

As outlined in my first email to CFG clients a few weeks ago, I said my commentaries may include a borrowed article that is timely and/or may not have received the mainstream exposure that it is due. That said, this week's commentary is a reproduction of an article titled *The Truth About Unemployment Numbers* by Avery Goodman.

Please know I'm not trying to take the easy way out of writing this week's email by using this published article. And while this article is now a couple of weeks old, it does confirm a couple of key points; (1) as I aptly pointed out in my last email to you folks, mainstream media on many occasions (whether knowingly or unknowingly) is misleading the American public and (2) we (Val, Shari and I) just like the author in this article have to dig deep and beyond the mainstream media stories to uncover the TRUTH about what's really going on in these turbulent times.

Enjoy the reading . . .

THE TRUTH ABOUT UNEMPLOYMENT NUMBERS

By: Avery Goodman

Nowadays, it is often wise to step away from business news sources, and look at original data sources, in order to learn the truth.

If we look carefully at the original information published by the U.S. Department of Labor, we see some surprises. The news stories which have run in CNBC, Marketwatch and Bloomberg, hailing "good unemployment numbers" were not conveying accurate information. Here is the real truth ([source](#)):

The advance number for seasonally adjusted *insured* unemployment during the week ending June 6 was 6,687,000, a decrease of 148,000 from the preceding week's revised level of 6,835,000. The 4-week moving average was 6,757,500, an increase of 2,250 from the preceding week's revised average of 6,755,250...

The one word "insured" makes a universe of difference. They are not speaking about the total number of people who are unemployed. They are talking about the number of people still entitled to unemployment benefits. If you stay unemployed long enough, in other words, you drop off the rolls.

It is unlikely that they found jobs, given that the overall unemployment rate keeps rising very fast. In the western United States, for example, jobless rates have risen well above 10% ([see here](#)).

The harsh reality is that, in all probability, 148,000 people are no longer entitled to collect a check. They are "uninsured" and collecting nothing. They do NOT represent a reduction in the unemployed, but, rather, represent the number of people who have

been on unemployment insurance so long that they've run through all of their benefits. That's not good for them, and it's not good news for the economy.

Initial claims for the week of June 13th actually rose by 3,000 from the week before (June 6th) ([source](#)). That is bad. It means that America is still shedding jobs at a substantial rate. Indeed, if these 148,000 people had not been moved out of the insured category of people collecting checks, to the uninsured category, the moving average would have increased to 6,905,500. That is also very bad news.

However, those things are not as bad as the fact that the same report ([source](#)) also notes that the "states reported 2,359,537 persons claiming EUC (Emergency Unemployment Compensation) benefits for the week ending May 30, an increase of 102,946 from the prior week."

Let me explain. The EUC program was created on June 30, 2008, by the Supplemental Appropriations Act of 2008 (P.L. 110-252). It makes up to 13 additional weeks of federally-funded unemployment benefits available to unemployed individuals.

With their benefits running out, each week henceforth, we will see anywhere from 100-200,000 people dropping from being "insured" to being "uninsured". They will no longer qualify for an unemployment check. That means they'll have less money, or no money at all, to spend in stores, restaurants and elsewhere. These unfortunate people must be numbered among the "permanently unemployed". Having been unemployed for so long, many have become bereft of hope, and are penniless, and desperate.

In spite of it all, some Wall Street spinmeister, who either doesn't know what he is talking about, or is purposefully intent on misleading the public, will boldly announce that the "new unemployment numbers show the economy is improving" and/or "we've hit bottom and recovery is imminent."

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