

Employment numbers don't tell the whole story

By Neil Irwin, Washington Post

If you only looked at the headlines on Friday's August jobs numbers, you'd think "Not bad!"

You would also be completely wrong.

Yes, the unemployment rate fell a notch to 7.3 percent, from 7.4 percent in July. Yes, the nation added 169,000 jobs, broadly consistent with the pattern of recent months.

But in almost all the particulars, you can find signs that this job market is weaker than it appeared just a few months ago, and maybe getting worse. The drop in the unemployment rate was caused by 312,000 people dropping out of the labor force. The number of people actually reporting having a job actually fell by 115,000 in the survey on which the unemployment rate is based.

And while the overall August jobs number was OK, the Labor Department revised down its estimates of June and July job creation by a combined 74,000 positions. In other words, through the summer, hiring has been quite a bit shakier than it had appeared.

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