



Trump Should Stop Bragging About Obama's Jobs Numbers

The president's boasts about all he's doing for the economy are just hot air, experts from across the political spectrum say.

Mark Hay

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Donald Trump spent a fair bit of last Friday crowing about the latest monthly Bureau of Labor Statistics (BLS) jobs report. The document estimated that in July the economy gained 209,000 new jobs, bringing the total of jobs created during Trump's first six months in power up to 1.07 million. Unemployment has dropped to 4.3 percent, its lowest level since this May—and before that since May 2001. These numbers feed into an effective refrain for Trump: No matter his other stumbles or what the media may say about him, he's a businessman, and his acumen will bring jobs and prosperity back to our benighted nation.

This argument probably will resonate with Trump supporters. But like so much of Trump's bluster, it's just wrong on its face. The president doesn't deserve much credit for those jobs numbers, which aren't that impressive in context and in fact mask somewhat worrying employment data buried deep in the report.

An old institution, jobs reports have long been mostly the concern of wonks, drawing limited mainstream attention. But since the crash of 2008 to 2009, they've become a monthly public referendum on the quality of the country's economic recovery. While they contain many data points, the focus is often on job change numbers drawn from employer surveys and unemployment stats drawn from household surveys. This is not the only way of measuring those numbers, and the BLS is not the only body measuring and reporting on them. Nor is it a perfectly accurate system, with each report revising estimates from past months as more data turns up. But the topline numbers can fuel narratives: Jobs are back! Employment is up! U-S-A!

Most administrations coo about strong report numbers. They often do so in measured tones, said Michael Madowitz, an economist at the liberal think tank Center for American Progress. That's because hyping the US economy too much can trigger possibly unwanted policy responses from institutions like the Federal Reserve. But these numbers are a vehicle to talk about how well the economy is doing regardless of how much impact any given administration actually had on them.

While on the campaign trail, Trump portrayed the US economy as a shit pit that only a businessman like him could save, so he took the opposite tack and ragged on the BLS and its job reports. For two years, he insisted that the agency cooked their books to mask the fact that unemployment was really at up to 42 percent—an outrageous number that would have to encompass every retired, disabled, or non-job-seeking adult and most children in the US to be true. (Unemployment in the US during the recent economic crisis actually peaked at about 10 percent in 2009.) Trump's "attack on the BLS prior to becoming president was entirely unprecedented," said Heidi Shierholz, the chief economist at Obama's Department of Labor from 2014 to 2017 who is currently at the left-wing Economic Policy Institute.

Then in March the BLS reported the economy grew by 235,000 jobs in February, Trump's first full month in power. That was well above the 180,000 or so economists had been expecting month-to-month in 2017—although below the 300,000 jobs Trump insisted in 2012 had to be added monthly to constitute strong labor force growth. The administration turned on a dime, endorsing the reports and evading questions about Trump's old criticisms. Officials insisted the figures showed Trump's jobs plan, a dubious program of cutting taxes, regulation, and immigration while increasing infrastructure spending and protectionism was already having a positive effect on the labor market. The White House was so eager to pounce on these figures that then-press secretary Sean Spicer broke an obscure federal rule by commenting on the report before the executive branch is allowed to do so. (Trump blithely broke this rule once again this month.)

A month later, the jobs report for March showed the worst job growth in ten months. But subsequent reports have been stronger than expected, and team Trump has made significant political hay about that again and again—more so than presidents usually do, according to most of the economists I've spoken to.

"Even if he hadn't bad-mouthed the numbers last year," said Clinton-era Department of Labor chief economist Harry Holzer, "the amount of hype he puts on them would stand out."

The spin Trump and his team put on job reports is not just hyperbolic, argued Shierholz, but also sloppy. The administration has made misleading statements about job creation in recent months, inflating jobs numbers and treating preliminary data as the final word. "We'll never know if their mistakes were intentional or unintentional," said Shierholz, who was impressed by the level of fact-checking Obama's team did, "but they have displayed a lack of care for presenting the public with a really accurate sense of numbers."

In truth, Trump's jobs numbers this month and all of that year have been on track with Obama-era trends—as even Trump's chief economic advisor, Gary Cohn, admitted in March. July marked the nation's 82th week of sustained job creation. "It's kind of incredible that now he's touting this," said Center for Economic and Policy Research employment expert Dean Baker, "when he's looking to numbers that are comparable to the late Obama administration, where he was saying, 'terrible.' It's so ridiculous, you really wonder if he has any clue about it."

Job creation so far this year is actually a bit weaker than during 2016. The nation is currently averaging 184,000 jobs added per month versus 187,000 last year. That's well below the 208,000

jobs per month Trump needs to average to hit his stated 2.5 million jobs per year for the next ten years goal, and far below the 250,000 per month Obama averaged at the height of the labor market recovery in 2014, or Bill Clinton averaged in the halcyon days of the late 1990s.

"The July BLS report marked, despite Trump's boasting, a bit of an economic slowdown," said labor academic David Van Arsdale. "In recent years, July has typically been a better than normal jobs report compared to preceding months, as construction projects and tourist-related activities come into full swing. This recent jobs report was a loss of 34,000 over last year at this time, and a loss of 8,000 jobs over July of 2015... Trump tied Obama's July 2014 job performance."

This mostly steady trend line makes sense. The economists I've spoken to agree that outside of crises and reactions like the 2009 crash and Obama's depression-blunting stimulus, presidents can't do much to affect employment in the short term. Most trends we see are due to grand economic forces, nudged subtly over the long term by one or more administrations' policies.

Trump has not enacted any big changes that could have a short- or long-term effect on the labor market. His pro-business rhetoric may, some speculate, have spurred some businesses to add new jobs on faith that he'd cut their taxes or lessen their regulatory burdens. Others may have kept jobs in the US for fear of punishment for outsourcing. But that effect is hard to measure and, economists I've spoken to argue, likely trivial. Any such minor boost has likely also been offset by the uncertainty of the Trump era, which may blunt investor enthusiasm, and Trump's failure to deliver on big promises, cooling any enthusiasm or faith that could fuel job growth.

"There is little evidence that this trend has anything to do with the president's policy initiatives," said Cato Institute economist Ryan Bourne of the numbers in recent BLS jobs reports.

"What we're seeing is basically what we would have seen if [Hillary] Clinton was president," added American Enterprise Institute economist Michael Strain.

These Obama-era trends Trump is taking credit for aren't entirely rosy, either, if one digs into the stats in recent BLS reports. Mining, an industry Trump has embraced, saw some labor growth after bad years in 2015 and 2016, but manufacturing and auto making are not doing so hot. Job growth in July (and many recent months) was driven by part-time, largely seasonal work, which covered for a full-time decline. Wages have not been improving as much as one might expect for this level of job growth, and underemployment has long hovered round 8.6 percent. Relatively few people are leaving their jobs voluntarily compared to the strong market days of the late 90s, adds Baker. And Shierholz is concerned that long-term unemployment has not changed substantially in years.

All of this suggests that while the economy may be adding jobs, it's not adding good ones that can replace those lost in sectors in decline, and people don't have much faith that it will start to add solid jobs across the board anytime soon.

As a candidate, Trump promised to lift up the working class by bringing back good jobs. But as president, he doesn't seem to care about the quality of jobs he's creating—he just wants a good number he can trumpet on Twitter. Obama-era trends will likely continue to provide him that for a while. The question is, how long can he coast?

