

John Williams'  
**Shadow Government Statistics**  
*Analysis Behind and Beyond Government Economic Reporting*

**COMMENTARY NUMBER 434**  
**Unpublished Payroll Data, Household Income**  
**May 2, 2012**

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**Unpublished Payroll Employment Numbers**  
**March Household Income Sputters**  
**Clarifying Some Misperceptions**

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*PLEASE NOTE: The next regular Commentary is scheduled for Friday, May 4th, and will cover April employment and unemployment, along with March construction spending and April money supply. The Public Commentary on Inflation Measurement should be published tomorrow, May 3rd.*

*Best wishes to all — John Williams*

**INTERIM UPDATE**

This brief *Commentary* catches up in several areas, introducing a promised experimental new feature on ShadowStats.com (access to unpublished payroll-employment data from the Bureau of Labor Statistics' seasonal-adjustment calculations), clarification of some misperceptions that have arisen on the Internet, and an update on the monthly median household income estimates. An assessment of the latest economic data will follow in the May 4th regular *Commentary*.

**Payroll Survey Numbers—Seasonally-Adjusted Data, As Calculated But Not Published by the BLS.** ShowStats.com is pleased to introduce a new, experimental feature on its Web site that enables our

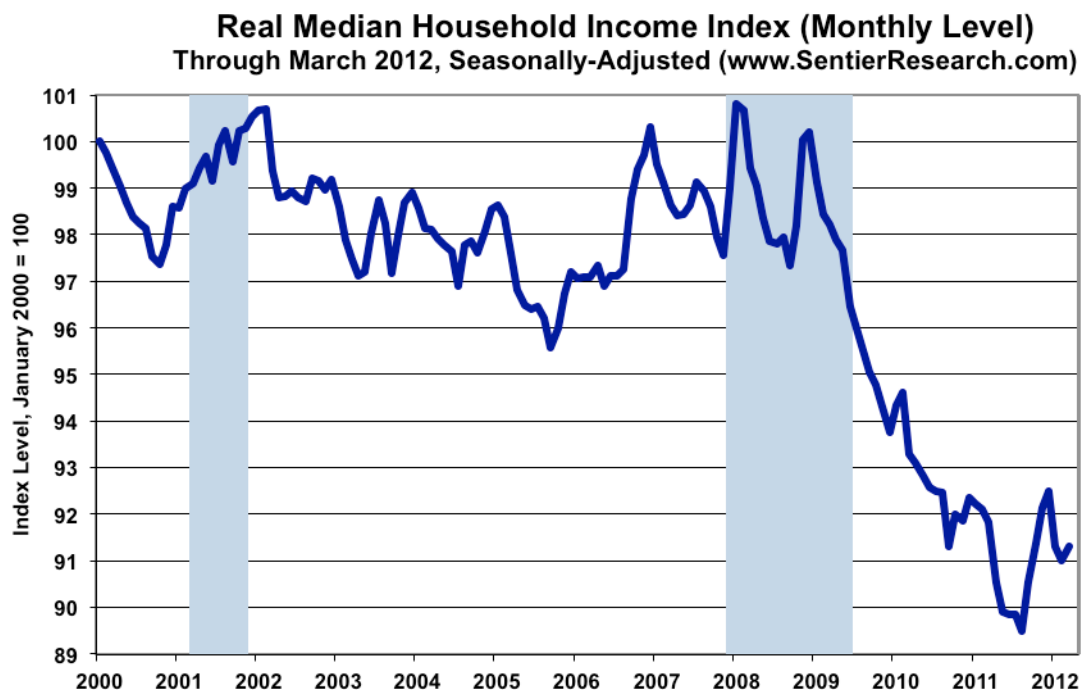
subscribers to explore the heretofore-unpublished *consistent* time series, which show actual, seasonally-adjusted payroll survey data.

The detail available to you at [Unpublished Payroll Data](#) lays bare the inconsistencies in the payroll employment reporting as published by the Bureau of Labor Statistics (BLS), versus the actual data as adjusted and recalculated each month by the BLS using its concurrent seasonal-adjustment process. With this feature, we make available the SGS calculations of the data produced internally by the BLS, using the published BLS methodologies and programs. These issues also are discussed in the regular monthly SGS *Commentaries* on labor statistics.

The numbers are provided in a format whereby data users may explore them not only at the aggregate nonfarm payroll level, but also at numerous sub-category levels.

No attempt has been made here to address any other issues in terms of possible seasonal-factor distortions, sampling problems or bias-factor and birth-death modeling issues. The data here, again, are unpublished BLS calculations, not an SGS-Alternate Payroll Employment Measure. As always, questions and comments are invited at [SGS Contact](#).

**March Median Household Income Suggested Ongoing Consumer Financial Stress.** As shown in the accompanying graph, March 2012 real median household income (deflated by the CPI-U), as calculated by SentierResearch.com, remained near the trough of the 2007 economic collapse and ensuing stagnation in business activity. The month-to-month gain in the seasonally adjusted series was not statistically significant. See [Special Commentary No. 429](#) for further discussion of consumer liquidity issues.



**Clarifying Some Misperceptions.** For subscribers who do not know me well, my name is Walter J. Williams. I have been a private, consulting economist for the last 30 years and write and publish ShadowStats.com. Although sometimes going by Walter J. Williams, I most often use my nickname “John” Williams. Both names, though, are unusually common. All the jokes aside, I am neither the noted composer nor the president of the San Francisco Federal Reserve. Yet, recently, there has been a reference to ShadowStats.com as being one of the composer’s sites, and I have been asked directly as to how I handle “obvious conflicts of interest” in writing ShadowStats.com versus my obligations to the Fed. ShadowStats.com is not involved with or associated with either of those gentlemen, in any way. In like manner, the very fine economist and radio personality Walter E. Williams—associated with George Mason University—and I are not the same person.

**Week Ahead.** Recognition of an intensifying double-dip recession as well as an escalating inflation problem remains sporadic. The political system would like to see the issues disappear until after the election; the media does its best to avoid publicizing unhappy economic news; and the financial markets will do their best to avoid recognition of the problems for as long as possible, problems that have horrendous implications for the markets and for systemic stability.

Until such time as financial-market expectations move to catch up fully with underlying reality, or underlying reality catches up with the markets, reporting generally will continue to show higher-than-expected inflation and weaker-than-expected economic results in the months and year ahead. Increasingly, previously unreported economic weakness should show up in prior-period revisions.

***Employment and Unemployment (April 2012).*** April labor data are due for release on Friday, May 4th. The expectations appear to have softened for April payroll employment to around 165,000, from an early estimate of 193,000 (MarketWatch.com), but up from the initial reporting of a 120,000 gain in March, with the headline unemployment rate for April expected to hold at 8.2%, the same level as reported for March (MarketWatch.com).

The revised consensus has moved much closer to the trend indication that comes out of the BLS’s seasonal-adjustment model. As discussed in [Commentary No. 227](#), the trend number for the April payroll employment gain dropped to 152,000 from 182,000, subsequent to the release of the March payroll estimates published on April 6th.

Nonetheless, April labor data likely will disappoint expectations. Aside from ongoing underlying weakness in related economic fundamentals, these series also are due for some further catch up from what appears to have been an unusually positive spin given to the data in recent months by questionable seasonal factors.