

The Reality of Fictitious Jobs

By [The Mogambo Guru](#)

07/21/09 Tampa Bay, Florida The Bureau of Labor Statistics reported that 467,000 jobs were lost in June, bringing total non-farm employment down to 140.2 million, which, although bad, could have been worse, as I personally haven't been fired yet, which is the only good news in the whole thing, as far as I can see.

The Bureau reports that, officially, "The number of unemployed persons (14.7 million) and the unemployment rate (9.5%) were little changed in June," which was helped by the fact that the labor force actually went down by the 358,000 people who stopped looking for work.

The tally so far is that "Since the start of the recession in December 2007, the number of unemployed persons has increased by 7.2 million, and the unemployment rate has risen by 4.6 percentage points", essentially doubling.

Bloomberg.com put it as "The world's largest economy has lost about 6.5 million jobs since the recession began in December 2007. That's the biggest drop in any post-World War II economic slump."

Continuing the bad news, the Bureau goes on "The number of long-term unemployed (those jobless for 27 weeks or more) increased by 433,000 over the month to 4.4 million", which doesn't even mention how shadowstats.com calculates unemployment at over 20% the old-fashioned way like everybody did for the last zillion years or so before the loathsome Alan Greenspan and the equally odious Michael Boskin came up with new "ways" of measuring unemployment ("He's too stupid to get a job, so he doesn't count as unemployed!"), just as they did with "hedonic indexing" so as to disguise inflation ("You got fancy hubcaps on that car, so even though you paid a lot more than you did last year, the car is actually cheaper!").

The reason for this is so that Alan Greenspan and his absurd Federal Reserve could raise their fat, worthless butts out of their chairs, point at the new low unemployment figure and low inflation figures, and then use the mostly-discredited Phillips Curve (the theoretical tradeoff between inflation and unemployment) to say, "Unemployment and inflation are low! We can now create more and more money and credit without anything happening to us, even though all the previous tons and tons of new money and credit that we already created have produced roaring bubbles in stocks, bonds, houses, derivatives and size of governments!"

The report, as part of a national conspiracy to silence the Message Of The Mogambo (MOTM), did not make any mention whatsoever of my Disrespectful Mogambo Broadside (DMB) at these two despicable people and the result they had on unemployment statistics, but the report noted that the average work week fell to 33 hours (down from 33.1 hours in May), which is the lowest average hours worked per week on record since records began in 1964, which unsurprisingly reduced average weekly earnings down to \$611.49 from \$613.34 a week.

Fortunately, workers' average hourly wages were \$18.53, the same as last month, and which were nominally 2.7% higher than June 2008. It was the smallest gain in quite a few years, but you probably did not notice that "smallest gain in quite a few years" remark since you were fixated on the fact that I said that average hourly wages were "nominally" higher, and now you are dispirited because you know that this means that I am going to go off on some loud, hysterical tangent about inflation and if you deflate that piddly 2.7% gain in paychecks by the rate of inflation in the last year, you will doubtlessly notice that people's real, inflation-adjusted incomes have been going downhill, and for a long, long time, because wages have not kept pace with the increase in prices, which probably explains why so many people are so angry because they can't afford to buy anything and I won't loan them any more money.

Zerohedge.blogspot.com expands on that, and says, "Over the past two months, it has become obvious that while continuing claims have doubled (up 124% to be precise from March 2007), another, potentially more troubling observation is that Monthly Unemployment Payments have doubled the rate of increase in jobless claims (234% from March 2007 based on the Treasury Daily Statement)."

And all these unemployment checks are getting pretty expensive, as Zero says, "In summary, over the past two years, while unemployment claims have climbed from 2,688 million in March 2007 to 6,157 in May 2009, monthly unemployment payments have skyrocketed from \$3,238 million to \$10,807 million over the same time period" and that the trend is that we will soon set a new record "for unemployment benefits, at \$12,354 million."

It was probably the blank look on my face that betrayed my utter confusion as how in the hell this is possible that prompted them to try and explain "What all this means is that the Average Monthly Unemployment 'Paycheck' has exploded from on average \$1,000 to \$1,800 in recent months (and over \$2,000 for June)."

And, again, the "official" unemployment figures were goosed by the government's CES Birth/Death Model, which estimates the number of jobs added by new business and those deleted by defunct companies that are all too new to be added to official statistics and they somehow divined that 185,000 jobs were somehow, somewhere, created.

Anthony Cherniawski of thepracticalinvestor.com says it's worse than that, and he wonders "what the true unemployment numbers really are, since the CES model has added 879,000 fictitious jobs since February."

Fictitious jobs! Perfect! Fictitious jobs, fictitious competence in government, education and journalism, fictitious wealth in stocks, bonds, houses and derivatives, all made with fictitious money made of paper and bits of computer memory!

One can only be thankful ("Thank you!") for gold and silver, which have maintained their values for over 4,500 years when paper money, and most of the assets denominated in it, have all gone to zero value, a fact that should make you squeal with delight, "Whee! This investing stuff is easy!"