

Dan Hamilton
August 7, 2009

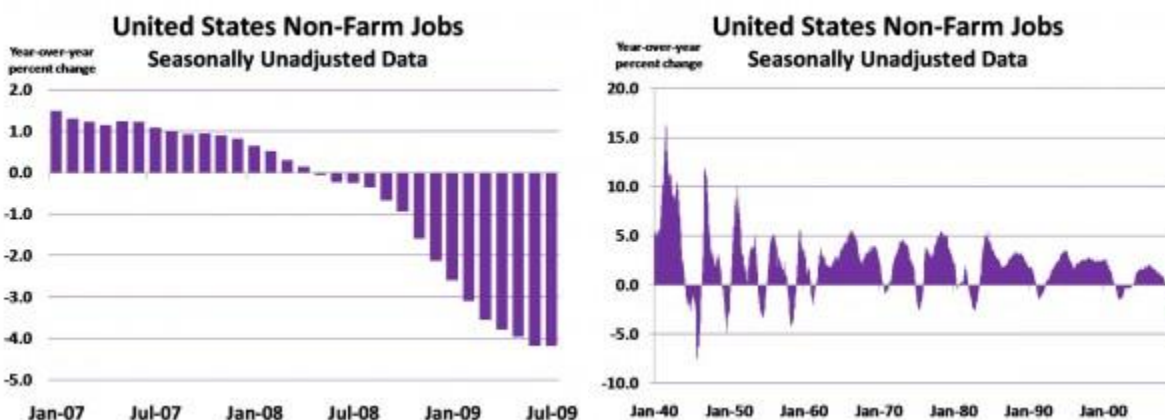
Most data releases are of seasonally adjusted data, and that is a problem. No one knows what the exact seasonal patterns in the economy are. We estimate them. The new jobs data release is an example of the problem.

Today's Bureau of Labor Statistics release of the July employment situation report shows 247 thousand seasonally-adjusted jobs lost. This represents an improvement over June, in which 443 thousand seasonally-adjusted jobs were lost. This has analysts asking if the United States economy is turning the corner toward economic growth.

The seasonally-unadjusted data are not so rosy.

The seasonally unadjusted data show that July jobs are down 4.2 percent from July 2008, the same year-on-year growth rate as in June. The June and July year-over-year growth rates are the lowest growth rates for United States non-farm jobs since November 1949. See the two charts below.

Based on review of both the seasonally adjusted data, and the not seasonally adjusted data I would be cautious about believing the economy is turning the corner.



United States Non-Farm Jobs Seasonally Unadjusted Data

Year-over-year
percent change

