

# Finance workplace economy

## October 2011

### Jobs report summary for the Finance and Accounting industry

Based on the BLS report with September 2011 data

Throughout the first half of 2011, President Barack Obama maintained his confidence in the nation's economic recovery, promising millions of Americans that, although job growth had been slower than he had hoped for, the nation was still well on its way to eventual economic reclamation. But, after the Bureau of Labor Statistics (BLS) released the jobs report showing that zero net jobs had been created in August, President Obama and his administration realized that a different job creation solution would need to be developed — and soon.

Hence, the conception of the American Jobs Act, a bill proposed by President Obama on September 8. The bill, which is believed to ultimately cost the nation \$447 billion, will utilize a variety of measures, including tax relief, infrastructure spending, and an extension of unemployment benefits, to stimulate the nation's economy, further job growth, and ultimately lower the nation's unemployment rate.

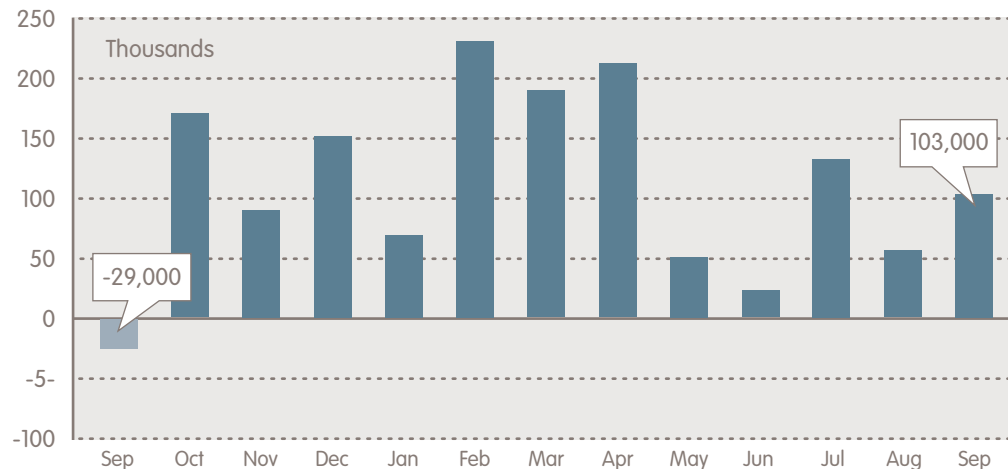
But what exactly has occurred in the United States, in terms of job development and economic progress, since President Obama's bill proposal? According to the BLS's recently released "The Employment Situation — September 2011," 103,000 Americans were hired for full-time positions during the last few weeks, as employment within an assortment of industries, including construction, healthcare, and information, increased quite noticeably.

Still, some facts are impossible to ignore. First, according to a majority of economists, national employers must hire at least 150,000 employees per month — just to maintain the nation's current unemployment rate. In order to begin to notice considerable economic growth, roughly 200,000 to 250,000 jobs would need to be created on a monthly basis, according to projections.

Moreover, nearly 14 million Americans were unemployed in September as the civilian labor force participation rate — the percentage of the population's working age individuals who are currently employed — was 64.2 percent. Finally, the United States' comprehensive gauge of labor

### Hiring begins to rise once again

Monthly payrolls



Seasonally adjusted. Source: Labor Department as seen on CNNMoney.com

underutilization, which includes individuals who have stopped looking for work or are unable to find full-time positions, was 16.5 percent in September – the highest it has been in 2011.

As the nation began to recover from August's lack of job growth, employment increased within a variety of industries, including construction, healthcare, and IT, in September.

The BLS recently released employment statistics regarding the following industries —

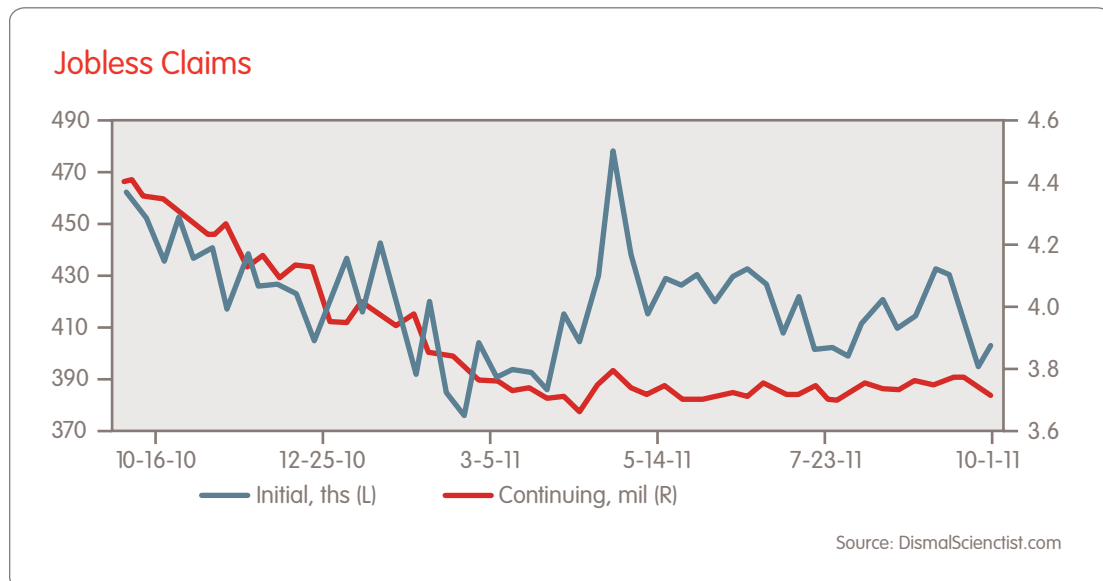
- **Finance and Accounting:** In September, the accounting and bookkeeping sector saw a gain of 3,300 jobs. The financial activities sector, which has fared well during the economic downturn, saw a loss of 8,000 jobs. However the sector saw a gain of 1,400 jobs in the areas of funds, trusts and other financial vehicles, real estate and rental and leasing.
- **Professional and business services:** Employment increased by 48,000 in September, as the temporary help services added nearly 20,000 jobs.

- **Government:** Governmental employment decreased by 34,000 in September, as local governments especially took a hit — employment decreased by 35,000 throughout the month and has steadily declined during the last three years, by roughly 535,000. The United States Postal Service also eliminated approximately 5,000 positions.

- **Healthcare:** Hiring continued to increase within the healthcare industry as nearly 44,000 professionals were lately employed. Ambulatory healthcare services and hospitals especially enjoyed job growth while adding 26,000 and 13,000 new positions, respectively.

### Our Insights:

For the third consecutive month, the national unemployment rate remained unchanged. Although some industries have recently hired thousands of new employees, the 103,000 positions that were added in September are not nearly enough to lower the unemployment rate, as at least 150,000 positions need to be added on a monthly basis to do so.



Meanwhile, almost 14 million Americans are still unemployed — and 6.2 million of these individuals have been unemployed for at least 27 weeks. At the same time, national unemployment benefit extensions are currently projected to expire at the end of 2011.

2.5 million Americans were marginally attached to the labor force in September, while one million citizens were discouraged workers as they had completely given up on their job searches. Another 9.3 million employees worked on a part-time basis since they were unable to find full-time work.

In regards to the national economy, the facts are not very positive. Yet, President Obama, Congress, and the Senate are currently implementing plans to increase hiring and, ultimately, national morale for the remainder of the fourth quarter. As millions of Americans continue to look for jobs, they can only hope economic progress will be steady — and will occur earlier than many economists presently anticipate.

## **Fed Leaves Door Open on QE3.**

Source: CNNMoney.com

Another round of asset purchases could be just around the corner. After the Federal Reserve's recent meeting, they have unveiled plans to sell "short-term Treasuries and buy longer-term debt," also known as "Operation Twist." The Fed is hoping this will further reduce interest rates without having to push more money into the economy.

A few of the policymakers have a different opinion saying, "No further action is needed to stimulate the economy."

## **Congress Approves Trade Pacts.**

Source: WSJ.com

Earlier this month the House passed three different free-trade agreements with South Korea, Columbia and Panama. The House Ways and Means chairman said, "These three trade deals were some of the most important job-creating legislation in the last several years."

The deals had been delayed for the past several years and will possibly be the last of its kind until after the 2012 election. Although, the White House is set "to reveal a framework of tighter trading relationships with East Asia and Pacific nations." There have even been talks about reviving a possible free-trade pact with Egypt but more serious discussions would not take place until after next year's election.

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