

UNEMPLOYMENT DOWN

 BUREAU OF LABOR STATISTICS

Some of you may recall the other day that we had talked about an increase in the number of layoffs happening this year, when compared to the numbers for 2010. It painted a pretty gloomy picture of the things yet to come as 2011 winds down to a close. Well, it looks like some good news has finally come our way. Apparently even though the hiring is still going slowly the unemployment rate has dropped by a significant amount. The rate is currently at a 2-½ year low. According to a report released by the US Department of Labor the number of people on the non-farm payrolls increased by 120,000 and that is a lot of new jobs. These new hires have brought the jobless rate down to 8.6 percent. While for many of us 8.6 percent may not sound like an encouraging number this is actually the lowest that the unemployment numbers have been since March of 2009. "The economy is continuing to head in the right direction," said Millan Mulraine, senior macro strategist at TD Securities in New York told a reporter at The Wall Street Journal. "However, the ultimate test of the sustainability of the recovery is for the economy to create a sufficient number of jobs to sustain a consumer-led rebound in activity." As you can imagine, a fair amount of this hiring is related to the holidays. As businesses bring on more staff in order to cope with the rush experienced in the month of December. The retail hiring actually accounts for about only one-third of the job growth. Because of this the average amount of earnings per worker fell by about two cents. Now, among these numbers are a certain number of people who have been considered as having left the workforce. If you are wondering exactly what that means. The official definition of the term is, "Persons who are neither employed nor unemployed are not in the labor force. This category includes retired persons, students, those taking care of children or other family members, and others who are neither working nor seeking work. Information is collected on their desire for and availability for work, job search activity in the prior year, and reasons for not currently searching." The term is often used synonymously with the term discouraged workers, which is officially defined as, "Discouraged workers are a subset of persons marginally attached to the labor force. The marginally attached are those persons not in the labor force who want and are available for work, and who have looked for a job sometime in the prior 12 months, but were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. Among the marginally attached, discouraged workers were not currently looking for work specifically because they believed no jobs were available for them or there were none for which they would qualify" If you were to remove those people from the survey, since it did force about 315,000 of the people who have had a hard time finding jobs out of the survey this month, you would find that the drop is a bit more modest. The unemployment rate would be at just about 8.9 percent.

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