

## EMPLOYMENT FALLS FOR SERVICE COMPANIES



Service companies in the United States, which often employ a large percentage of the individuals, did not expand as much during the month of April. The vast majority of companies ended up seeing less growth when it came down to more orders being placed, along with employees being hired. Last week, the Institute for Supply Management made an announcement, stating that activity within the non-manufacturing sector had dropped from 56 percent in March to 53.5 percent for April. This shows that there was still expansion, but not as much of it. The data was rather mixed, suggesting that the economy is, in fact, growing and recovering after such a crippling recession but that it is moving at an extremely slow pace. And, the government recently made announcement, stating that the number of individuals who were applying for unemployment managed to fall by a large amount, which seems to be something positive, as there are still many people searching for jobs. In the meantime, the mixed result was from the retailer's report, which showed that the sales slowed down during the month of April, especially when compared to both February and March. The Institute for Supply Management survey covers much more than just the manufacturing sector and actually covers retail, health care, construction, and more. While the reading for April was lower than the previous month, many economists are saying that expansion was still made, which is a positive way of looking at it. Expansion has now taken place for over two years, and April made it the 28<sup>th</sup> month in a row. And, even with slower expansion, the activity in factories in the United States did grow at a faster pace than usual; the fastest pace it had grown in almost an entire year. One economist, Paul Dales, says that he and other economist are not convinced that this a slowdown caused by the season of spring, as was the issue last year. The ISM survey did show some information that was considered not so good, as hiring fell to a lower level than it had been for the past four months. However, there are a number of different companies that insist that they are adding jobs and will be continuing to do so within the next few months and throughout the rest of the year. The government plans to make its own report on job growth for the month of April during the end of this week. Economists have already made predictions, believing that only 163,000 jobs have been added during the month of April and also believing that the unemployment rate has likely remained unchanged, staying at the 8.2 percent that it has been at. When the report is released, the economists will know for sure if their predictions matched up.