

Americans gloomy as unemployment rises

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As Americans lose more confidence in the economy, retailers who are already hurting may be facing a gloomy back-to-school shopping season. The worries about the job market is making them more cautious about spending money. This means fewer jobs for those hoping to pick up at least part time work in the retail market.

The Conference Board reported on July 28, 2009, that consumer confidence has fallen to 46.6, down from 49.3 in June, the second straight month that it has decreased.

Even the happy talk about an increase in real estate and the stock market has done little to impress the public. They are more concerned about the lack of jobs, weak job security and reduced working hours. Economists believe that the job picture, not housing sales, is the vital factor in boosting confidence.



The labor department will release its month jobs report is expected to show and increase in unemployment from 9.5% in June to 9.7% in July. In many states, it has already reached over 10% and in Detroit, the figure is close to 17%.



It hasn't helped that on July 27, Verizon Communications Inc. said that it plans to cut more than 8,000 employees and contractors jobs before the end of the year.



It appears that since June, American consumers have stopped believing that, like the 8% unemployment figure projected by President Obama, the reality is that in the real world, things are not really getting better for job seekers. With 70% of economic activity depending on consumer spending, it is evident that a lot of belt-tightening is still going on.

Recent surveys by the Gallup Poll show there is a growing skepticism among Americans about the government stimulus plan and that is effecting the necessary confidence for even those who can afford it to start spending again.

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