

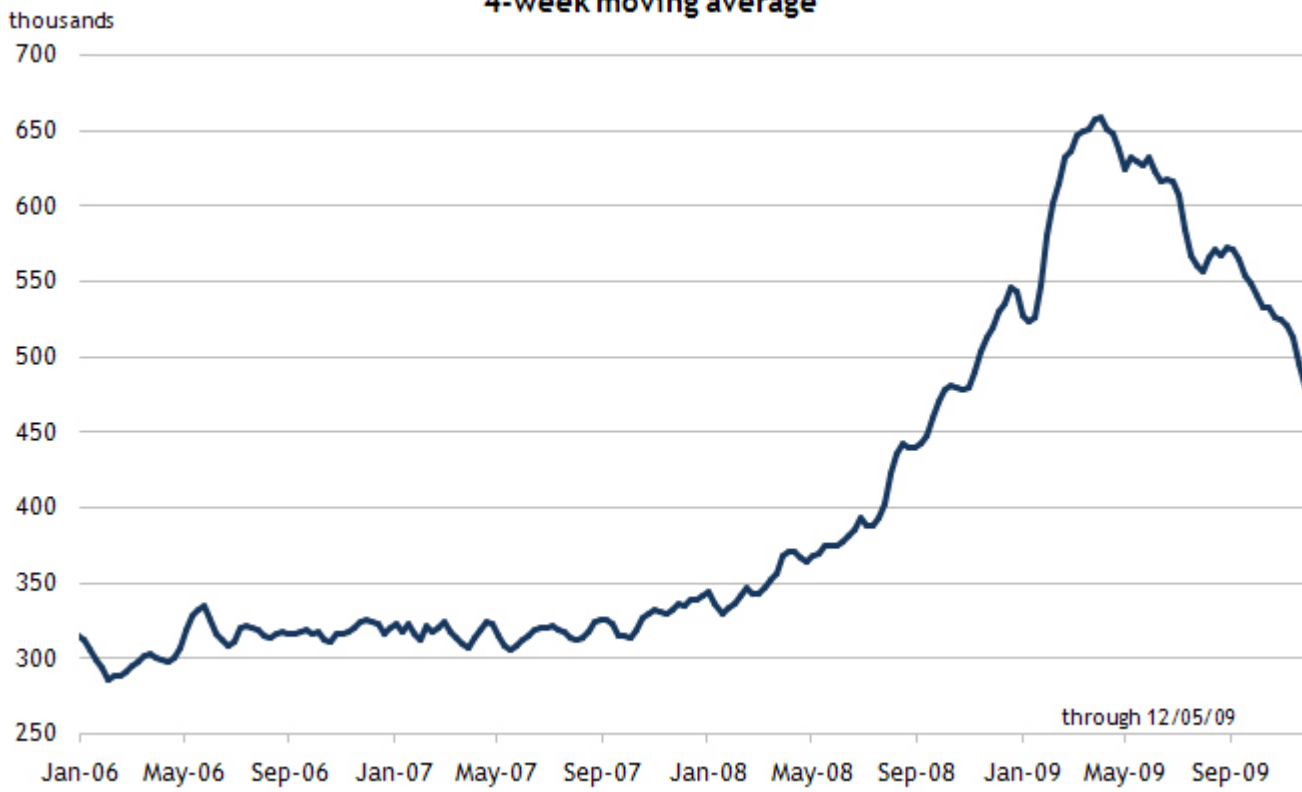
December 11, 2009

### Better news on the jobs front: Layoffs down, temp hiring up

November's employment report released last week provided significantly better-than-expected numbers on the jobs front. Payroll counts declined by 11,000 last month—the smallest decline in two years—and job losses in September and October were revised down a considerable 160,000. The declining number of job cuts is showing up in some other data, too.

First-time claims for unemployment insurance have shown a [clear downward trend](#) since last spring (though there was an unexpected increase during the first week of December). Claims have fallen by 200,000 since peaking in March, dipping by roughly 25,000 in the weeks following the payroll survey alone.

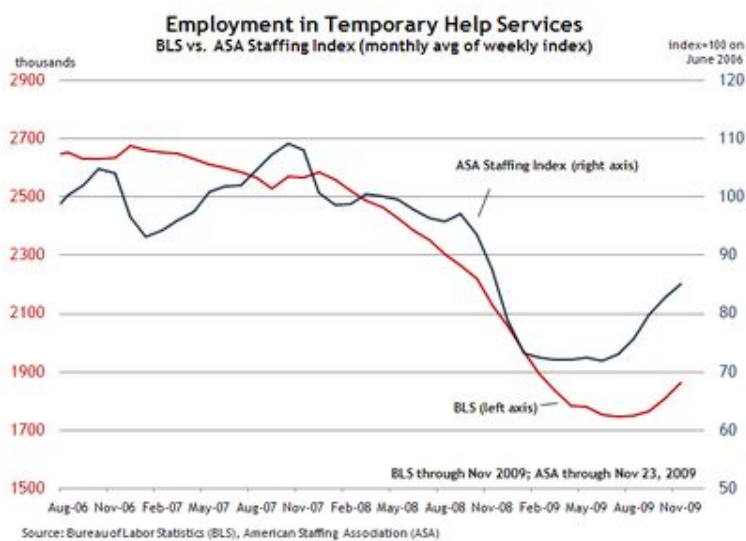
### Initial Unemployment Insurance Claims 4-week moving average



Source: U.S. Bureau of Labor Statistics

While the trend is better, fewer layoffs do not necessarily translate to job creation. On average, the jobless had remained unemployed for a record 28.5 weeks in November. [Tuesday's](#) Job Openings and Labor Turnover Survey (JOLTS) reported another record low hiring rate in October and a continued decline in the number of job openings.

However, even in today's weak labor market there are signs that some hiring is going on, even if it is temporary. The American Staffing Association's (ASA) staffing [index](#) has temporary hiring trending up since July 2009. The U.S. Bureau of Labor Statistics payroll survey showed the temporary help sector started posting gains a month later, adding a net 117,000 jobs in the four months through November.



Source: Bureau of Labor Statistics (BLS), American Staffing Association (ASA)

In the coming weeks, the ASA index will shed more light on the evolution of temp demand ahead of the December payroll report. Temporary employment is typically regarded as a leading labor market indicator—the intuition being that firms tend to hire temps or increase the hours of current employees before committing to permanent workers. The combination of fewer layoffs and more hiring provides some welcome news—but within the context of two years of job losses.

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