

# Workplace Economy

## September 2010

### Summary

The August BLS jobs report marked the third month of decreases in employment with a loss of 54,000 jobs and a raised unemployment rate of 9.6%. As seen in months past, this number was heavily impacted by the ending of US Census jobs with the federal government losing 111,000 jobs.

On a positive note, the loss of 54,000 jobs was much less than many experts expected, and the private sector had a gain of 67,000 jobs. As we look to the recovery, the private sector will be the most important area to watch, as this is what will propel job growth and the economy. As the private sector continues to grow, consumer and employer confidence will follow, leading to a more robust economy.

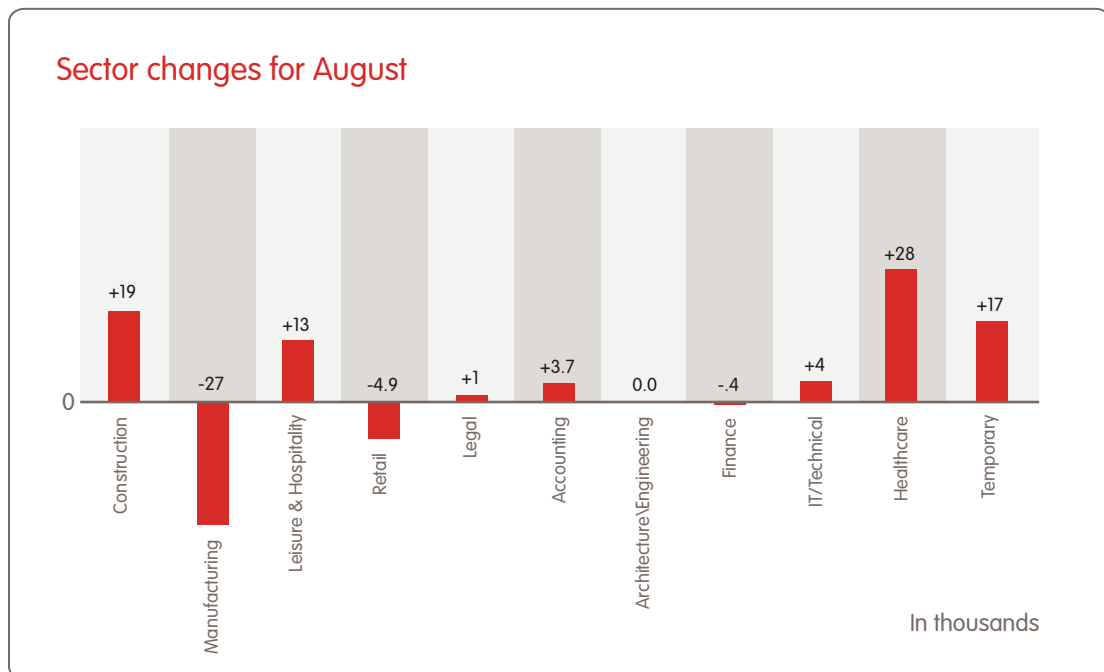
### Sector Insights:

**Temporary Employment:** The July jobs report had a setback of 5,600 jobs, but the August report showed a renewed growth with the addition of 16,800 jobs.

The sector will most likely continue to grow at this pace moving forward as it normalizes after amplified growth in early 2010.

**Manufacturing:** The sector had a loss of 27,000 jobs, which was surprising considering the month-over-month growth that has been seen throughout 2010. We're continuing to see this sector add on a number of jobs — particularly in the auto industry.

**Professional and Business Services:** As the economy recovers and jobs rebound, growth is emerging in the services sector rather than the goods producing sector. In August, the sector added 20,000 jobs with growth in the highly skilled legal, accounting, and IT positions.



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## Adecco Insights:

While many people were starting to discuss the probability of a double dip recession, this report should alleviate those fears with a better than expected overall job loss, and private sector growth.

In early 2010, the economy showed a faster than expected pace, and recent BLS reports are now starting to normalize in job growth, and in the time it will take for the economy to recover. At Adecco, we believe that this pattern will continue, and the economy will strengthen at this new pace.

Additionally, we're finding that our clients are much more optimistic than they were last year at this time. While some hiring managers may have not had the room to hire in 2010 as a result of tight budgets created in 2009, many are starting to look forward to 2011 and boosting staff numbers.

Currently, we're seeing the majority of new employees being brought on as temporary workers, as this is a strategic opportunity for cautious employers to meet business needs in a way that can be easily modified. While permanent hiring has not hit full speed yet, we are seeing a noticeable pattern in temporary employees becoming permanent ones – a trend pointing in the right direction.

## Regional Insights

The largest over-the-month increases in employment occurred in Michigan (+27,800), the District of Columbia (+17,800), Massachusetts (+13,200), New York (+10,500), and Minnesota (+9,800).

The largest over-the-month employment decreases were in North Carolina (-29,800), New Jersey (-21,200), Illinois (-20,200), California (-9,400), and Kentucky (-8,000).

