

Labor Market Continues to Sway as Employers, Job Seekers Struggle to Hold Grip

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As summer fast approaches and the Obama administration watches and waits to see what effects its economic stimulus efforts might have on corporate hiring activity, daily employment headlines couldn't be more contradictory.

For example, The Conference Board reported May 4, 2009, that online advertising vacancies dropped 131,000 to 3,117,000 in April 2009, according to its Help-Wanted Online Data Series. While March and April declines show moderation from large drops in December 2008 and January 2009, it said, overall declines in labor demand indicate employment has not reached bottom yet.

The latest news from the U.S. Department of Labor (DOL) appears to support both sides of such claims. On May 8, 2009, the DOL reported that unemployment has risen to 8.9 percent. The DOL's Bureau of Labor Statistics also announced May 12, 2009, that employers initiated 3,489 mass layoff events in the first quarter of 2009 that resulted in the separation of 558,909 workers from their jobs. Both the number of extended mass layoffs and associated separations reached their highest first quarter levels in program history, and both measures more than doubled from the first quarter of 2008. Further, only 27 percent of those reporting mass layoffs expect to bring even a portion of those workers back.

But U.S. Secretary of Labor Hilda L. Solis said in a statement announcing the latest unemployment figures that, "As the comprehensive plan of the administration takes hold, we have begun to see signs of recovery. We've seen the financial system and the housing market stabilize. New jobs are being created as ground has broken on thousands of new infrastructure projects in all 50 states."

With the whiplash effect these and other seemingly conflicting reports have on U.S. workers, it is not surprising that only one in eight of 2,401 U.S. adults (12 percent) responding to a recent Harris Poll conducted in April 2009 rated the job market in their region of the country as good while two-thirds (68 percent) rated it as bad.

Ironically, however, this is slightly better than how people described the job market in January and somewhat less pessimistic. In January, only 6 percent of adults said the job market in their region was good, while 76 percent said it was bad, according to Harris Interactive.

Looking ahead six months, almost one-quarter of adults (23 percent) say they believe the job market in their region of the country will be better, while 42 percent say it will remain the same and 36 percent believe that it will be worse. This is also an improvement from January, when just 15 percent thought the job market would be better in six months and about half (49 percent) believed it would be worse.

The degree of concern that more people will become unemployed is reflective of where one lives. The Midwest, for example, is the most pessimistic, with more than three-quarters (77 percent) of all adults there rating the current job market as bad and 40 percent believing it will become worse in the next six months. Easterners are slightly less pessimistic, with 15 percent of poll respondents rating the current job market as good and about one-quarter (26 percent) expecting it to get better six months from now.

Expect Cool Summer (Hiring)

Many employers in the manufacturing and service sectors will keep a lid on hiring and recruiting in May, but staffing activity has improved compared with recent months, according to the Society for Human Resource Management's (SHRM) Leading Indicators of National Employment (LINE) survey. And some workers will find jobs over the summer, according to CareerBuilder's Annual Summer Job Forecast, a poll of more than 2,500 employers that was conducted from Feb. 20 to March 11, 2009.

Nearly a quarter of employers responding to the CareerBuilder poll said they plan to hire summer help, but the competition for those jobs will be stiffer than in years past. While it's clear the tough economy still has a grip on most companies' hiring expectations, the percentage of employers that said they plan to secure seasonal labor is in

line with last year's findings.

Those that land summer jobs also may have a chance to parlay their roles into year-round positions, with more than half (56 percent) of companies polled saying that they would consider summer recruits for permanent placement within their organizations.

When it comes to summer paychecks, 77 percent of hiring managers polled said they will offer the same pay to seasonal workers this year as they did last year; only 9 percent will offer more. An additional 9 percent will offer less, and 5 percent said they were unsure.

Approximately 42 percent plan to pay summer workers \$10 or more per hour, and 6 percent plan to pay \$20 or more per hour. Thirty percent anticipate paying between \$8 and \$10 per hour, while 10 percent expect to pay less than \$7 per hour.

"Summer job seekers face a bigger challenge this year than in years past, as the market is flooded with candidates looking for both full- and part-time positions," said Rosemary Haefner, vice president of human resources for CareerBuilder. "The good news is that many traditional summer jobs are still available, but in this environment, it is essential that job seekers differentiate themselves and demonstrate how their skills can have a positive impact on a business in a short amount of time."

Comparing the industries surveyed, hospitality and retail have plans to bring the most summer workers on board, at 38 percent and 34 percent respectively. Across all industries, the most popular summer positions being offered include:

- Office support – 26 percent.
- Customer service – 18 percent.
- Research – 12 percent.
- Landscape/maintenance – 11 percent.
- Restaurant/food service – 11 percent.
- Sales – 10 percent.
- Construction/painting – 8 percent.