

Labor Market Conditions

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LABOR MARKET CONDITIONS AND HIRING PLANS

August, 2009

THE U.S. LABOR MARKET CONTINUED TO DETERIORATE IN AUGUST.

- The number of unemployed rose by 466,000 and the unemployment rate rose to 9.7 percent; the rate for adult men is now 10.1 percent.
- The broadest measure of unemployment the BLS publishes now stands at 16.8 percent, up 0.5 percentage points from July.
- The employment rate fell to 59.2 percent; its lowest level since the recession of 1982, and its steepest 12 month decline since the end of World War II.
- The number of payroll jobs fell by another 216,000 jobs in August and the declines in June and July were revised downward.
- The construction and manufacturing industries each lost another 65,000 and 63,000 jobs respectively.
- Only the health care and social services industries saw significant employment gains in August.
- The unemployment rates for employees in many industries are well above 10 percent. For example, Mining (11.8%), Construction (16.5%), Manufacturing (11.8%), Information (10.7%), Professional and Business Services (11.0%), Leisure and Hospitality (12.0%), and Agriculture (13.1%). Other industries were below the national rate: Government (5.2%), Education and Health (6.0%), Finance (6.0%), Other Services (8.2%), Wholesale and Retail Trade (8.8%), and Transportation and Utilities (9.8%).
- The number of Americans working part-time for economic reasons rose by 278,000 in August, back to near the historic high reached in June.
- Finally, the average number of hours worked per week remained near its record low, while the index of aggregate weekly hours fell again in August.
- The only good news in the August report was:
 - The average and median durations of unemployment declined slightly, but remain at historically high levels; and
 - Average hourly and weekly earnings continued to rise.

WEAK FOURTH QUARTER HIRING PLANS:

- According to the latest Manpower Inc. survey of 28,000 employers in 200 metropolitan areas, almost 70 percent of U.S. companies expect no change in their fourth-quarter 2009 hiring plans.
- Although 12 percent plan to increase workers in the fourth quarter, 14% plan a decrease.
- The survey responses resulted in a 3 percent decrease in the overall employment outlook – the weakest level since the report started in 1962.
- The construction and leisure/hospitality industries report "considerably weaker" hiring plans; transportation/utilities and professional/business services predict a moderate decline; and manufacturing and wholesale/retail trade expected a slight decrease in hiring.
- Mining, information, financial activities and "other services" sectors expect hiring to stay relatively stable compared with the third quarter.
- Education and health services were the only sectors to report a "modest increase" in fourth quarter hiring.

INTERNATIONAL HIRING PLANS MIXED:

- In a related global report from Manpower, employers in 17 of 35 countries said they expect more hiring activity in the upcoming quarter. However, 15 countries expect a decrease, with 10 of those reporting their weakest hiring plans in the survey's history.
- Employers in Argentina, Australia, Canada, China, Colombia, Costa Rica, France, Germany, Greece, Guatemala, Hong Kong, India, Ireland, Italy, New Zealand, Peru, Sweden and United Kingdom are anticipating an increase in fourth-quarter hiring.
- Little change is expected in Austria, Belgium, Hungary, Japan, Netherlands, Singapore, South Africa, Spain, Taiwan and United States.
- Less hiring is anticipated in the Czech Republic, Mexico, Norway, Poland, Romania and Switzerland during the fourth quarter.