

Labor Market Conditions

Published by Applied | Economic | Strategies, LLC

November 3, 2010

LMC No. 2010-7

LABOR MARKET CONDITIONS AND ECONOMIC OUTLOOK

October, 2010

“The private sector is consistently beginning to add more jobs, but not in the industries where most of the layoffs occurred – construction and manufacturing. Although this month’s increases in retail, restaurant, personal services, temporary employment, and health care are welcome news, the transition into these typically lower paying jobs will be difficult for many of the unemployed.”

- The rate of private sector job growth ticked up in October *and for the first time in four years monthly job growth has been above 100,000 for four straight months.*
- All of the job growth in October came from temporary help services (35,000), retail (28,000), other services (25,000), restaurants and bars (24,000), health care (24,000), and education services (19,000).
- Most other industries were relatively unchanged, with manufacturing (-7,000) and local government (-14,000) having the most notable, but relatively small declines.
- In October, the number of people working part-time for economic reasons decreased by 318,000, retracing one-half of its September increase. However, at 9.2 million it remains near its record high and above its level this past summer.
- The unemployment rate remained at 9.6%, however, without the unprecedented drop in the labor force since June 2009 the unemployment rate would be 10.1%.
- Counting the *underemployed*, the unemployment rate was 17.0% in October.
- The unemployment rate has been 9.5% or more for 15 straight months, exceeding the 13 month stretch during the 1982-83 recession.
- The average duration of unemployment increased to almost 34 weeks.
- Since the recession ended in June 2009 the private-sector has added just 147,000 jobs and the labor force has *declined* by 855,000 (see charts below).
- The average weekly hours of all employees rose in October to 34.3, and has retraced over one-half of its decline during the recession. Average hourly and weekly earnings also continued to increase in October.

