

PERSPECTIVES

# PROGRESS

August 28, 2020

Topics: [Market and Economics](#) / Contributors: [Jess B. Yawitz, Ph.D.](#), [Stephen J. Douglass](#)



As we [have been saying](#), the seasonal adjustment process for initial jobless claims has been wholly inappropriate given the scale of job losses during the pandemic. Because the process is multiplicative rather than additive, the adjustment factor has now inflated the actual claims numbers by over 4.6 million since March, grossly exaggerating the true magnitude of job loss. We're happy to report that the Bureau of Labor Statistics has realized the error of this approach, and [announced](#) that they will switch to an additive seasonal adjustment method starting in September. Clearly this discrepancy had grown too large for anyone to ignore and we're glad to see a more rational approach to measuring this one piece of economic data.

*Disclaimer: By accepting this material, you acknowledge, understand and accept the following:*

*This material has been prepared by NISA Investment Advisors, LLC ("NISA"). This material is subject to change without notice. This document is for information and illustrative purposes only. It is not, and should not be regarded as "investment advice" or as a "recommendation" regarding a course of action, including without limitation as those terms are used in any applicable law or regulation. This information is provided with the understanding that with respect to the material provided herein (i) NISA is not acting in a fiduciary or advisory capacity under any contract with you, or any applicable law or regulation, (ii) that you will make your own independent decision with respect to any course of action in connection herewith, as to whether such course of action is appropriate or proper based on your own judgment and your specific circumstances and objectives, (iii) that you are capable of understanding and assessing the merits of a course of action and evaluating investment risks independently, and (iv) to the extent you are acting with respect to an ERISA plan, you are deemed to represent to NISA that you qualify and shall be treated as an independent fiduciary for purposes of applicable regulation. NISA does not purport to and does not, in any fashion, provide tax, accounting, actuarial, recordkeeping, legal, broker/dealer or any related services. You should consult your advisors with respect to these areas and the material presented herein. You may not rely on the material contained herein. NISA shall not have any liability for any damages of any kind whatsoever relating to this material. No part of this document may be reproduced in any manner, in whole or in part, without the written permission of NISA except for your internal use. This material is being provided to you at no cost and any fees paid by you to NISA are solely for the provision of investment management services pursuant to a written agreement. All of the foregoing statements apply regardless of (i) whether you now currently or may in the future become a client of NISA and (ii) the terms contained in any applicable investment management agreement or similar contract between you and NISA.*