

Making Sense of Seemingly Inconsistent Numbers

Wise investors take the “big picture” view.

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It can be incredibly difficult to make sense of data. A report coming from one body may tell you one thing, and another report might seem to offer a wholly different perspective.

Such is the case with August’s jobs numbers from the Department of Labor. There was a vast difference between the number projected in surveys of economists (720,000) and the number we received: a 235,000 increase for nonfarm payrolls. Adding to the confusion, the unemployment numbers dropped in the same period: from 5.4% to 5.2%.¹

You might be better versed in these matters than the average person. For example, you might understand that these numbers are calculated differently, and with totally disparate factors considered. That accounts for how unemployment can decrease, yet jobs numbers come in so low.

To make matters more confusing, the Department of Labor and other groups measure employment in other ways. For example, ADP puts out a monthly report while the Department of Labor also releases a weekly report on unemployment insurance claims.²

Wise investors take the longer view, understanding that while these numbers do affect and reflect the markets, they don’t always represent the full picture. By investing in a strategy that takes years to play out, you know that the economic “big picture” isn’t a snapshot, it’s an epic film. You also have someone who thinks in terms of the big picture in your corner, happy to talk you through any questions you might have.

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Citations

1. CNBC.com, September 3, 2021
2. adpemploymentreport.com, September 7, 2021