

# EDITORIAL: Jobless rate hits 17 percent

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## *The unemployment problem is quickly getting worse*

By THE WASHINGTON TIMES

America's jobless crisis is much worse than the 9.8 percent unemployment rate reported Friday. To understand how there are many more unemployed than the government reports, it's necessary to look at the numbers used by the Bureau of Labor Statistics to calculate the unemployment rate. The Household Survey numbers paint a bleak picture that no one is discussing.

In September, the economy saw a net loss of 785,000 jobs. This amounts to twice the 392,000 loss in August and five times the 155,000 loss in July. This does not jibe with the Obama administration's talking points, which are parroted by most of the news media, namely that unemployment is not a major concern because job losses supposedly are getting smaller each month.

In August, the unemployment rate was reported to be 9.7 percent. It takes a lesson in how government measures unemployment to understand why it's possible for the unemployment rate to rise merely a tenth of one percent when 785,000 jobs have been lost. If someone has given up actively looking for a job, the government does not count that person among those who are jobless. Some of these people may have been unsuccessfully looking for a job for a year, but as soon as they stop actively looking, they are no longer unemployed.

This number of discouraged workers has risen dramatically. According to the Bureau of Labor Statistics, 807,000 additional people stopped looking for work last month. This constitutes by far the largest monthly drop in the number of people who don't consider themselves to be in the labor force during the past year during this recession. It is almost six times the 143,000 increase in the people who left the labor force during August and five times the average monthly increase of 161,000 over the past year.

There is a second reason the unemployment rate is much worse than these numbers imply. People find jobs during the last few weeks that they have unemployment benefits. But what is happening right now is that many people are taking part-time jobs. When counting the number of people officially considered unemployed as well as those who have recently given up looking for work and those who have taken low-paying part-time jobs because they can't find full-time work, the unemployment rate for September is 17 percent.

Discouraged workers will look for work once the economy starts to improve, but the 7.2 percentage point gap between the publicly discussed unemployment rate and these discouraged workers is unusually large. For many Americans, the dire straits are going to get much worse soon. In July, 102,670 people saw their unemployment benefits run out. That number rose to 141,538 in August and soared to 486,049 in September. This figure will keep rising each month and is on pace to hit 1.5 million in December alone.

Yesterday, White House spokesman Robert Gibbs said, "The economic team is certainly looking at and working on any way that we can create more jobs." This is a very misleading statement because it makes it sound as if the Obama administration is responsible for creating a net increase in jobs when the economy has been bleeding jobs on its watch. In reality, 3.2 million Americans have lost jobs since President Obama took office. Political spin won't convince the growing masses of unemployed that recovery is around the corner.

<http://www.washingtontimes.com/news/2009/oct/06/jobless-rate-hits-17-percent/>