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U.S. Dept of Labor August Report

September 8, 2009

While the Labor Department's monthly Employment Situation report is probably one of the most closely followed info points at this point in a recession, there are some aspects of it that receive less attention than they might merit.

In August, the unemployment rate and the change in payroll employment they gave us a mixed picture. The unemployment rate increased from 9.4% to 9.7%. On the other hand, "only" 216,000 net jobs were lost which was the least in any month in a year. One might hope that this indicates a brightening picture with job losses moderating.

However, in the report are several other data points including the average workweek for production and non-supervisory workers, which covers 80 percent of total employment on private non-farm payrolls. The average workweek in August was 33.1 hours, just a bit more than in June when it hit the all time low (since 1964) of 33.0 hours. The problem here is that employers' have considerable capacity to expand without hiring any new employees. Without new hiring, it is unlikely that there will be any increase in the office space needed by employers and will also mean that personal income will only grow minimally, suggesting that retail and vacation spending will remain stagnant, hurting the performance of retail centers, restaurants, hotels, casinos and resort properties.

Source: U.S. Bureau of Labor Statistics

Opin Partners, LLC

One Penn Plaza
49th Floor
New York, NY 10001
Tel: (212) 366-6536
Fax: (646) 349-5078
info@opinpartners.com
www.opinpartners.com