

EMPLOYMENT COSTS INCREASE FOR THE UNITED STATES



The employment cost has inclined during the first quarter in the United States. The cost increased by 0.4 percent, which was less than what was forecasted before. The Labor Department figures showed this information in its study, which was recently, released to the general public. The vast majority of economists were predicting a 0.5 percent increase, or something in between that. Wages earned, along with benefits received, has risen for all workers in the United States, which may show signs of improvement but the percentage is not idealistically what most people want to see. There are still 12 million individuals in the United States who are out of work. Because of this, businesses have had the chance to hire more people without worrying about pay gains. Income growth was weak and that is one of the primary reasons that interest rates will remain low, at least until 2014, as a way of helping the economy. The chief economist for the UniCredit Group, Harm Bandholz, says that wage increases have been small. He believes the primary reason for that is that resources are not necessarily being utilized. Employment rates have increased while unemployment rates have declined but employees are still not really given the opportunity or power to ask for a higher wage, since there are still so many individuals who are unemployed and would graciously accept any type of earning. There were projections that came from tons of different economists and their predictions basically ranged from the 0.3 range to the 0.7 percent range. These economists used a number of different factors, including wages, benefits, and taxes, to be able to figure out their own projections. During the first quarter, wage and salaries had risen by about 0.5 percent but after that, there was a 0.3 percent rise between the next three months that had passed. In 2011, however, during the same period of time, wages had increased by much more, a total of 1.7 percent. The chairman of Genesco Inc., Bob Dennis, says that when it comes to expenses, there are a few things that are going on. In the meantime, it is believed that due to the economy, which is still in recovery mode after such a crippling recession, the federal funds rate will be rather low, at least until 2014 approaches. This is the way of helping individuals to cope during a time where the economy is not as good as it once was and needs some serious improvement. The cost of living in United States did decline a bit one month ago but because it always fluctuates, it is important to do something to protect the people who are living in the United States.