



PERSPECTIVES

Progress

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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.

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