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**All highlights are mine.**

All times ET.

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### **June Non-Farm Payroll.**

Conclusion: (I like to work backwards sometimes. You? ☺): **This is a pig in a poke if ever there was one.** So we'll lay this on you, to set the mood:

The biggest add was Leisure & Hospitality, +75k. The average hourly wage for these workers was +.02 m/m (vs. the national average increase of a dime per hour) to \*\$13.46 and the average number of hours worked in L&H is flat at 26.1. Has been all year long. Highest it has been since 2006 as a matter of fact, is 26.4. *Once*, in December of that year. KMA.

\*\$13.46 includes *all* workers in L&H. If you break out just those in non-supervisory positions (the mother lode no doubt), the average hourly wage is unched m/m at a whopping \$11.75 per hour for an average gross weekly income of ... siddown ... \$294.93.

There's your big add. There's the hot, steamin' workforce behind our GDP growth. SOS.

Line by line, mental red flags are raised. I just wish that the masses had a better understanding of how the numbers are compiled and presented. Alas, I realize that's a pipe dream. And so the Talking Heads seize upon the reality of ignorance as a ripe opportunity to spread their propaganda.

**This report stinks, when fine-combed for cooties.** Any questions? Good. Keep readin'.

The long-term unemployed (6 months +) account for 36.7% of the total number of unemployed. That number is basically unched at 4.3 mil. I hope you understand how uninspiring this is.

**Labor Force Participation Rate was +0.1 to 63.5%. June of 2012: 63.8%.**

**My favorite, the Emp: Pop Ratio (because it's a no-frills stat) also eked out +0.1 to 58.7%. June of 2012: 58.6%. This baby is flat-linin' for so long, it's gettin' stupid. The lack of progress as demonstrated by this ratio is dispiriting to say the least. A reminder that this indicator continues to hover near a 30-year low. Where's the freakin' progress, eh? Right. This is the darn percentage of US adults who have a lousy job. Ugh.**

And as you already know, there were some hairy-canary figures in the **Involuntary part-time category. We now have 8.2 million Americans workin' part time who want full time. That number is +322k in the month of June.** Shame on us.

This Involuntary part-time is a large part of the reason, then, that the U-6 jumped a whopping 0.5 to a rate of 14.3%. Let's see the Talking Heads get around on that klinker, eh?

NB: These part-timers hit the payroll figures BEFORE Obama postponed the implementation of Obamacare for political reasons. So since this number includes poor slobs who had their hours cut back (as well as the new hires who got the hours that were cut back) ... we have to thank the threat of the old Obamacare deadline as at least a partial culprit here. This is just so over the top, I am having trouble seein' straight.

Will this reverse itself out now that Obamacare has been postponed for employers? I highly doubt that.

But even if it does, please remember that this is a zero-sum game. Unfortunately, the players are human beings with households to support. Nevertheless, it goes like this: one worker w/ forty hours becomes two workers w/ twenty hours. On reversal, one worker gets fired and the other gets the remaining 20 hours back. See what I mean? SOS.

Where did we create jobs?

**Leisure & Hospitality:** \*+75k. L&H added an average of 30k per month in 2012. Now look at how this sector is faring this year: Almost freakin' double at an average monthly add of 55k. You getting' this, Harpo, or what? \*Wanna' laugh? On a NSA basis, L&H added 446k. Seeing this made me look for the contrast in the subset "food services and drinking places" to get a better handle on what kind of workers we are, in fact, hiring in terms of personal financial strength:

SA: +51.7k                  NSA: +139,500

No, I didn't make this stuff up. That's a boatload of bartenders and wait personnel. How many of them are also "seasonal"? Right.

And since it's June, "amusements, gambling and recreation" hired 19k. (NSA: +198k).

You think these are permanent, high-paying jobs? Take a ticket and hit the button to start the Ferris wheel? SOS.

NB: For those who are inclined to interject here "Hey. Wait a minute. Hiring a ton of barkeeps and hash-slingers is a sign of more robust consumer spending. Which bodes for GDP growth."

I respond with this: Citi, to name just one hot bank, introduced a “Simplicity Card” which offers zero % on purchases and transfers for 18 months. (After that you pay a range of 12.99% to 21.99%, depending on credit rating.) Alas, how many think that far out, right?

So, “set ‘em up, Joe”. *And tell the Cabana Boy to bring a crab cocktail with that martini.*

**Retail Trade.** I like this one as it’s so entertaining.

First, please recall that Home Depot and Lowe’s et al had promised mass hirings to begin in the spring (which they call their Christmas season).

Keeping that in mind, Retail added 37k in June.

9k of that was in building materials and garden supply stores. So let’s take a look at Lowe’s for example.

In January, they announced that they would be hiring 54k bodies for the spring season. They broke that down as follows: 45k “seasonal” and 9k permanent. **All 54k were promised to be Part-time.**

So when the “seasonal” is over, I guess we can expect at least a multitude of those 45k to hit the skids again. See what I mean?

Which is a great segue into this bit:

The Construction industry keeps bellyachin’ about a shortage of workers, right? And when we hear “shortage” in that context, we think of a hot, steamin’ bull-move in construction, right? To satisfy all of that “pent-up demand”! But that’s not quite the reason there is a shortage of construction workers for the nonce.

Small construction firms are hesitant to hire because they got burned so badly. And while the big ones are cautious, too, they have other concerns. To wit: new immigration laws/fines if they should be duped into hiring illegals. That’s the E-Verify program we’re talkin’ about. Which applies to firms with 25+ workers.

An example:

... “Research suggests some of those workers might no longer be in the area. The Pew Hispanic Center counted an estimated 250,000 unauthorized immigrants in the North Carolina labor force in 2010, then one of the biggest such labor pools in the nation.

However, the center in 2012 noted that net migration flow from Mexico to the United States had stopped and might even have reversed.

Among the causes given: the sputtering U.S. job and housing construction market.” ...

<http://www.charlotteobserver.com/2013/07/04/4147986/homebuilders-grapple-with-worker.html>

So where the heck are the legal construction workers?

... “Miley said construction work in Charlotte hit such a low around 2010 that many carpenters, electricians, plumbers and other skilled tradesmen either left the area or moved on to other jobs.

“I know a number of them who went to work for Lowe’s or Home Depot, but that was a big hit financially,” he said. ...

A big hit financially? In the broad sense, yep. But from zero last week to paycheck this week? Methinks not. Yet if these tradesmen, many of whom were financially burned beyond recognition, can get back in the usual saddle and work construction at a higher wage, then this would be an economic positive. I suspect though, that many have foregone expensive state licensing in the meantime (no scratch) and are happily working under the table. At whatever. There’s always Disability if that doesn’t work out, eh? You bet. ☺

What else about NFP?

**Healthcare.** An old standby. +20k. Most of that was doctor’s offices which they call “ambulatory” or 13k. Have you been to a physician lately? Notice that the office more closely resembles a command post instead of a reception area? They’re busy on the latest, fanciest computers. Which likely have been paid for by a \$65k tax-payer subsidized stipend. Which they have received to pay for said equipment. In exchange for participation in creating EMRs. Electronic Medical Records. On each and every one of us, including “ethnicity”. Which will be stored. And never hacked, mind you. ☺ By HHS in DC. KMA. Don’t get me goin’ on this. Puh-leez. So there’s your 13k new hires at doctors offices. *Spies.* ☹

**On a bright note**, the federal government dropped another 5k workers, bringing their 12-month total to -65k.

... “Employment in most other major industries, including mining and logging, construction, manufacturing, and transportation and warehousing, showed little change in June.” ...

Straight from the horses mouth, right? Nothin’ shakin’ in other major industries. Nice touch.

What about wages? This is weird. June’s average hourly wage added a dime to \$24.01 or .04. Y/y, the wage increase is now running at +2.2%.

This wage increase perplexes me. So I pulled all the categories and checked out the hourly numbers. The increases are broad-based. Warehousing/Transportation was up by tiny and Utilities actually dropped a couple ‘o pennies. Other than that, every body else got increases. So the dime is explained. But since it is so broad-based, could this be related to cost of living? I sure as hell hope not.

They also track what the peons make (non-supervisory). They got an extra nickel to \$20.14.

Revisions: Net add of 70k bodies. So now we can compare:

Q1 average: +207k Q2 average: +199k.

Okay. I've had about a belly full of this nonsense. You? Right.

**Anybody who thinks this is a good report is touchin' himself. Feel free to jot that down.**

Here now is where the rubber meets the road: <http://www.epi.org/publication/ib368-basic-family-budgets/>

### **What Families Need to Get By The 2013 Update of EPI's Family Budget Calculator**

By [Elise Gould](#), [Hilary Wething](#), [Natalie Sabadish](#), and [Nicholas Finio](#) | July 3, 2013

You may wanna' give this a gander. It suggests how much income typical households need to stay afloat. Which is quite timely given the slew of crap jobs we created in June.

Tease: ... "The basic family budget for a two-parent, two-child family ranges from \$48,144 (Marshall County, Miss.) to \$93,502 (New York City). In the median family budget area, Newaygo County, Mich., a two-parent, two-child family needs \$63,238 to secure an adequate but modest living standard. This is well above the 2012 poverty threshold of \$23,283 for this family type..."

Given the quality of jobs this economy is spewing forth and given what it takes to survive financially, no wonder our safety nets are unfurled to the breaking point. With extra strain added by the politically-motivated manipulation implemented on the eligibility means-testing, non-existent vetting and egregious lack of consequence meted out for rampant fraud.

I haven't looked at the screen in over an hour. So now I'm gonna' surprise myself and take a peek and see how the Street is spinning today's klinker report, hot headline notwithstanding.

Gap up 10 handles. And gave 'em all back in the first 45 minutes of trade.

Your call. Just remember: QE or not to QE has nothing to do with the economic reports IMHO. This is about The Bernank wettin' his pants and runnin' for the calendar.

Now that Draghi and Carney are talkin' a soft game, the stakes are even higher as to *when, how, if* he actually pulls the trigger. Stop. Start. Don't forget. Is also part of the FED's repertoire. ☺

Don't say you ain't been warned.

Have a nice weekend. ☺

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