

Professional Staffing Workplace Economy

October 2010

Jobs report summary for the Finance and Accounting industry

Based on the BLS report with September 2010 data

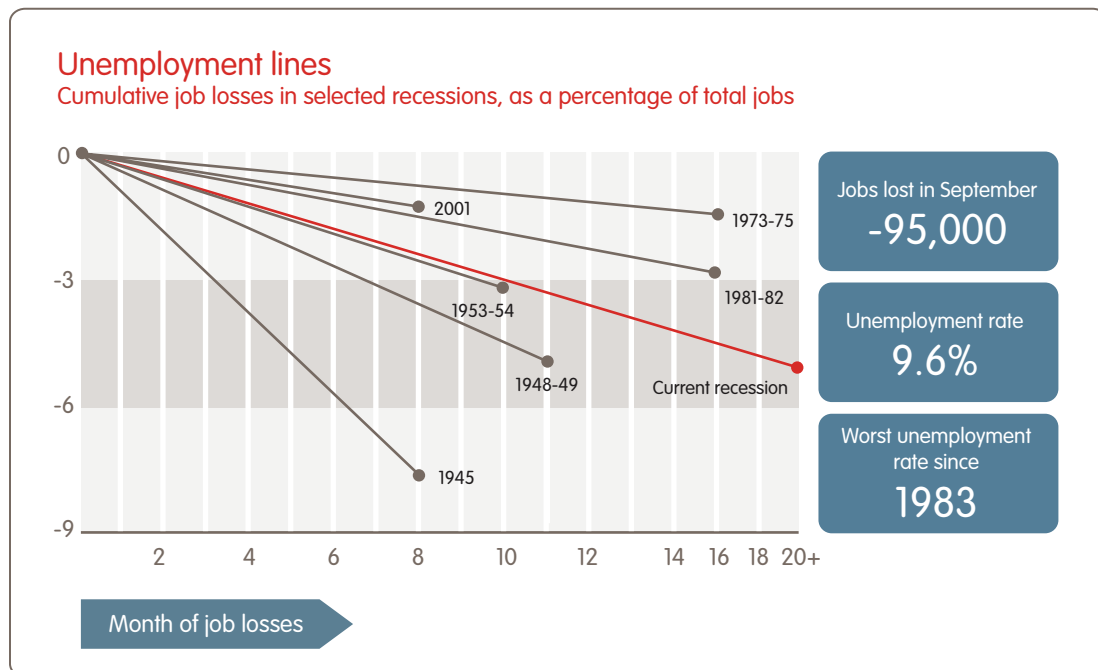
The Bureau of Labor Statistics reported that the US lost 95,000 jobs in September 2010, greater losses than the previous month with the unemployment rate holding at 9.6%. In addition to the government job losses that have remained over the few months due to the close of the 2010 Census, September saw more public sector losses due to state and local government cuts accounting for 159,000 jobs lost.

For the ninth straight month private businesses added jobs hiring 64,000 – a positive indicator, yet a lower total than job gains in the previous two months for the sector. Another bright spot in the report were revisions from July and August 2010 which reported the addition of more private sector jobs than previously reported, an additional 36,000

jobs over the summer. Economists remain fixated on private sector job growth to dictate the upturn of the economy. The private sector growth each month is a positive sign, yet the pace of growth is slower than what many believe is needed to contribute to lowering the overall unemployment rate at a faster pace.

Sector Insights:

- **Financial activities:** Although this sector overall lost 1,000 jobs, there were some promising sub-sectors from commercial banking to real estate, which added approximately 12,300 jobs.
- **Professional and business services:** This sector as a whole looked positive with over 14,000 jobs from legal services, management services, and administrative and support services.
- **Temporary Employment:** 16,900 temporary jobs were added in September 2010. Since the beginning of 2010, over 245,000 jobs have been



source: Labor Department

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added, and temporary staffing remains the best way to judiciously hire as business grows at an incremental rate.

- **Leisure and hospitality:** Among the industries with the biggest job gains were food services and drinking establishments, which added 33,900 jobs in September.
- **IT:** While the IT/Technical industry as a whole lost 900 jobs in the month of September, a bright note, however, is that a division of the sector – management/technical consulting- gained 6,900 jobs. According to a recent estimates, the IT industry is planning to hire the most temporary or full-time employees in Q4 out of all other industries.
- **Healthcare:** Healthcare remained one of the top performing sectors adding 32,000 jobs in September. It is expected the most consistent industry to add jobs to the US economy will

continue to be healthcare throughout Q4.

- **Manufacturing:**

The manufacturing industry lost 6,000 jobs; much fewer jobs than August's losses. The employment picture in the sector looks considerably stronger than it did in 2009.

Our Insights:

Year to date, U.S. businesses have added an average of 96,000 workers a month. The reason we have not seen this impact the unemployment rate is due to the rate of new entrants to the labor force. Private sector job growth brings hope to economic forecasts for job growth, yet the pace will need to speed up in order to see strong unemployment rate declines. With our fears of a double dip recession subsided, we remain watchful and hopeful for future indicators for robust growth. In the next few months, we could see the unemployment rate remain the same even with continued private sector job growth



source: Bureau of Labor Statistics

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as more and more previously discouraged job seekers enter the market.

Equally important to the unemployment rate and job addition numbers, is the length of the work week and average weekly earnings. When the work week begins to extend past the 34 hour per week rate, job growth conditions will be more favorable noting increased productivity and a need for additional hiring. It will be important for companies to extend the work weeks of their existing employees as business demands. As hourly wages grow, so will consumer confidence. As hourly wages increased by \$.01 this month, we only expect modest gains to consumer spending in the upcoming month.

We are seeing an increase of temporary jobs with our clients around the world which remains another positive sign for economic growth. What many economists are beginning to realize is what we have been seeing for some time – flexible work arrange-

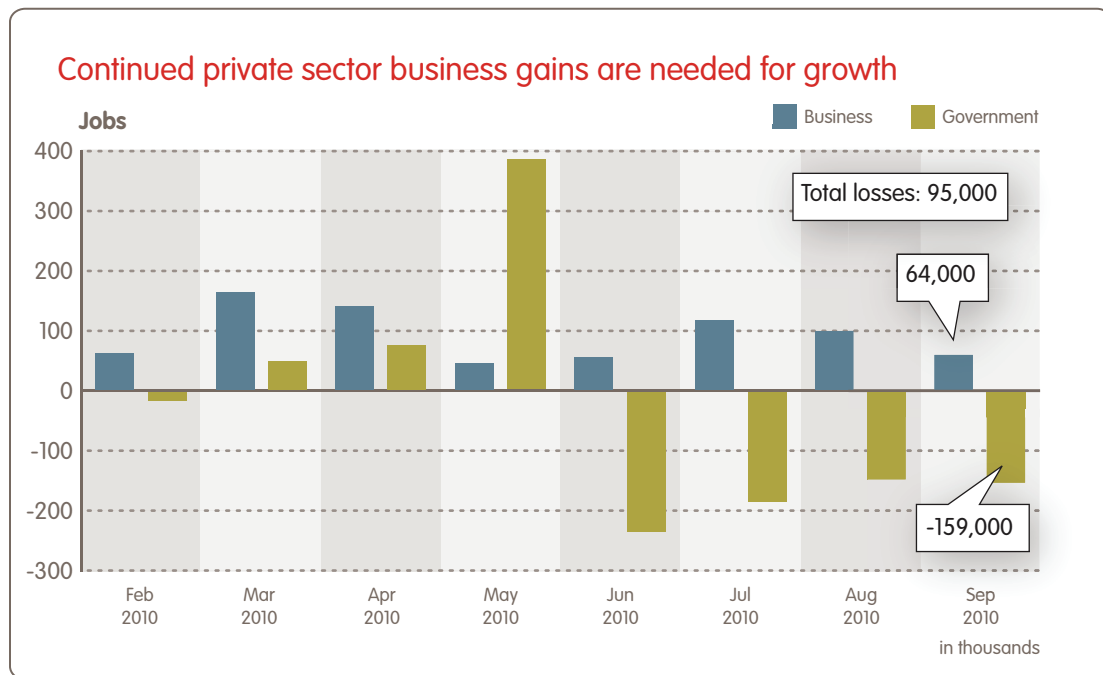
ments are growing in popularity. Where temporary work was previously been seen only as stop gap employment, it now allows both companies and employees the flexibility to adapt to and meet changing organizational and personal career goals.

Fed signals next move to come soon

Source: CNNMoney.com

According to the Federal Open Market Committee meeting minutes, several members of the Federal Reserve are ready to take some aggressive steps to trigger economic growth. But other members think it's too soon.

Normally the economy would get the boost it needs from the central bank but the federal funds rate has been near 0% for almost two years now. The Fed could initiate the purchase of long-term Treasuries which would "pump money into the economy and indirectly lower other rates, such as fixed-rate mortgages and corporate bonds." The



Seasonally adjusted. source: Labor Department

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members who oppose the early action suggest that if this is pursued "in what amount will the securities be purchased, for how long or until what economic goal is met is unclear."

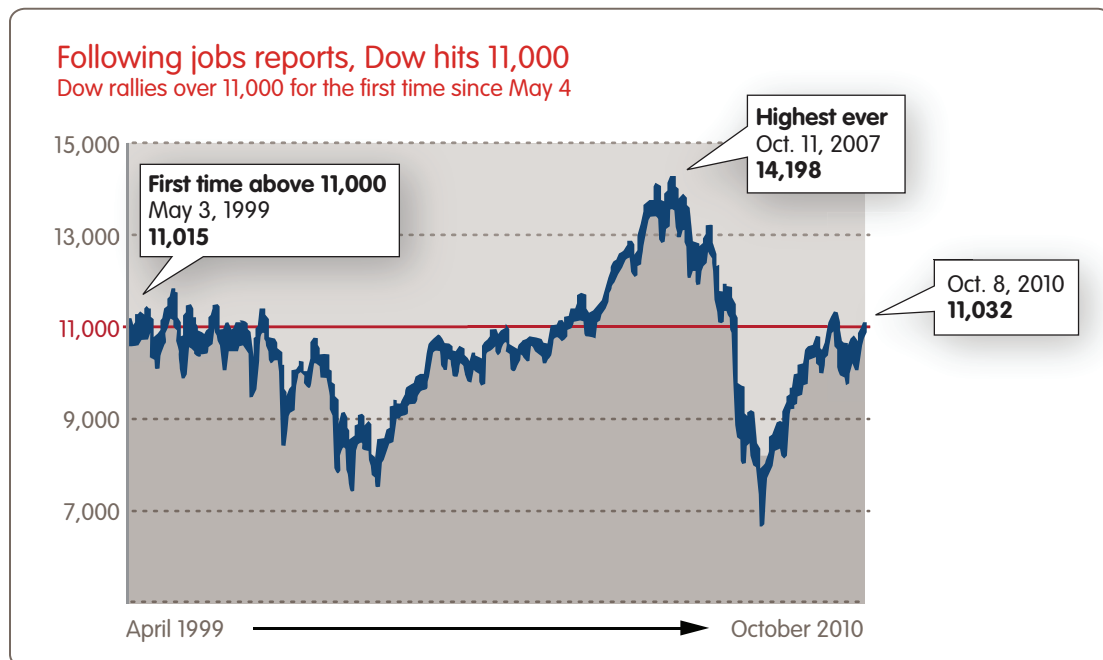
However, the Fed has reduced its economic growth projection for the rest of 2010 and lowered the expectations for growth in 2011. Even with the pessimistic outlook, the Fed is not expecting a double-dip recession.

Foreclosure Fiasco: The latest

Source: CNNMoney.com

The top mortgage service providers are widening their inquiries into the possible mishandling of foreclosures. According to a Morgan Stanley analyst report, nearly 2 million loans are in foreclosure in the "23 so-called judicial states" while more than 1 million are pending in the other 27 states. Currently there are six major mortgage providers researching these irregularities; Bank of America, JP Morgan Chase, PNC Financial Services, Citigroup, Ally and Wells Fargo.

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.



source: Dow Jones Indexes