

JOBLESS IN SEATTLE

While the statistics as to the number of unemployed people in the US, as at November 30, 2002, may appear to be somewhat startling to some people, the next batch of statistics from the US Government's Department of Labour, indicating the number of people without jobs in the US for the month of December, is quite likely to be even more startling.

Those statistics will not be released until January 10, 2003, of course, and, between today and that date, anything can happen, including but not limited to a shooting war between the United Nations/US and Iraq.

(In fact, TARGET is surprised that the war has been delayed as long as has, actually)

Whatever may eventuate with regard to President Saddam Hussein of Iraq and President George W. Bush of the USA, however, it is quite likely that the number of unemployed people in the US will exceed 8.50 million workers, over and above the unemployment rate of 6 percent, recorded as being the bottom-line figure of people, without pay cheques for the month of November.

The shakeout in the US economy is continuing.

It would be indeed strange if the unemployment rate did not escalate, further, at least a few more notches, during this period.

It may be of interest for those alarmists, however, to note that the number of workers, who sought unemployment insurance for the week, ended November 30, 2002, dropped from 368,000 workers (the figure for November 23, 2002) to 355,000 workers.

Seasonality may have had something to do with the drop in the number of people, registering for unemployment insurance with the US Government, but the drop was still somewhat unexpected, nevertheless.

In fact, the November 30 figures were the lowest level since February 2001.

Good news?

Maybe not.

Thanksgiving Day/week came late, this year, and the impact of that little, 4-day event, when America gave thanks to its Pilgrim Fathers, means that there will be few shopping days until Christmas.

Further, disregarding seasonal adjustments, the drop in the number of people, seeking to obtain unemployment benefits, seems to fly in the face of the number of people who, of late, have been laid off from their previous jobs, for one reason or another.

And companies, such as UAL Corporation, the parent company of United Airlines – the second-largest airline in the US, a company, which is insolvent, by its own admission, having filed Chapter 11 of the US Bankruptcy Act – is planning to sack thousands of its workers.

The company has to bite the proverbial bullet if it intends to obtain bridge financing in order to see it through this difficult period, one of the most difficult periods in its entire history.

No doubt, in the fullness of time, the number of unemployed in the US, whether or not they will be seeking unemployment benefits, will start to rise again, beginning with the January statistics – or even earlier.

What one has to appreciate is that weekly statistics of this nature are very volatile, and must be considered suspect since they are subject, inter alia, to the vagaries of such things as public holidays and numerous anomalous events.

There are 2 other considerations, also, that should be factored into the equation in respect of the unemployed of the US:

1. About 7.20 million people in the US (not seasonally adjusted) hold more than one job. These multiple job-holders represented about 5.30 percent of the total number of people, who are employed; and,
2. About 1.40 million people in the US (also, not seasonally adjusted) were marginally attached to the nation's labour force, during the month of November. These people reported that they wanted work and were available for work and had, indeed, looked for work at a time(s) within the prior, 12-month period. These people were not factored into the calculations of the unemployed for the month, ended November 30, because they had not actively searched for work in the 4 weeks, prior to November 30. The US Labour Department estimated that the number of Discouraged Workers – as they are termed – was about 381,000, about the same number as was recorded for the month, ended October 30, 2002. It may be of interest to note that anecdotal information appears to indicate that this subset of the number of people, marginally attached to the US labour force, was not looking, actively, for work because there was a generally held belief that there were no jobs available for them.

One could, also, throw another ball up into the air for somebody to try to catch: How many Americans have, already, thrown in the job towel, completely?

There are no statistics on this figure, but it is safe to say that there are quite a number of people in this category of unemployed.

The US Labour Department determined, in its November findings, that the civilian labour force, at 142.70 million people, had declined by about 390,000 workers in a period of just 30 days.

Since September, the civilian labour force in the US has fallen by about 544,000 workers, therefore.

Breaking down, by industry, where some of the bulk of jobs have been lost, and where some gains have been recorded, The Labour Department's findings were:

Manufacturing Employment	Down by 45,000 workers
Retail Trade Employment	Down by 39,000 workers
Services Industry Employment	Up by 50,000 workers
Supply Services Employment	Down by 23,000 workers
Finance Services Employment	Up by 5,000 workers

In respect of the first category, Manufacturing Employment, in the past 4 months, the number of factory job losses totalled not less than 48,000 jobs.

Electronic equipment losses were about 11,000 workers, during the month of November.

In the past 24 months, losses in US entities, engaged in the production of electronic equipment, were said to have accounted for about 388,000 jobs, having been lost.

And so it goes on, and on, and on, and there appears, at this time, to be no indication as to when the sackings at the US workplace will abate and when the good times will return.

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