

THIS HOLIDAY SEASON WILL DEFINITELY SEE A BOOST IN THE NUMBERS OF TEMPORARY JOBS

This is not to say that experts don't understand the fundamentals, only that they have become accustomed to reading and interpreting things from a narrower angle than dumb guys like myself. Considering the long lasting spate of expert economic predictions being proved wrong this recession, and the dumb guys being proved right almost all the time, I guess the opinions expressed here might have value – considering that I am a dumb guy (not an economist), and considering the following hard data. **Retailers have already stocked inventory in volumes higher than in 2007** The ports of Long Beach and Los Angeles report that about 710,000 of goods containers were imported solely in August, and that is more than what these ports imported in the pre-recession year of 2007. Incidentally, the Long Beach and Los Angeles ports handle at least 40% of annual national imports. So, if that is any indication, retailers have already stockpiled a greater volume of merchandise than they did in 2007, when the economy was still doing well. The demand for freight space from retailers have escalated to such a pitch that shipping lines have added vessels to their fleets and freight rates have started to drop with increase in capacity. **The retailers have made a miscalculation** Experts are of the opinion that a fickle economy and gross misinterpretation of statistics by retailers have led to overstocking. Experts believe that a growth in retail sales in March 2010, a 9.1% increase over that of 2009 for the same period, led retailers to miscalculate and order more goods than required, as March is the time for ordering holiday merchandise. I believe the assumption may be correct, but it does not affect the reality of job seekers, even if the mentioned analysis is incorrect. *The fact remains that retailers have more goods stockpiled than in 2007, and they need to clear it and let their capital roll, if they intend to survive in business and not go under.* In retail, there is nothing worse than stagnating capital and stock, for consumer trends can change suddenly and good investment become bad with time. In addition, inflation, interests on loans, and costs for holding and storing merchandise is not going to help the situation. As Robert F. Buchanan, finance professor of St. Louis University's Cook School of Business is quoted by the New York Times in reference to the stockpiling: "That could hurt them come this Christmas, if Christmas is as slow as I think it will be." **The retailers need to sell as fast and as much as possible and for that they need to hire people** Big discounts and sales are going to be there this Christmas without any question, but who is going to handle the sales if retailers put off hiring? Though according to BLS the number of people employed in retail fell by 4.9% in August, it is safe to assume that come Holiday season retailers need to hire just to continue on their feet. In fact, savvy retailers like Toys "R" Us has already reported they are going to hire at least 10,000 more workers this holiday season than the numbers they hired last year. Other retailers like J.C. Penney have also reported that they are going to hire more seasonal workers than last holiday season. To support our expectations, the National Retail Federation has already projected that holiday retail sales will increase, at least by 2.3 percent over their level in 2009. And the recruiting firm Challenger, Gray & Christmas have forecasted that retailers will add at least 600,000 new jobs in the holiday season. So, am I dumb, or those predicting dim outlook for jobs this holiday season dumber? We'll find out soon enough.

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