

## The Outlook: September 3, 2021

### ***Headlines versus Facts, Again: the Jobs Report.***

Golden Rules need to be short, or we forget them. Being short, we can always find something wrong with them—but if they deserve to be called “Golden,” they’ll be right far more often than they’re wrong. Here’s the Rule which flashed into our minds today: ***“Never Believe Any Headline.”*** It was triggered by this headline: ***“Economy Sputters in August, Adding Only 235,000 Jobs!”*** The sub-heading beneath that worrisome line was: “Economists Dismayed. They Had Expected 733,000.”

If “Never Believe Any Headline” seems harsh, we might settle for “Distrust Every Headline, Until You’ve Checked It Out.” It didn’t take much checking to disbelieve the “Only 235,000 Jobs!” headline—whose intended impression, of course, was “The Good Times Are Over, Watch Out Below!” Here are a few facts about employment at the end of August.

- There are 10 million job openings in America: a record.
- There are 5 million people who had jobs before the Virus and Lockdown Calamity, who aren’t working today.
- Every survey of business conditions around the country highlights the same problem among employers: “We can’t hire enough people. We don’t have enough applicants. We’re paying more (a lot more, sometimes) and it’s not doing any good.”
- Supporting the truth of those comments, average hourly earnings are up 8% since before the Calamity.

One version of that “Only 235,000 Jobs!” headline was: “Delta Variant Slows Down Hiring!” The story beneath that headline offered nothing at all to support its claim; and ignored the facts above. We readers were supposed to believe America’s desperate employers, who are unable to fill customer orders every day due to lack of workers, took down all their “Help Wanted!” signs last month because they were worried about the Virus. Main Street, thank goodness, mostly glances at headlines, shrugs, and gets back to work. It deals in facts. Wall Street, being what it is, wallows in the daily headlines and the impressions they create *today*—facts come later.

It can be a little bit discouraging, after 44 years, to see the “Never Believe Any Headline” Rule prove itself again, day after day. The nature of the media doesn’t change. But nor does the nature of good investing, whose Golden Rule is: ***“Never Act on Impressions. Understand the Facts.”*** Regarding America’s jobs situation, and regarding economic growth and the health of our companies in general, the fact is that Main Street’s strength and determination to rebuild are swamping the many burdens our Street must carry, while it does the rebuilding. That’s going to be true for a good while longer.

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