



U6 Fix

The U-6 Fix: Analysis of Today's Jobs Report

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While the topline came in at 162,000 jobs and the unemployment rate ticked down to 7.4 percent, looking inside this report indicates real weakness. Hours were down, earnings were down, participation was down, and there were more part time workers.

Inside the top line data:

- The labor force lost 37,000 and labor force participation ticked down to 63.4 percent. As has been true for too many months to count, this remains at a decade's low rate.
- The private sector created 161,000 jobs, meaning government stopped subtracting from employment growth.
- Job creation was less widely dispersed than in June.
- Average hours and earnings declined modestly.
- The Hispanic unemployment rate rose from 9.1 to 9.4 percent.
- Part-time work for economic reasons inched up, fueling the fire that is the Affordable Care Act.

Data Junkies here's your fix: the July U-6 (the broadest measure of unemployment) fell from 14.3 to 14 percent.

The bottom line: The July report was deceiving. Jobs and unemployment indicators went north, everything else that matters went south. Hardly the signs of a robust economy.