

STEADY YET SLOW GAINS BEING MADE FOR PRIVATE SECTORS EMPLOYMENT



An employment report for the month of January was recently released by the Automatic Data Process Company. The report showed that there have been steady yet slow gains when it comes down to private-sector employment. In fact, the report shows private-sector employment has grown by about 170,000 jobs. The number of jobs for the month of December was at nearly 292,000. Because there has been growth, progress is being made. While progress is being made, it is being made at such a slow pace; it is hard to be too optimistic about the future and what will happen months from now. However, there are many people who are optimistic because the growth numbers have shown that this is the 24th month in which private employment has grown. That is two years' worth of steady growth. The chairman of Macroeconomic Advisors LLC, Joel Prakken, whose company works on the monthly report as well, has said, "It's really not rapid enough employment growth to quickly regain the previous peak in employment or to regain it even within the next several years. In order to achieve that, we're going to need to see much stronger increases in employment even more than this." The private sector, which included service-providing, had added on 152,000 jobs during the month of January. The goods-producing sector had added on nearly 18,000 jobs during January and just about 10,000 of those jobs took place within the manufacturing industry. Even some of the smaller businesses, those with less than 50 employees, have managed to add on more jobs. In fact, small businesses have managed to add on just about 95,000 jobs. A professor of financing and economics for Rider University, Herbert Gishlick, says that the job numbers provided are not as accurate or reliable as those that are made a little while later, after adjustments have already been made. Gishlick says, "The labor market isn't getting any worse." He also said, "The economy is continuing to creep along, expanding, as opposed to contracting, but it's not the kind of expansion we would like to be seeing because we really haven't recovered to where we were before the recession set in. Certainly, it's better to see jobs growing rather than the number of payroll jobs decline." Gishlick also believes that the participating within the labor force is the major signal about how strong the labor market actually is. And the labor market has actually declined within just the past few years. Gishlick says, "That's the indicator of whether or not people are becoming encouraged about the prospects of finding a job and are getting back into the labor or starting to search, and we have a historically pretty low participation rate."

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