The Government Unemployment Number Lie

February 5, 2010 - This morning, President Obama stood before the cameras and announced that the most recent unemployment numbers released show that the economy is improving. According to those numbers, the unemployment rate dipped to 9.7%; down from 10% last month. But at the same time these numbers were released the government also said that there were fewer people employed in January than there were in December. So how is it possible that with fewer people working that the unemployment rate is also down? The answer is that it isn't possible unless the government tinkers with the numbers. And that is exactly what they are doing.

Who says you can't have your cake and eat it too? Someone needs to tell that to the number crunchers at the Bureau of Labor Statistics (BLS). They have found a way to take people off the rolls of the unemployed, even though they are not working. At least, that is what they want you to think. And it is especially what the President and members of Congress want you to believe.

When the BLS compiles unemployment numbers, it adds new claims for unemployment. At the same time, it subtracts discouraged workers. A discouraged worker is someone who wants to work but who has not been able to find a job and who has given up looking. According to the BLS's own numbers, when you include discouraged workers in the unemployment numbers, current unemployment numbers are above 18%. But even that doesn't tell the entire story.

Self employed people who are out of work don't get counted at all. Just think about all of the contractors who own construction companies. Or how about self employed consultants, software engineers and the like. If these people were factored into the mix, unemployment would be in excess of 20%. That is a number not seen since the Great Depression.

The story that these numbers tell is that stimulus spending has been an abysmal failure. It has not created jobs. It has only placed the country into greater debt. Yet Congress is now talking about a new "jobs" bill. Until last week, they were

calling it another "stimulus" bill but they have figured out that the voting public is not too happy with the first stimulus bill so they are trying to bamboozle everyone by renaming it.

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