Much Ado About Not Much

The allegedly *shocking* increase in September’s tally of household employment, and the fact that the lion’s share of that increase reflected gains in those self-identifying as *part time employees for economic reasons* is much ado about almost nothing. True enough, household jobs soared in September. Equally true, they fell sharply in both July and August. Violent monthly swings in this time series are standard, and invite some averaging. What was the 3-month average monthly gain in September? An unremarkable 186,000. Likewise, the surge in part-time employment is almost certainly a reflection of faulty seasonal adjustments. We witnessed three monthly spikes in the tally for part time for economic reasons. A spike in 2010 totaled 579,000. A spike in 2011 totaled 483,000. Most recently, we witnessed a spike of 582,000. *All three occurred in September.*

The only mild inference of note is found if we, again, look at three-month moving averages. In 2010 and 2011 the three-month average jumped, exceeding 200,000. The current spike followed a fall and a flat month. The resultant three-month average, at 134,000, is quite tame, relative to the recent performance.

Two Pictures Tell The Story:

Glance at the two charts below. The spike in monthly part timers is visible three times. Three-month average data and it is hard to see.

How do we get out from under seasonals? The second chart below looks at part time, not seasonally adjusted (NSA), 12-month moving average data. Grudging declines in part time employment is the unambiguous message.

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