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<center>Searching for the Number</center>

It is natural to seek to describe items using a single number. Suppose someone exclaims "there's a big guy coming down the street". Onlookers observes that he's 5'6" tall. That's not big. But what if he weighs 300 pounds. That's big. We have needed two dimensions to describe him, height and weight. If he was 7 feet tall, "big" would almost certainly refer to height. Both dimensions matter.

With the onset of COVID-19, the State of West Virginia seemed impervious to the disease. While all of its neighbors had infections and deaths, West Virginia did not. Why? They weren't testing. When they started testing, they found … infections and deaths. At the outset, in West Virginia and elsewhere, death rates seemed high, because asymptomatic people (who had the disease) were not being tested. As more people were tested, it was discovered that a lot of people had the disease (the denominator of a fraction), but only a fraction (although too large a fraction) died from it (the numerator). To describe the death rate, analysts need the numerator and the denominator. Both dimensions matter.

Your blogger has taught economics for over 40 years. If there is a truism, it is that "complex" things require complex measures. One can't measure "big" with one number; one needs two, sometimes three. Measuring the impact of COVID-19 needs many more than one number. New methods are being proposed daily.

On Friday, the Federal Government announced its measure of the unemployment rate. The April unemployment rate was 14.7 percent, and many economists expected the May rate to push 20 percent. Everyone was surprised when the percentage announced was 13.3. What happened? How could everyone have been so wrong? And … are things as good as they look (although 13.3 percent is pretty terrible).

In the July 5 New Republic, Timothy Noah explains:

But that 3.1 million job gain is wiped out when you take into account a statistical glitch that the BLS [Bureau of Labor Statistics] admits to—the misclassification of about five million workers as "employed" who said they were "not at work for other reasons" than losing their jobs. The likelihood that these people will get their old jobs back diminishes with each passing day. But even aside from the question of job viability for these workers, the BLS is required [emphasis added] to classify such people as unemployed, and for some as yet ill-explained reason, it didn't. If it had, the BLS says, the unemployment rate would have *risen* in May to 16.1 percent. And that's before seasonal adjustment to the jobless count, which would raise the rate even higher. https://newrepublic.com/article/158062/donald-trump-unemployment-coronavirus-stimulus

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Your blogger is an economic statistician, and recognizes that Bureau of Labor Statistics economists are among the best in Washington. They have always taken pride in the professionalism of the reports. Someone put out a wrong number. One hopes that is all that it is.

Timothy Noah observes that people are returning back to work … and that is good. "We all want unemployment to go down, so that really is something to celebrate—however cautiously."

Employment, and unemployment are very complicated. It has long been understood that when the economy contracts, the measured rates do not rise as much as is "really happening", because so-called "discouraged workers" leave the labor market and are no longer considered unemployed.

The case at hand is complicated. The reality is that workers who are " 'not at work for other reasons' than losing their jobs" ARE unemployed. They are not working.

Employment and unemployment are complicated. COVID-19 is complicated. Big people are complicated. We need (many) more than one number to describe them.

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