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*Editor*

Donald R. Byrne, Ph.D.  
[dbyrne5628@aol.com](mailto:dbyrne5628@aol.com)

*Associate Editor*

Edward T. Derbin, MA, MBA  
[edtitan@aol.com](mailto:edtitan@aol.com)

***Disastrous Jobs Report for March (March madness)***

**March Employment Report Update...more to follow  
in subsequent days**

Remain calm! All is well!!

Kevin Bacon from the last scene in Animal House

<http://www.youtube.com/watch?v=zDAmPIq29ro>

THE EMPLOYMENT SITUATION —MARCH 2013

<http://www.bls.gov/news.release/pdf/empst.pdf>

Let's keep this as simple as possible. We're focusing entirely on the Employment Status in the Household Survey and what it revealed moving from February to March 2013 on a net basis.

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**Employment Status: Household Summary table A. Household data, seasonally adjusted**

Category	Mar	Jan	Feb	Mar	<i>Change from: Feb 2013 - Mar 2013</i>
	2012	2013	2013	2013	
Civilian Noninstitutional Population (in thousands)	242,604	244,663	244,828	244,995	<b>167</b>
Civilian Labor Force (in thousands)	154,707	155,654	155,524	155,028	<b>-496</b>
Labor Force Participation Rate (percent)	63.8	63.6	63.5	63.3	<b>-0.2</b>
Employed (in thousands)	142,020	143,322	143,492	143,286	<b>-206</b>
Employment-Population Ratio (percent)	58.5	58.6	58.6	58.5	<b>-0.1</b>
Unemployed (in thousands)	12,686	12,332	12,032	11,742	<b>-290</b>
Unemployment Rate (percent)	8.2	7.9	7.7	7.6	<b>-0.1</b>
Not in the Labor Force (in thousands)	87,898	89,008	89,304	89,967	<b>663</b>

Unemployed dropped by 290,000, but where did they go? Employed dropped by 206,000, but where did they go? Since the Labor Force is equal to the number of Employed plus the number of Unemployed, those 496,000 people simply left the Labor Force --- that's where they went.

In addition, 167,000 came into the Civilian Noninstitutional Population for the month of March, but where did they go since Employed and Unemployed both fell (again, on a net basis)? They were added to the 496,000 that left the Labor Force, bringing us to a total of 663,000 that moved to the Not in the Labor Force category for the month of March.

To put this into perspective, at 63.3%, the Labor Force Participation Rate is at its lowest point since 1978! [Labor Force Participation Rate = Labor Force (Employed + Unemployed) divided by the Civilian Noninstitutional Population]

If Household Survey continued reporting the same numbers for 15 months:

The Labor Force Participation Rate would be 59.6%

The Employment Population Ratio would be 56.6%

The Not in the Labor Force would be just under 100 million.

But what the heck, the U-3 Unemployment Rate would be 5.0%

The point is that so long as we continue to see the Unemployment Rate drop due primarily to folks leaving the Labor Force, there is no recovery in the labor markets.

More to follow...we wanted to be sure to get this out in a timely manner today.