture is even worse than the government reported. The BLS doesn't count as unemployed anyone who, after a year, has given up looking for work. These Americans win classification as "discouraged" workers who have dropped out of the labor market. This form of statistical dissembling began during Bill Clinton's administration and has continued to present times. According to economist John Williams at shadowstats.com, if the sizeable numbers of current "discouraged" workers are added, the real unemployment figure becomes double what is being reported. A whopping 22.1 percent are out of work.

This figure might even be higher if the government hadn't "created" some jobs with stimulus funds. Hiring people to work for government, of course, means taking money from the productive sector where real employment might be found and giving it to the non-producing sector where bureaucrats and paper-pushers abound. Jobs that America's business leaders would like to create aren't materializing because government manufactures jobs with more taxation, more inflation, or both. Every government job dooms the possibility that one or two private-sector jobs will materialize.

There's more in this statistics legerdemain. The November 11 *Boston Globe* reported that area recipients of stimulus funds "miscounted jobs, filed erroneous figures, or claimed jobs for work that has not yet started." For example, one of the Massachusetts state colleges claimed creation of 160 jobs with federal stimulus money but later had to admit that only one full-time position and a few part-time jobs had materialized. The newspaper's investigators showed similarly fraudulent reporting at numerous state agencies.

Is our nation emerging from the deep recession? The answer is an emphatic *no*. And the steps being taken by the administration to address it will both worsen and lengthen the situation. The answer is to replace a "borrow and spend" policy with one where the people save and produce. Honest statistics would surely help bring about this needed reversal.

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