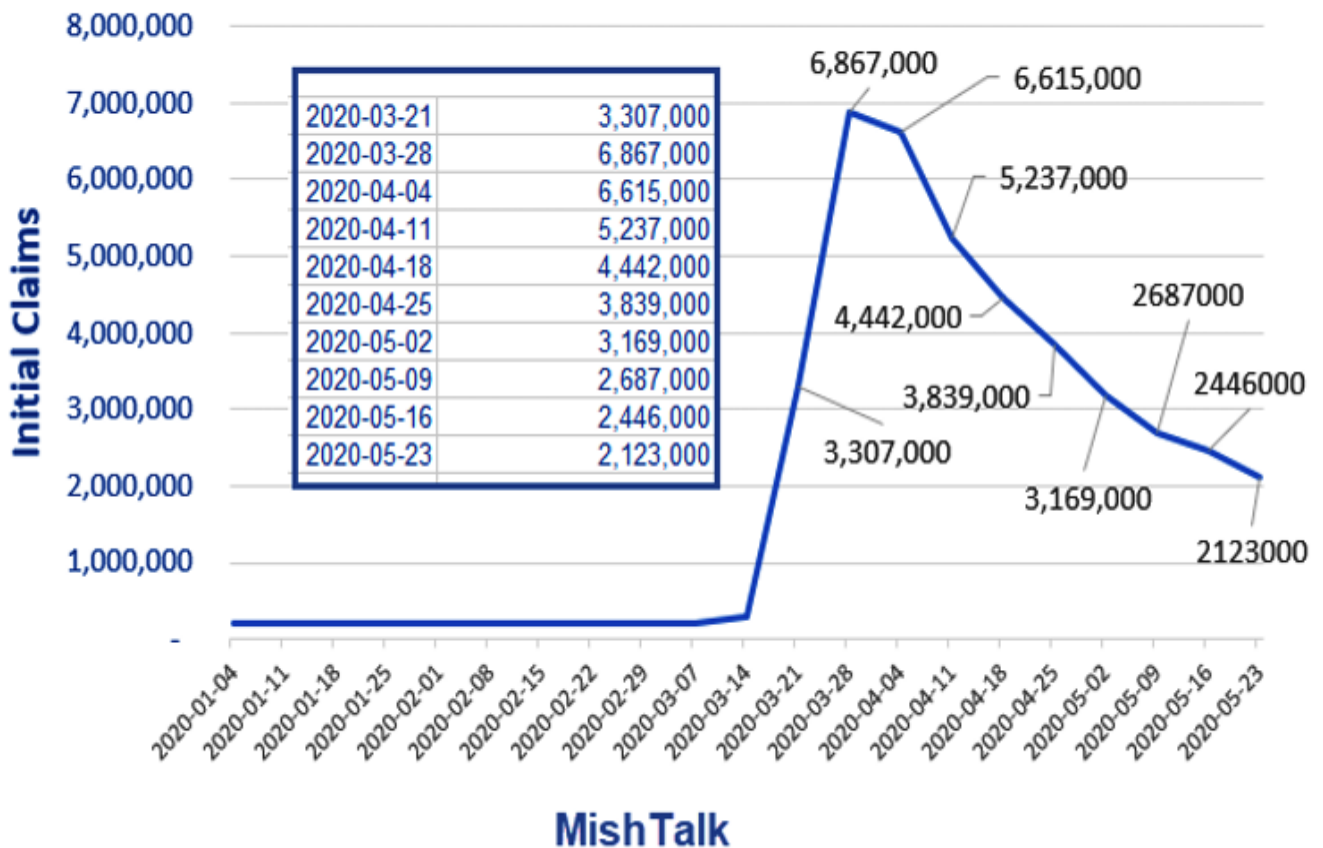



Initial jobless claims for the week ending May 23 were 2,123,000. That's the 10th-week claims topped 2-million.

Initial Unemployment Claims





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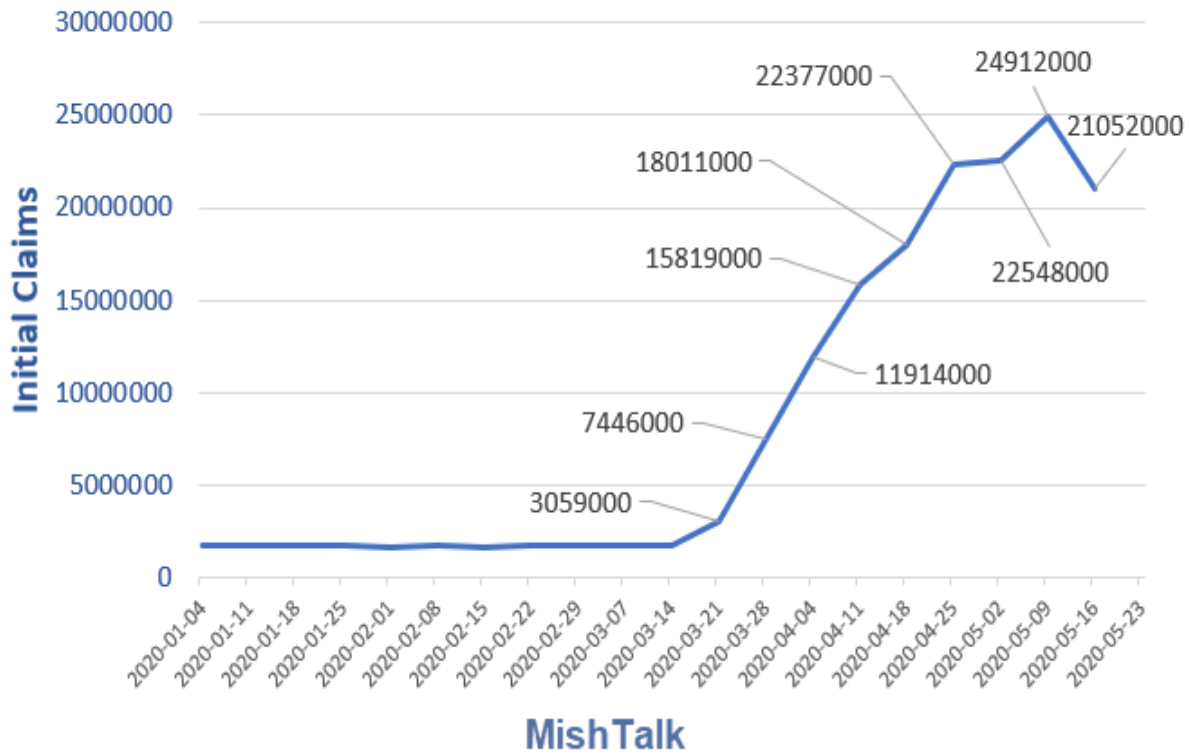
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Ten-Week Total Jobless Claims

The ten-week running total of initial claims is 40.732 million. However, some of those workers have been called back as states have opened. Also some people submitted claims and were not really eligible. Continuing claims paint a better picture at this point as to what is happening. **Continued Unemployment Claims**

Continued Unemployment Claims



First Dip Continuing Claims in 9 Weeks

Continued claims lag new claims by one week. They took their first dip in 9 weeks. For the week ending May 16, continued claims were 21,052,000 down from 24,912,000 for the week ending May 9. **BLS Reference Week** The reference week for the BLS Household Survey unemployment report is the week that contains the 12th of the month. It is that week's survey that determines the unemployment rate. For the May Jobs Report coming out Friday, June 5, the reference week was May 10 through May 16. **Household Data from April Jobs Report**

Household Survey April 2020

Category	Apr 2019	Feb 2020	Mar 2020	Apr 2020	Change from: Mar. 2020-Apr. 2020
Employment status					
Civilian noninstitutional population	258,693	259,628	259,758	259,896	138
Civilian labor force	162,546	164,546	162,913	156,481	-6,432
Participation rate	62.8	63.4	62.7	60.2	-2.5
Employed	156,696	158,759	155,772	133,403	-22,369
Employment-population ratio	60.6	61.1	60.0	51.3	-8.7
Unemployed	5,850	5,787	7,140	23,078	15,938
Unemployment rate	3.6	3.5	4.4	14.7	10.3
Not in labor force	96,147	95,082	96,845	103,415	6,570

MishTalk

As noted on May 9, there was a [6.4 Million Discrepancy Between Employment and Unemployment](#). The BLS is very aware they published a bogus unemployment number for April and issued this notice.

If the workers who were recorded as employed but absent from work due to ?other reasons? (over and above the number absent for other reasons in a typical April) had been classified as unemployed on temporary layoff, the overall unemployment rate would have been almost 5 percentage points higher than reported (on a not seasonally adjusted basis). However, according to usual practice, the data from the household survey are accepted as recorded. To maintain data integrity, no ad hoc actions are taken to reclassify survey responses.

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Data Integrity To maintain "data integrity" the BLS reported a number known to be bogus. There is still more to this BLS fiddling saga. [Click on the preceding link for details about Seasonal Adjustments and an unusual statement regarding their Birth-Death model adjustments.](#)

Unemployment Rate Calculation

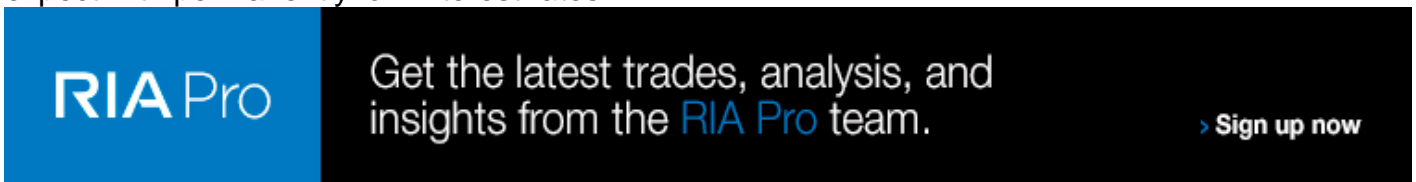
For a change, we have a solid reference point on which to make an advance estimate of the unemployment rate. If we assume the number of unemployed is roughly equal to the number of continued claims (likely +- a few million) and we also assume the BLS will do a better job this month of eliciting the correct answers (questionable), we can calculate the unemployment rate as follows: $\text{Unemployment Rate} = (\text{Unemployed} / \text{Labor Force}) * 100$ $UR = (21.052 \text{ million} / 156.481 \text{ million}) * 100 = 13.5\%$ If so, that would be down from 14.7% in April. The equation makes an additional assumption that the Labor Force will not change much and the BLS does not further

mess with their Birth-Death model. Given the assumptions, a range of 12%-17% seems about right. Regardless, there will be a long road to job recovery as noted by recent reports.

A promotional banner for the 'Real Investment Show' featuring a portrait of Lance Roberts on the left. The text 'Real Investment Show' is in large white letters on an orange background, with 'with Lance Roberts' below it. To the right, on a black background, it says 'Monday to Friday, from 6 to 7am.' and '> Get it now'.

Boeing is the Tip of the Layoff Iceberg

Please consider [Boeing is the Tip of the Layoff Iceberg](#) Yesterday, Boeing announced over 12,000 Layoffs in the wake of plane cancellations and dearth of new orders. Also note 114,327 Retail Job Cuts, Most on Record, as More Stores File Bankruptcy. Retailers Pier 1 Imports, JC Penney, J. Crew, and Neiman Marcus have all filed for bankruptcy. Malls in general are dying. 9,300 stores closed in 2019, breaking the record of 8,000 store closures in 2018. According to Coresight Research, another 15,000 stores could close in 2020. The energy and service sectors are also hard hit. How many people will soon go back to their old ways of dining out as much, going to the movies, getting their nails done, singing karaoke? **Fed Can Print Money But It Cannot Print Jobs** That's a nice saying but I did not come up with it. I can find at least three instances dating back to 2010. **Belts and Suspenders** However, I can claim a sarcastic [Don't Worry, the Fed has Belts and Suspenders](#) Unfortunately, all the Fed is doing is creating zombie corporations unable to survive expect with permanently low interest rates.

A promotional banner for RIA Pro. On the left, the 'RIA Pro' logo is in white on a blue background. On the right, on a black background, it says 'Get the latest trades, analysis, and insights from the RIA Pro team.' and '> Sign up now'.

Grim Economic Data

1. 5/8: [Over 20 Million Jobs Lost As Unemployment Rises Most In History](#)
2. 5/15: [Retail Sales Plunge Way More Than Expected](#)
3. Also 5/15: [Industrial Production Declines Most in 101 Years](#)
4. Also 5/15: [GDPNow Forecasts the Economy Shrank by a Record 42%](#). **It's 51.2% as of May 29th.**

Ripple Impacts May Last Years The economic data has been grim and the ripple impacts may last for years. **Global COVID-19 Risk Ranges Up to \$82 Trillion** To understand the total global risk, please see [Global COVID-19 Risk Ranges Up to \\$82 Trillion](#) **Ripple Impacts** For a detailed synopsis of the state of the economy and the ripple impacts, please see [The Economy Will Not Soon Return to Normal: Here's Why](#).