

JOBS GROWTH MEANS ECONOMIC EXPANSION

(August 5, 2022) Past Arkansas Policy Foundation research memos have identified cyclical turns in the U.S. economy prior to official announcements from the NBER's Business Cycle Dating Committee, the leading arbiter within the economics profession. Arkansas news media have reported these findings. One example is a *Talk Business* report (Sept. 10, 2010) on the Foundation's identification of the *trough* for the 2007-2009 recession.¹

Today's BLS monthly nonfarm payroll employment report is consistent with the Policy Foundation's analysis in a recent *Talk Business* report (8 May, 2022) that the U.S. economy is in an expansion, not a recession. BLS reported U.S. employment grew by 528,000 jobs in July 2022.²

The Policy Foundation relies on the four *coincident* economic indicators in its business cycle analysis. Nonfarm payroll employment is a coincident indicator.

The NBER panel also relies on the coincident indicators, according to a statement that explains "determination of the months of peaks and troughs is based on a range of monthly measures of aggregate real economic activity published by the federal statistical agencies. These include real personal income less transfers (PILT), nonfarm payroll employment, real personal consumption expenditures, wholesale-retail sales adjusted for price changes, employment as measured by the household survey, and industrial production. There is no fixed rule about what measures contribute information to the process or how they are weighted in our decisions."³

Contraction of monthly nonfarm payroll employment would suggest deterioration of economic conditions.

The Policy Foundation also notes that inflation remains a serious monetary problem.

--Greg Kaza

¹ [NBER: U.S. recession ended June 2009 - Talk Business & Politics](#)

² [Employment Situation Summary - 2022 M07 Results \(bls.gov\)](#)

³ [Business Cycle Dating Procedure: Frequently Asked Questions | NBER](#)