

Labor Market Conditions

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LABOR MARKET CONDITIONS AND ECONOMIC OUTLOOK

September, 2010

“The economy is just treading water. The large jump in the number of employees working part-time for economic reasons shows that employers remain reluctant to hire full-time permanent employees until the uncertainty surrounding future labor costs, taxes, regulations, and the level of economic growth subsides.”

- The last employment report before the November elections showed the economy remains stuck in low-gear with the private-sector creating just 64,000 new jobs.
- All of the job growth in September came from temporary help services, health care, and restaurants. Most other industries were relatively unchanged.
- In September, the number of people working part-time for economic reasons increased by 612,000 to a record 9.4 million.
- The unemployment rate remained at 9.6%, however, without the unprecedented drop in the labor force since June 2009 the unemployment rate would be 9.9%.
- There remain almost 5 unemployed workers for every job opening and the average duration of unemployment is still over 33 weeks.
- Yesterday, the BLS reported the new hire rate has fallen back into the range it was in during the last recession (see chart below).
- Since the recession ended in June 2009 the private-sector has lost 104,000 jobs and the labor force has declined by 601,000.
 - Construction has lost 425,000 jobs, manufacturing (-112,000), retail (-100,000), and financial activities (-165,000), and information (-86,000). Local governments have also shed 330,000 jobs since June 2009 as their budget conditions have deteriorated.
 - All other industries have remained relatively unchanged expect for employment services (+381,000 temporary jobs), health care (+307,000), and social assistance (+101,000).
- In September, construction (-21,000), manufacturing (-6,000), and information (-5,000) all lost jobs while temporary help services (+28,000), restaurants (+34,000), and health care (+24,000) gained positions.
- Despite the recent job gains, unemployment rates remain high in a number of industries: construction (17.2%), leisure and hospitality (11.4%), and information (10.8%).

