# The Daily Dish

# November 10th Edition

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In early 2009, the total amount of debt held by the public was $6.662 trillion dollars. Today, behind a weak economy and stagnant wages, the public debt has doubled to over $13 trillion. From the Washington Examiner, “debt held by the public is all federal debt held by people, companies, state and local governments, Federal Reserve banks, foreign governments and other non-U.S. entities, minus certain bank securities.” The news also highlights that under the first two years of the Obama Administration the public debt climbed $2.7 trillion.

The Wall Street Journal is now calling Obamacare Co-Op failures a “contagion” that is spreading to all 23. So far 12 have folded, losing a combined $1.24 billion and in the end, millions could lose their current health coverage. According to the Wall Street Journal “The last time a dozen or more life and health insurers failed in a single year was 1994, when 13 went under, and the rolling 10-year average is 1.7.”

***Eakinomics: The October Jobs Report in Retrospect***

Friday’s report on October jobs surprised everyone. The economy generated 271,000 jobs, the unemployment rate fell to 5.0 percent, the labor force grew by over 300,000, labor force participation held steady, and average hourly earnings data showed the largest year-over-year increase since July 2009 – up 2.5 percent. As I said at the time “The bottom line: The October report removes any excuse for the Fed to keep rates at zero. The more interesting issue is whether the strong October report represents a one-time blip in the aftermath of the weak August and September performance, or is an early sign of growth that will remain above the 2.2 percent average since the recovery began.”

The December Fed meeting will settle the first issue. The latter — just exactly what is the outlook for faster growth — is a more important concern. As it turns out, new labor market data based on Fed research sheds light on the October jobs report. The new data are the Fed Index of labor market conditions, a composite of 19 separate labor market data points intended to track the improvement and deterioration in labor market conditions. The basic issue is shown below.

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The basic jobs data are shown with the solid line (and measured on the left axis). They display improvements (more jobs) and deterioration (less jobs), and include the sharp uptick in October. The Fed index is shown with the dotted line (and measured on the right axis). It displays improvements (values above zero) and deterioration (values below zero). On the whole, it mirrors the jobs number quite well since the beginning of the recovery in June of 2009. However, importantly for the issue of the moment, it does not display a sharp uptick in October.

The Fed data suggest caution in interpreting the October data. Already, despite the admonition that one should never put too much emphasis on a single month’s data, commentators are suggesting that the economy has upshifted, the political landscape is reshaped, and other dramatic changes. Perhaps, but it is more conjecture than fact.

***From the Forum***

The Most Expensive Dodd-Frank Rule Adds to Law's Burden by Sam Batkins, AAF Director of Regulatory Policy

***Fact of the Day***

On average, house prices in major energy producing states began increasing after the housing crisis more than a year earlier that the national average and energy importing states.