

Professional Staffing Workplace Economy

November 2010

Jobs report summary for the professional and business services industry

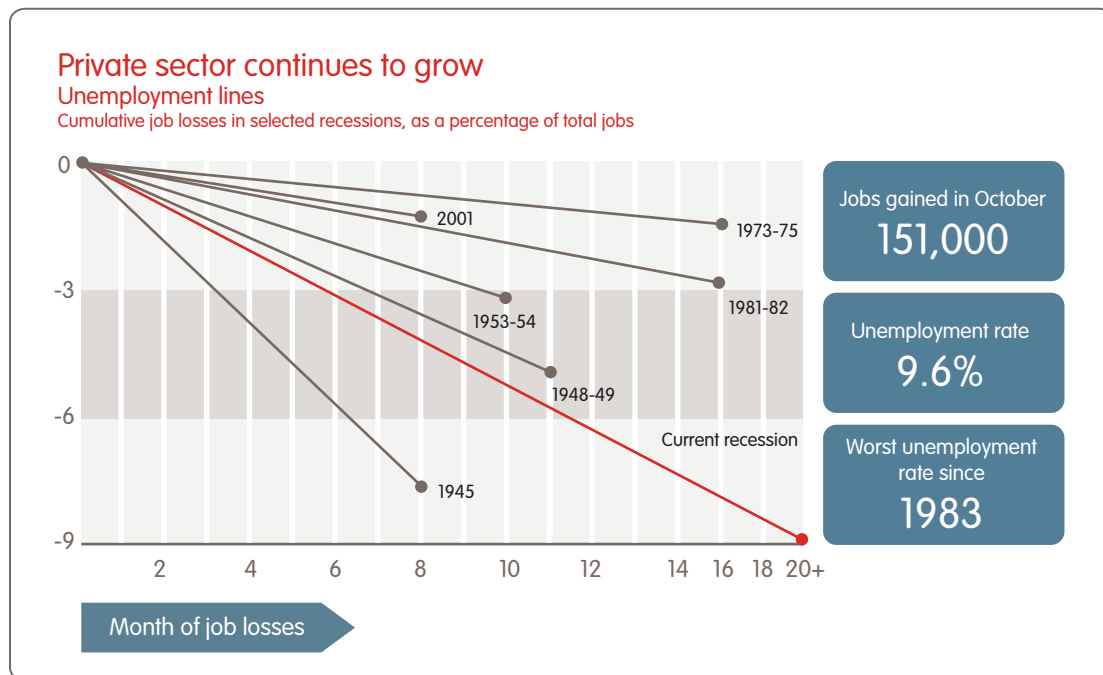
Based on the BLS report with October 2010 data

October's jobs report yields significant private sector job growth. Following several months of staggered job growth, October's report brought some welcome signs of life in the U.S. labor market, specifically 159,000 new private sector jobs. Additionally, and perhaps more significantly, October marked over 1 million new private sector jobs created since December 2009 — a very positive sign that private sector job growth is a significant trend that is starting to put a dent in the declines experienced during the depths of the so-called "great recession."

Sector Insights:

A wide range of industries contributed to these more positive results. These include:

- **Temporary employment:** Since a low point in September 2009, temporary help services has added 451,000 jobs. October certainly contributed to this upward shift, adding 35,000 for the month. These results continue to speak to employers turning to temporary workers to add productivity to their workforce while running as flexible and efficient of a business as possible — not only an effective strategy, but also a good sign that the economic rebound is continuing to take shape.
- **Professional and Business Services:** This sector continues to look positive adding 46,000 jobs for the month.
- **Finance and Accounting:** This sector took another hit with the loss of 1,000 finance related jobs and a loss of 4,700 accounting and bookkeeping jobs. However, we continue to see an increase in jobs within the monetary authorities, depository credit intermediation and commercial banking areas.



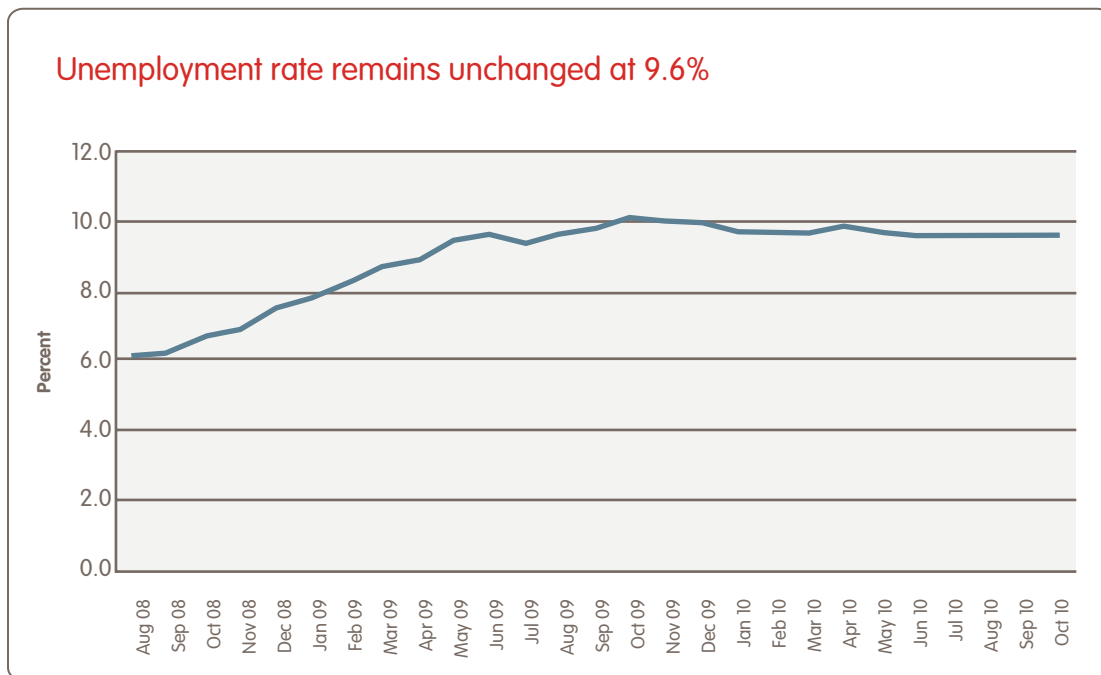
source: Labor Department

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- **Healthcare:** Before, during, and now after the recession, the healthcare industry has been a shining star in an otherwise gray job market situation. For the month of October, the healthcare industry added 24,000 jobs, just beating its average over the past 12 months, which is currently holding steady at 20,000 jobs per month.
- **Retail:** As the holiday season approaches, the retail sector always sees spikes in employment opportunities. As such, the monthly report is always seasonally adjusted to account for these annual peaks and valleys. Despite the seasonal adjustment, this year the sector is performing even stronger than in recent years with employment rising by 28,000 jobs. The most significant job increases were within car sales as well as electronics and appliance sales, both up 11,000 jobs in total.

Despite these positive areas of job growth, there were some less stellar results included in this month's report. This includes a slight dip in public sector jobs, decreasing by 8,000 in October, mainly driven by local government job losses. Additionally, the unemployment rate did remain stagnant at 9.6%, a sign that although jobs are being added to the economy, they are not being created quick enough to counteract the increase in job seekers looking for new employment.

Beyond industry ups and downs, there was some more positive news in the form of hours worked. In October the American workforce spent more time doing what they do best – working. In fact, payrolls were up 0.1 hour – beyond job creation this is seen as a very significant indicator of employer confidence and typically a good indicator that more positive news is on the horizon.



source: Labor Department

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Our Insights:

The pleasant surprise of economists was loudly heard following the release of the October 2010 report. Increased private sector job growth was the most surprising data from the report, indicating the employment picture grew more in October than anticipated for the tenth consecutive month. This employment picture is the best we've seen since May 2010.

An additional positive note is the average weekly earnings increase of \$.05. This not only means good news for employees with more money in their pockets, it indicates consumer spending might pick up furthering subsequent job growth. These earnings combined with average weekly hours increasing gives promise to our current temporary workers. Employers will look to increase temporary and part-time worker hours before they full ramp up full-time staffing.

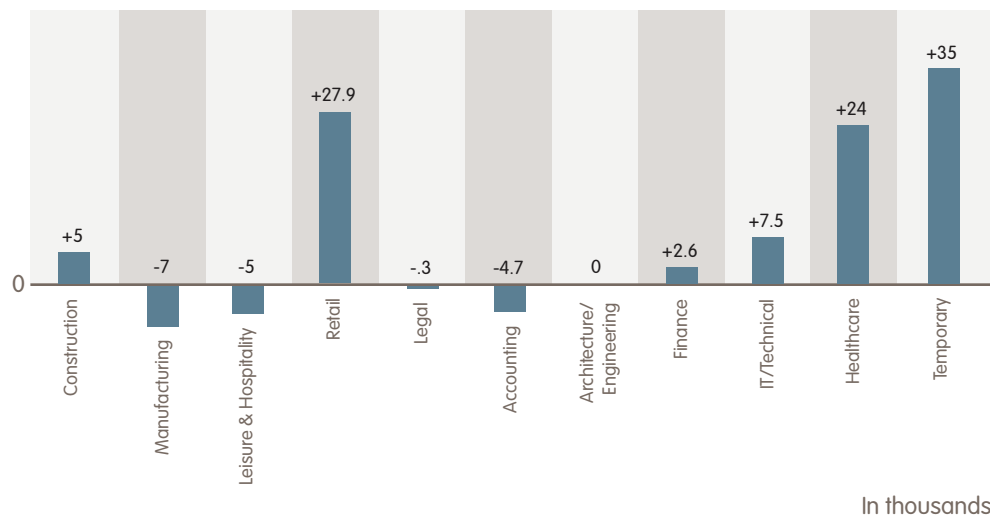
It's important to remember that while this month's report is good news, most economists believe 200,000 -300,000 jobs per month will need to be added to significantly lower the overall unemployment rate to keep up with population growth. The sectors predicted to hire the most in the future are environmental science, IT, legal and medical including nurses and physicians. We recommend our associates look to expand their skill sets into these flourishing sectors for sustainable employment.

Small Banks Crack Down on Money Lending

Source: CNNmoney.com

The mortgage rates may be at its lowest but getting a mortgage may be harder than ever. Smaller banks, those with less than \$50 million in annual sales, have tightened their standards in the last three months. Economists say that these tighter credit conditions are part to blame for the slow economic recovery.

Sector changes for October



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Even after the announcement of a \$600 billion stimulus to boost consumer and business spending, many banks reported a drop in demand for loans, including mortgages, credit cards, and business loans. Banks say they don't expect to loosen their lending standards for the "foreseeable future."

59 Million Americans Lack Health Care

Source: CBSnews.com

More than 59 million Americans had no health insurance for at least part of 2010, an increase of 4 million people from 2009. Some lost coverage due to the economic conditions but many are forgoing medical care due to costs. The one positive piece of news is that the number of children under the age of 17 without coverage decreased 5% (from 10 million to 9.5 million).

Contrary to popular belief, it's not only the poor that are uninsured. In fact, half of the uninsured are over the poverty level and one in three adults under 65 years of age were in the middle income range.

For more insights into the job market and how we can help you manage your workforce needs, please contact your local Ajilon Professional Staffing Representative today.