

How, and how big, the U.S. lies on unemployment

by Laurence Hecht

Even as the shine is wearing off the apple for George Bush, as the eight-plus years of uninterrupted recovery we have supposedly experienced since 1982 comes to an end—the “official end” of a claim which may someday join Piltdown Man and the Cardiff Giant among the great hoaxes of this century—a hoax within this hoax persists. It is the cruel hoax of our government’s official unemployment rate statistics.

By official estimates, 8,274,000 Americans were unemployed as of the end of April 1991, yielding an unemployment rate of 6.6%, down 0.2% from the previous month.

But an independent study conducted by *EIR*, the only such study we know of, shows nearly twice that many Americans completely jobless, and half again that many more working part-time or reduced hours because they cannot get full-time work. Combining the two, we find an unemployment rate of 16.5%, and this by very conservative procedures of estimating, entirely from figures available to and published by the Bureau of Labor Statistics (BLS), that branch of the U.S. Department of Labor charged with keeping track of such things. Considering just the full-time jobless, *EIR*’s official estimate of the unemployment rate is 12.4%—exactly double the figure put out by the Washington branch of Disneyland.

By our estimates, the number of jobless as of the first of the year 1991 is 14,747,000. An additional 4,893,000 workers who want full-time jobs, are forced into part-time work or reduced hours. We emphasize that these figures are taken entirely from the Bureau of Labor Statistics and Bureau of the Census’s own data, by the most conservative possible estimating procedures. For example, we used annual data for 1990 in calculating numbers of unemployed and partially unemployed to be consistent with the available data for the total labor force. Had we used the very latest data from April, these numbers would be higher by about half a million each. Were we also to have had access to more comprehensive

survey data, we believe that the real levels of unemployment suffered in the United States would prove to be considerably higher. Our best estimate of how high is in the range of 20%.

There are two reasons for the wide discrepancy. The first is that the government is lying. The second is that they can get away with lying because they play with the definition of the term “unemployment rate.” The Bureau of Labor Statistics defines unemployment rate as the percentage of unemployed as a proportion of the total labor force. That brings into question two matters: What is the total labor force, and what is the definition of unemployed?

How 5.5 million are ‘buried alive’

Among people seeking the truth, there should not be any great cause for dispute about what “unemployed” might mean. At the least, we would count all people who want to work. But the BLS only classifies as *unemployed persons*: “all civilians who had no employment during the survey week, were available for work, except for temporary illness, and had made specific efforts to find employment some time during the prior four weeks.”

Persons not working and not unemployed are classified in the broad category of *not in the labor force*. Concerning these, the BLS says:

These persons are further classified as engaged in own home housework, in school, unable to work because of long-term physical or mental illness, retired, and other. The “other” group includes individuals reported as too old or temporarily unable to work, the voluntarily idle, seasonal workers for whom the survey week fell in an off season and who were not reported as looking for work, and persons who did not look for work because they believed that no jobs were available

in the area or that no jobs were available for which they could qualify—discouraged workers. Persons doing only incidental, unpaid family work (less than 15 hours in the specified week) are also classified as *not in labor force*. [emphasis added]

Among those 63,262,000 people classified as *not in labor force* in 1990, some 25,346,000 showed up as being there for *other reasons*. On page 204 of the U.S. Department of Labor publication entitled *Employment and Earnings* for January 1991, we learn that 5,473,000 of these people fall in the category *want a job now*.

Who are they? Perhaps your neighbor, or his child. Maybe you today, and me tomorrow. Over 1 million of them are aged 16-19; another three-quarter million are aged 20-24. Three million are between the ages of 25-59, and over half a million more are 60 years and over. Two million are men and 3.5 million are women. All told, 5.5 million people are just dropped by the government.

Who else eats cake?

A cruel hoax, but not the totality of the problem. We also know of 5 million people never counted by the 1990 Census, according to testimony before a congressional subcommittee in April by the director of the Census. Using rough estimating procedures based on what we know of the demographic composition of the uncounted, we come up with an additional 1 million unemployed from this category.

Thus, the *EIR* study counts the following groupings of people as unemployed:

- 5,473,000 people classified as *not in labor force* and subclassified as *want a job now*.
- 1,000,000 of the 5 million people officially considered as undercounted in the 1990 census.
- 8,274,000 people acknowledged by the government as unemployed.

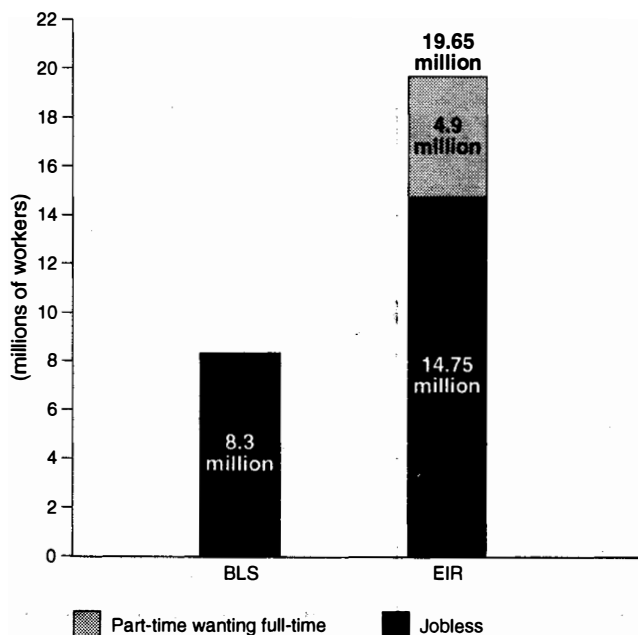
This yields the total of 14,747,000 unemployed Americans. In addition, BLS 1990 averages show at least 4,893,000 people working part time who need full-time work, the *partially unemployed*, for a grand total of 19,640,000 out of work or underemployed.

But even this whopping figure, is thought to be an undercount. Among other categories, it leaves out perhaps millions not answering government surveys as wanting a job, and hundreds of thousands “employed” in drug-trading, prostitution, and other “industries” of the “black economy.”

What else is wrong?

The second fraud in the government’s unemployment statistics rests in how one counts the *total labor force*. This number is not an objective existent, as we might say population is, or most of us would say so. We have already shown how millions who want jobs are dropped from the *total labor force* by a trick in the definition of *unemployment*. But many more

Government hides unemployment



who really are part of the labor force, or would be if the economy were functioning, are dumped into the *not in labor force* category, there to be forgotten by the modern-day Marie Antoinettes of the Bush (and prior) administrations. We include among these, the 5.5 million also added to the unemployment category who say they “want jobs now,” and then approximately 3 million of the 5 million never counted in the Census, whom we estimate to be of working age.

But, we also have subtracted a considerable number from the definition of *total labor force*. These fall in two major categories. First, approximately 9.1 million parents of young children forced to work to maintain their families’ living standard. Second, some 3.8 million young people who ought to be in school but are not.

To arrive at these estimates, we examined the demographic profile of the population in 1960, before the effects of the present long-term economic decline took hold, looking at such things as the percentage of households with young children with both parents employed. We made adjustments for the smaller size of family and related things, and applied the results to present figures. We did the same for the school-age population, discovering a shocking decline in the proportion of youth going to school today as compared to 30 years ago. In 1960, the total number of people reported in BLS figures as “in school” amounted to 34% of the total population aged 15-24. Today, it is only 20.6% of that population cohort.

Some folk in Washington may be counting on the fact that soon no one will be able to read their fraudulent statistics anyway, so why worry? Better get to them now while there’s still time.