

Data Belief Fatigue

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It's been reported that the Census Bureau has required its interviewers to swear that they will not write fake surveys. The BLS is a special problem for the CB because it requires that 90% of its survey selection receive face-to-face interviews by a strict deadline. Anyone who has ever worked for the government or a large company knows that bosses care far more about having something done by a certain time than they do about having it done right. [Sign in most old-time print shops: Why is there never time to do a job right but always time to do it over. But that's only a truism for real work. "Intellectual" type work never has to be done right, it just has to be "done."]

It's a shame that even the Household Survey is being messed with because compared to the Establishment Survey, it's the more accurate method of evaluating the jobs situation. It's a direct interview and there is no financial benefit (and also much too risky under these conditions) for a person to lie about his job status. On the other hand, it's the norm for companies to enhance the positive and diminish the negative when it comes to describing business conditions. With the real economy in fact bouncing along the bottom, the only way to make things seem better is by lying. Both surveys are still subjected to official touching up; the HHS showed 150,000 full time jobs lost and 77,000 part time jobs gained, but the official 147,000 jobs gained in November is at least a reasonable figure and not far from the ADP survey of 208,000. Now the 321,000 new jobs claimed by the ES is more like a massive strain on credulity than it is a surge in new jobs. No change in the unemployment rate or labor force participation rate, nor any real improvements in other segments of the economy. That's because it was all done with a seasonal adjustment. The survey showed 270,000 jobs lost in November. All was made positive with a 600,000 seasonal adjustment.

Companies theoretically need to be careful about giving false jobs data. After all, doesn't every new job generate a W-2 form? It would seem that the government itself can calculate newly created job jobs by counting W-2's. It can also determine the strength of the labor market by comparing the earnings withheld and collected from wage workers. Both are well below 2013 levels and much closer to 2012 just before QE 3 was rushed into being.

Then on Thursday we had a very surprising report from Commerce that retail sales grew 0.7% in November. On closer examination we learned it was really 0.5% the rest being autos (revolving credit much of which will never be repaid). The National Retail Association and IBM earlier reported big drops in Black Friday and Cyber Monday retail sales compared to the year before, then suddenly we have a complete reversal of that negativity. How? -- by inserting the third largest November seasonal adjustment ever.

And, for good measure, the budget deficit for fiscal 2014 came in at only \$483

billion even though the national debt increased \$837 billion over the same period.

At least all this rubbish involves manipulating numbers. They cannot compare to PMI *numbers* magically being drawn out of *words*. Who says you cannot make apples out of oranges?

The markets had a bad week, the DOW down 3.8%. On Friday American crude closed at \$57 a barrel. Demand estimates for oil were lowered for the 4th time in 5 months. The OECD (representing 34 countries) determined that the gap between rich and poor is now the largest in thirty years. That's thanks to the Feds of the world saturating the ultra-parasitic sector of the capitalist class with free money. Will that do the trick? Will that be enough to convince the human sector of the economy that it's now safe to incur new debts? The Blackstone-Houdini award awaits Yellen and Company if they manage to pull this one off.

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