

UNEMPLOYMENT RATE DROPS AS PAYROLL NUMBERS INCREASE



In November, payroll gains in the United States improved along with the number of American workers who left the workforce pushing the unemployment rate down to 8.6 percent. This number is at its lowest since March of 2009. November saw an increase of employees by 120,000, with more than half of those workers being hired at retailers and temporary agencies. This gain trumps the 100,000 new employees in October. "This is a good report that holds out hope for better things to come," said Joel Naroff, president of Naroff Economic Advisors Inc. in Holland, Pennsylvania. "It's still not so great that anyone should think the labor market is healthy and all is well with the world," he said. The data released has been used by President Barack Obama in an effort to extend the payroll tax cut he claims is needed to reduce the jobless rate further. To go along with the positive signs in the United States, there were some signs from Europe that their troubles might be starting to ease as well. A proposal has been submitted to channel central bank loans through the International Monetary Fund in an effort to fight the debt crisis. The money to be funded is worth roughly \$270 billion, or 200 billion euros. DirecTV has kept a tight noose on its spending and employment because of the uncertainty of the United States' economic outlook. "We're tightening our belts in terms of spending," Michael White, chief executive officer of the DirecTV, said. "We'll cut back on overhead, hiring and programming." The largest United States aircraft maker, Boeing Co., is one of the companies that expanded its payroll in the month of November. The company is headquartered in Chicago and is hiring close to 100 machinists per week as its production has been boosted by 60 percent over the past three years. The reason for the boost in production is a backlog of close to 4,000 aircraft. The unemployment rate in the United States was forecast to sit at nine percent as a result of a survey of households across the country. As the amount of jobless decreased, which was offset by a gain of 278,000 employees, 315,000 Americans exited the workforce due to retirement and other factors that do not count toward unemployment. "While the rate is certainly a very favorable rate, I would highlight that a lot of it is because people pulled out of the workforce," Eric Rosengren, president of the Federal Reserve Bank of Boston, said. Obama claims that the country's economic recovery is gaining steam because of the drop in the jobless rate. Obama also said that if an extension is granted in the payroll tax then it will help to add fuel to the economy. "We need to keep that growth going," Obama said.

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