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ABS March Unemployment figures are misleading - because second half of March ignored!

By Gary Morgan, Michele Levine and Julian McCrann

The ABS yesterday, finally, released their unemployment estimates for the month of March – actually the first half of March. (You could be forgiven for not reading the small print and not guessing that the ABS didn't actually survey the whole of March but stopped surveying once the country went into lock-down and masses of Australians lost their jobs.)

Every Australian knows in mid-March COVID-19 caused the biggest economic shock delivered to the Australian economy in at least 70 years (WW2) as Governments implemented stringent lock-down measures in response to the COVID-19 Coronavirus pandemic striking Australia and the rest of the world. (See note below.)

Yesterday's ABS March employment estimates show employment increasing by 6,000 and unemployment virtually unchanged at 5.2%, up only 0.1% from February - both very misleading and should never have been released in their current form.

Critically, the ABS should have made it clear when publishing their March unemployment estimates that their results were based on interviews conducted March 8-21 using the 'employment reference period' of March 1-14 before the COVID-19 shock that hit the Australian economy in the second half of March in particular the period after Friday March 20.

What really happened to unemployment in March?

On April 8, 2020 Roy Morgan released accurate real employment and unemployment estimates for the whole of March – pre and post COVID-19 lock-down. Roy Morgan's unemployment estimate pre the COVID-19 lock-down was 7.3%, essentially unchanged on February.

However Roy Morgan's late March unemployment estimates showed the Government's COVID-19 lockdown response resulted in an extra 1.4 million Australians becoming unemployed in a matter of two weeks leading to unemployment of 2.4 million (16.8%) and under-employment increasing 374,000 to 1.52 million (10.6%) in the second half of March.

This means a record high 3.92 million (27.4%) of Australians were either unemployed or under-employed and looking for more work in the second half of March - depression numbers!

Why does it Matter?

If we believe the ABS March unemployment release and not read the fine print, when Australian went into lock-down somehow magically Australians remained employed - magic indeed!

If we believe Roy Morgan many Australians lost their jobs or had hours reduced. This made it clear that unless drastic Government action was taken (taken early April) it was obvious Australia would soon be in a 'depression' as bad as or worse than 90 years ago.

If you're going by the numbers make sure they're the right numbers!

(Following is link to full details on Roy Morgan's March employment and under-employment estimates: <http://www.roymorgan.com/findings/8363-roy-morgan-unemployment-and-under-employment-march-2020-202004080900>)

Note: From Monday March 15, 2020 large gatherings were banned and during the following week these measures were increased as bars, pubs, restaurants and many businesses were forced to close or operate with many of their employees working from home.

FOR IMMEDIATE RELEASE

For the record, the ABS unemployment estimates are always lower than those of Roy Morgan because ABS employs a more 'restrictive' definition of 'unemployment'. The early March data is no different - for the first half of March the ABS estimate of 5.2% is lower than Roy Morgan's estimate of 7.3%.

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