

MORE LAYOFFS LIKELY TO COME



People all over the nation, from lawmakers on Capitol Hill to people living their day-to-day lives in rural America, are wondering when exactly corporations are going to start hiring again. It is not a new question. As a matter of fact it is one that has been on people lips since the day the recession was officially declared over in September of 2010. Though few people see the economic downturn that began in 2007, as having improved radically the hope that the jobs will begin to come again has been a consistent theme in the discussion of many Americans. Well, bad news. The decision makers and analysts say that this is simply unlikely. With the current instability in the European markets, thank to their debt crisis, many analysts expect that the reverse will actually happen. We all know what that means, brace yourself because more layoffs may be coming down the bend. As a matter of fact some analysts are predicting that the next round of job losses could be rater large. So, what is bringing analysts to these grim conclusions? Well there are a lot of factors but a few are really dragging down the analysis and worrying corporate decision makers. The first issue is the fact that the Standard & Poor's 500 index has gone down, and remained there, since about mid-July. This is a factor that many companies look to when planning their budgets for the coming year. Traditionally poor numbers on the Standard & Poor's 500 index means that companies either don't hire, or they simply begin to get ready to remove staff, in order to make their budgets work for the year. If these numbers make do make companies lay off their staff to stay profitable then it could push the nations unemployment rate back into double digits. Currently the national unemployment rate is an average of 9.1 percent, with some states having significantly higher numbers of job loss. Another big factor in the tensions is are the large-scale bank layoffs that are going to occur in the near future. JPMorgan made an announcement on Thursday stating that it would cut about 1,000 jobs from its investment banking business this year in order to remain profitable. While this may seem like a small-scale loss, when compared to the national economy, but add it to a recent announcement by Bank of America Corp who last month decided to cut about 30,000 jobs out of its work force, and you can see how things get serious. 30,000 jobs are roughly 10% of Bank of America Corp's overall work force. Other companies that made plans to cut staff in the coming months known include AstraZeneca Plc, Level 3 Communications Inc and Verso Paper Corp. According to a survey conducted by the Business Roundtable 24% of the executives of large companies expect to cut jobs in the USA in the next six months. While this news is a little bit tempered by the fact that almost 36% of them said that they were likely to add jobs, though they did not say how many jobs they would be likely to add.

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