

Hiring To Lag Behind An Economic Recovery

By: Vanessa Vidal

While experts are pointing to signs of a possible economic recovery in 2010, they are nevertheless anticipating hiring to lag behind an economic recovery. "Unemployment won't peak until this time next year, and then it will remain very high through next year," said Mark Zandi, chief economist for Moody's Economy.com. "It won't get back to full employment until 2013 or 2014. This really speaks to the severity of the job losses that have been absorbed by the economy. They were massive."

Since the recession took hold in December 2007, the U.S. economy has lost 5.7 million jobs, a rapid decline that caught administration and other economists off guard. Since January 1, 2008, 12,542 legal professionals have been laid off by major law firms according to Law Shucks (4,874 lawyers/7,668 staff). In recent months, the velocity of job losses has slowed substantially, which, combined with a rising stock market and increases in consumer spending, has offered hope that a recovery is beginning to take hold. But employers still cut 345,000 jobs last month, while the nation's growing working-age population requires the job market to expand by 125,000 to 150,000 a month just to keep the unemployment rate stable.

The U.S. unemployment rate climbed to 9.4 percent in May, the highest level in more than a quarter century, according to statistics released by the Department of Labor on Friday. The jobless rate jumped by a half a percentage point over April, as employers shed 345,000 positions overall. Over 14.5 million U.S. workers are now officially unemployed. Seven million of these, or 4.5 percent of the workforce, have been without work for 15 weeks or longer—the largest proportion of the workforce since before 1948, when the government began tracking the figure. Many economists have said that when an economy recovers, the last segment to pick up is employment. Even with several signs pointing to an economic recovery in the relative near term, some forecasts project unemployment will still hit 10 percent by the end of the year or the beginning of 2010.

What does this mean for the score of unemployed still pounding the pavement? The road back to economic prosperity is still a long and arduous one, and it will likely take several more years before we see a pre-recession hiring market again.

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