

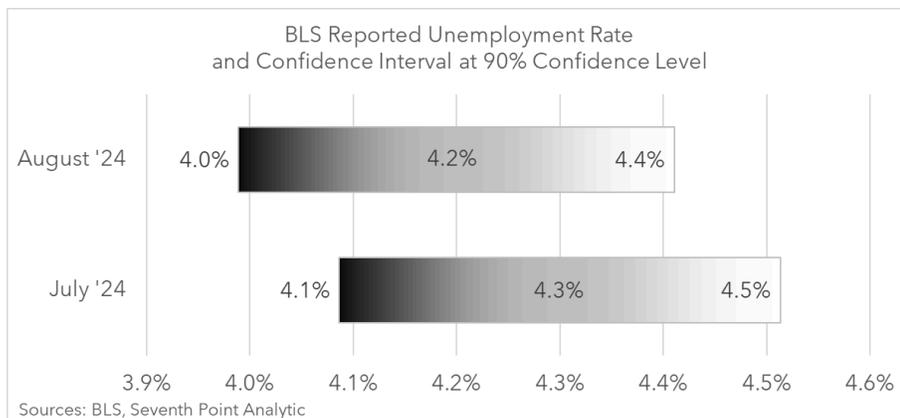


Monday, September 16, 2024

The Bureau of Labor Statistics (BLS) recently released its Employment Situation report for August, which gives an estimated unemployment rate of 4.2 percent for that month. July's reported unemployment rate was 4.3 percent. That means, for the first time in six months, unemployment was down last month 🤔🤔🤔

[Wait, but was it though?](#) 🤔

There are some good reasons to doubt it. For example, the number of job openings per seeker has been declining for 28 months, and it's accelerating. The [length of unemployment is growing](#), and the rate itself has been trending upward for many months, which pretty much always signals a recession, as [many have shown](#).



The graph at left shows the reported unemployment rates and their margins of error for August and July. There's a lot of overlap. According to these values, July's real unemployment rate may very well have been 4.2 percent, and August's 4.3 percent. That would make the trend from July to August look positive rather than negative. Which one is right? The truth is we don't know, and neither does the BLS.

Normally, a change in unemployment this small wouldn't be taken to mean a whole lot, but these are unusual times. We've been flirting with recession for months, and many people are looking for any sign of things getting worse or better. Some people are making big, important, and possibly misguided decisions on it.

It doesn't help that our sources for this information are burying the lead in their communications. The BLS [Employment Situation report for August](#) mentions its +/- 0.2 percent margin of error in the report - it's right at the end of the end of paragraph six, on page nine. Not to be outdone, the Council of Economic Advisors (CEA) posted a [Twitter thread on this](#), declaring, "the unemployment rate ticked down to 4.2%, revealing a job market that continues to offer solid job opportunities and healthy wage gains." To its credit, the CEA reminds readers, "the monthly employment and unemployment figures can be volatile."

Can't find it? That makes sense. It's on tweet thirteen and has one-twentieth as many views as the lead 🧑🏻

Until next week,

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