

### WHAT THE U.S. LABOUR STATISTICS FAIL TO TELL YOU

The October Report from the U.S. Bureau of Labour Statistics claims that unemployment in the largest and most-important economy of the world was little changed from the September statistic of about 7.30 percent.

Year-On-Year, unemployment in the US was 0.60 percent lower, one was told.

In effect, therefore, the labour situation in the US has changed little in the past year.

This is contrary to that which most people had been led to believe prior to the latest announcement from this important department of the US Government.

The 10 States with the highest unemployment rates in October were:

Nevada	9.30 percent
Rhode Island	9.20 percent
Michigan	9.00 percent
Illinois and District of Columbia	8.90 percent
California	8.70 percent
Kentucky, New Jersey and Tennessee	8.40 percent
Georgia	8.10 percent

That which is not taken into consideration with regard to The Bureau's October statistics is the number of what is referred to as the '*Long-Term Unemployed*'.

The Long-Term Unemployed are workers who have been unemployed for 27 weeks or more, whether or not they have been actively looking for work.

In May of 2010, Long-Term Unemployment hit the record high of 46 percent of the total number of people, unemployed in the US – long after the recession of December 2007 ended.

In the earlier, 16-month recession – from July 1981 to November 1982 – Long-Term Unemployment was held at 26 percent.

The longer that a worker is unemployed, the less equipped is he likely to be to find a position to suit his (former?) qualifications.

It is an accepted fact that workers, who do not possess a high standard of general human capital – skills and knowledge that are valued by all companies – wages and salaries tend to be lower in favour of employers, preferring to hire those workers with a higher standard of general human capital.

The inability of a worker to add to and to improve his knowledge and ability, more often than not, results in his eventual relegation to being a statistic in the legions of Long-Term Unemployment.

It follows that the longer a worker is unemployed, the more difficult is it for him to find work.

And for a worker, one with a protracted history of being one of the Long-Term Unemployed, his new employer is highly unlikely to pay him even close to his past salary level.

The US still suffers from its history of favouring white employees over black employees; and, this is only too obvious when scanning the statistics of the Long-Term Unemployed.

Black men, as well as men with lower standards of education, are much more likely to be a statistic of the Long-Term Unemployed and are prone to suffer much-longer periods of unemployment.

According to the US Government, these two categories of the Long-Term Unemployed – black employees and those workers, be they white or black, whose education is less than high school – represent between 41 percent and 42 percent of the Long-Term Unemployed category of worker.

A worker, who is able to find a position, having been a member of the Long-Term Unemployed for 27 weeks or longer, is likely to have to accept an hourly wage decline of 17 percent or more, according to statistics, compiled by the US Government.

This lower income, relative to the time that the worker was gainfully employed, prior to him, being a statistic of the Long-Term Unemployed, tends to lead to his dissatisfaction in the workplace and, in many cases, resulting in a tendency for him to relapse into a previous condition, often termed as recidivism.

As far as **TARGET** () is aware, the US Government has yet to tackle the problems of those workers who, for no fault of their own, due mainly to circumstances outside of their bailiwick, find themselves unable to find suitable employment.

Some of these people, today, may not be retrainable due to one factor or another, age and academic qualifications, notwithstanding.

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