

“As a way of sharing the pain, many firms are telling their workers to reduce hours, take furloughs and accede to lower wages. That fall in hours worked is equivalent to another 3 million full time jobs lost on top of the 7.5 million jobs formally lost.”
 – Nouriel Roubini, Clinton administration economist and NYU professor” ([source](#)).

Recent studies suggest that a quarter (25%) of U.S. jobs can be outsourced over time to other countries. ([source](#))

The President says we should expect unemployment to continue to rise for months.

[How’s the unemployment counted – click here for video.](#)

Key figures:

- ⊖ The American civilian labor force is reported at **153,910,000**.^{1(see footnotes)} 83.249 million Americans 16 years of age and older – who are not on active duty, are not residents of penal and mental institutions, or are not in homes for the aged and infirm – are not even counted as in the labor force: as of March 2010, this includes 32.926 million men aged 16 years and older and 50.323 million women aged 16 years and older. Keep in mind that any of these 83.865 million men and women can join the labor force as unemployed at anytime simply by looking for a job.
- ⊖ The official unemployment rate for March 2010 is 9.7 percent.² (This only includes those who have actively searched for a job in the past 4 weeks, not those who have given up.)
- ⊖ The “officially” unemployed is 15,005,000 Americans.¹
- ⊖ If marginally attached workers and part-time workers who want fulltime work are added to the official unemployment rate, unemployed and underemployed Americans represent 16.9 percent of the labor force or **26,010,790**.¹
- ⊖ Currently, about 8.6 million Americans are applying for unemployment benefits.³
- ⊖ The White House states that the American Recovery and Reinvestment Plan will save or create more than **3 million “green” jobs** over the next few years (2009).
- ⊖ That is great! **What about the other 26 million Americans?**
- ⊖ According to the U.S. Census Bureau, in 2007 the average American earned **\$50,433 per year**.

	# of Americans	Average 2007 earnings	# un/under employed x \$50,433
Official Unemployment (9.7%)	14,928,000	\$50,433	752.9 billion dollars
Comprehensive Unemployment / Underemployment (16.8%)	25,968,936	\$50,433	1.310 trillion dollars

Footnotes

¹ **How many Americans are in the civilian labor force?** *Table A-1: Employment status of the civilian population by sex and age.* Department of Labor, Bureau of Labor Statistics (BLS). <http://www.bls.gov/news.release/empsit.t01.htm>

Table A-1: Employment status of the civilian population	
Seasonally adjusted	
Total	March 2010
Civilian non-institutional population	237,159,000
Civilian labor force	153,910,000
Participation rate	64.9
Employed	138,905,000
Employment-population ratio	58.6
Unemployed	15,005,000
Unemployment rate	9.7
Not in labor force	83,249,000

According to the Bureau of Labor and Statistics:

The labor force data is derived from the Current Population Survey (CPS), which is conducted by the Census Bureau for the Bureau of Labor Statistics (BLS). This monthly survey of the population uses a sample of households that is designed to represent the civilian noninstitutional population of the United States. The CPS collects information on the labor force status of the civilian noninstitutional population 15 years of age and older, although labor force estimates are reported only for those 16 and older. Persons under 16 years of age are excluded from the official estimates because child labor laws, compulsory school attendance, and general social custom in the United States severely limit the types and amount of work that these children can do. Persons on active duty in the U.S. Armed Forces are excluded from coverage. The institutional population, which also is excluded from coverage, consists of residents of penal and mental institutions and homes for the aged and infirm” (BLS Handbook of Methods, n.d.).^{see references}

83.249 million Americans 16 years of age and older – who are not on active duty, are not residents of penal and mental institutions, or are not in homes for the aged and infirm – are not even counted as in the labor force: as of March 2010, this includes 32.926 million men aged 16 years and older and 50.323 million women aged 16 years and older.

There have been changes in who is reported as “unemployed;” in 1994, the Clinton administration dismissed about five million discouraged workers from the books so that these people do not even show up in any unemployment figure. See footnote 2 for further explanation.

² **How many Americans are unemployed or underemployed?** The authoritative data on unemployment comes from the Department of Labor, Bureau of Labor Statistics (BLS), *Table A-12: Alternative measures of labor underutilization*. These percentages are figured from the Household data survey. Each number is based on a nuanced definition of who is actually unemployed (as explained in the table). <http://www.bls.gov/news.release/empsit.t15.htm>

Data from Table A-15, Seasonally Adjusted			
	Measure	March 2010	Percentage x March 2010 civilian labor force of 153,910,000
U3	Total unemployed, as a percent of the civilian labor force (official unemployment rate). To be considered unemployed, one has to actively look for work in the 4 weeks leading up to the survey . There is no time limit in the duration of unemployment, as long as the job-seeker has actively searched for work in the 4 weeks leading up to the survey. The press most often quotes this number.	9.7%	15,005,000*
U4	Total unemployed plus discouraged workers, as a percent of the civilian labor force. Discouraged workers (a subpart of marginally attached workers) do not believe work is available and thus quit looking. These job-seekers searched within the past year (but not the past four weeks), but do not think they can find work or that they lack training . They are able to give specific reasons for not currently looking, including no work available, could not find work, lacks schooling or training, employer thinks too young or old, or other types of discrimination. They are completely dismissed from the unemployment books after a year .	10.3%	15,852,730
U5	Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force. Marginally attached workers think work is available but are not able to actively seek work for reasons such as child-care and transportation problems. They are specifically not discouraged. These job-seekers searched within the past year (but not the past four weeks). They are completely dismissed from the books after a year .	11.1%	17,084,010
U6	Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force. These include part time workers who want full time work.	16.9%	26,010,790
* Figure taken from table A-1, Bureau of Labor Statistics			

The U.S. Department of Labor, Bureau of Labor Statistics (BLS), Labor Force Division, conducts two monthly surveys of U.S. employment and unemployment. Results usually are released on the first Friday of the month following the survey.

1. Household Survey (also Current Population Survey) generates the unemployment rate from a statistically designed monthly sampling of roughly 60,000 households. The survey measures the number of people who have jobs.
2. Payroll Survey (also Establishment or Current Employment Statistics Survey [CES]) generates an estimate of the number of non-farm jobs in the U.S. economy (non-farm payrolls do not count agricultural and self-employed workers). It surveys about 150,000 businesses and government agencies, representing approximately 390,000 individual worksites in order to provide detailed industry data on employment, hours, and earnings of workers on non-farm payroll. While the household survey includes farm workers; the self-employed; and workers in private homes, the payroll survey does not. The payroll survey counts jobs, making no adjustment for multiple jobholders. <http://www.bls.gov/ces/>
3. The following resource offers some explanation about the household and payroll surveys: Kane, Tim. (2004, Mar 4). Diverging Employment Data: A critical View of the Payroll Survey. Retrieved 29 May 2008 from The Heritage Foundation Website, <http://www.heritage.org/Research/Labor/CDA04-03.cfm>.

There have been changes in who is reported as “unemployed.” In 1994, the Clinton administration dismissed about five million discouraged workers from the books so that these people do not even show up in any unemployment figure.

"Up until the Clinton administration, a discouraged worker was one who was willing, able and ready to work but had given up looking because there were no jobs to be had. **The Clinton administration dismissed to the non-reporting netherworld about five million discouraged workers who had been so categorized for more than a year.** As of July 2004, the less-than-a-year discouraged workers total 504,000. Adding in the netherworld takes the unemployment rate up to about 12.5%. The Clinton administration also reduced monthly household sampling from 60,000 to about 50,000, eliminating significant surveying in the inner cities. Despite claims of corrective statistical adjustments, reported unemployment among people of color declined sharply, and the piggybacked poverty survey showed a remarkable reversal in decades of worsening poverty trends. Somehow, the Clinton administration successfully set into motion reestablishing the full 60,000 survey for the benefit of the current Bush administration's monthly household survey. While the preceding concentrates on the numbers that tend to move the markets, the household survey also measures employment. The payroll survey also surveys average hourly and weekly earnings and average workweek" (Williams, 2004)^{see references}.

“The marginally attached worker concepts were developed as part of a redesign of the Current Population Survey in 1994. However, an alternative measure of discouraged workers was issued quarterly as far back as 1967. The old definition referred to people who want a job but "think they cannot get one"--for reasons that are essentially the same as those used currently to categorize discouraged workers. The difference in the old definition was that it was not limited to people who had searched for work in the past year. **As a result of the change in concept, the number of discouraged workers in early 1994 was only about one-half as large as the number of people who wanted a job but thought they could not get one in late 1993**” (Kodrzycki, 2000).

For more information on the 1994 redesign of the CPS questionnaire, refer to <http://www.bls.gov/opub/mlr/1993/09/art2full.pdf>.

³ **How many unemployed/underemployed Americans are applying to receive state and/or federal unemployment benefits?** U.S. DOL Employment and Training Administration releases the *Unemployment Insurance Weekly Claims Reports* which reports the initial jobless claims for workers covered by the unemployment insurance system (excludes farm and self-employed). <http://www.dol.gov/opa/media/press/eta/ui/current.htm>.

Unemployment Insurance Data for Regular State Programs	
Week Ending – April 10	
Initial Claims (NSA)	510,927
Ins. Unemployment (NSA)	4,924,313
Ins. Unemployment Rate (NSA)	3.8%

Persons Claiming UI Benefits in Federal Programs (Unadjusted)	
Week Ending - April 10	
EUC 2008	5, 200,473

To determine how many people have applied for unemployment benefits, one would add together the state and federal programs:

State (NSA):	4,924,313	
Federal (Unadjusted):	<u>5,200,473</u>	
Total	10,124,786	Americans have filed for unemployment benefits – week ending April 10

The weekly unemployment numbers quoted in the press (such as Bloomberg 04.03.09) states 669,000 initial jobless claims in the week ending March 28, 2009 (“Weekly Job Loss”, 2009):

Initial jobless claims swelled by 12,000 to 669,000 in the week ended March 28, topping 600,000 for a ninth-straight time, after a revised 657,000 the prior week, the Labor Department said in Washington. The number of people staying on benefit rolls soared in the prior week to 5.73 million.

How can the job loss for one week be 669,000 when the entire month of March was reported at 699,000 (U.S. DOL BLS, 2009)? According to Scott Gibbons (U.S. Department of Labor, Employment and Training Administration):

It is not that one number is right (ETA) and the other is wrong (BLS); they are measuring two different things. The BLS’s job loss numbers come from a payroll survey from employers asking them for essentially the social security numbers of anyone who has received payment from them during the month (this would include people who are currently furloughed but received some payment in the month; so in fact, someone who is unemployed at the moment, could show up as employed). Only the permanently dislocated or those not in the universe sample would not show up in BLS’s survey.

ETA’s initial jobless claims report everyone who filed for “initial” unemployment benefits. Workers who were laid off previously need to file initial claims to re-access their benefits, so initial claims include workers who are *not* first time applicants. The total universe for ETA is all people requesting a week of payment within the unemployment insurance (UI) system: regular (state) and extended (federal). The “civilian work force” figure reported in Table A-1 by BLS does not represent everyone who is covered within the UI (e.g., self-employed, independent contractors, et cetera are not covered under UI even though they are reported in the civilian work force numbers). In Apr 2009, BLS reported ~ 154 million in the civilian labor force whereas ETA reported ~133 million covered by the UI system. To gather state data, the ETA asks each state to report all transactions with claimants who have applied for unemployment; there is no sampling, and a full universe is obtained (source: personal conversation, 27 May 2009).

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