

TrimTabs Estimates U.S. Lost 335,000 Jobs in August and 5.9 Million Jobs in Past Year

Posted on : 2009-09-02 | Author : TrimTabs Investment Research

News Category : PressRelease

Massive Job Losses Lead to Big Drops in Wages and Savings: Wages Fall 4.1% Year-over-Year in August, and M2 Savings Drops Record \$94.6 Billion in Past Three Months SAUSALITO, Calif., Sept. 2

SAUSALITO, Calif., Sept. 2 /PRNewswire/ -- TrimTabs Investment Research estimates that the U.S. economy lost 335,000 jobs in August, which is nearly 50% more than the current consensus estimate of 225,000 jobs lost. In the past twelve months, the U.S. economy has lost 5.9 million jobs, the largest annual job loss in records dating back to 1970.

"A full year has passed since AIG and Lehman Brothers collapsed, yet there is no end in sight to massive job losses," said Charles Biderman, CEO of TrimTabs. "The economy lost at least 300,000 jobs in each of the past 12 months."

TrimTabs' employment estimates are based on analysis of daily income tax deposits to the U.S. Treasury from all salaried U.S. employees. Historically, TrimTabs' employment estimates have been more accurate than those of the Bureau of Labor Statistics.

In a research note, TrimTabs explained that large job losses are contributing to huge declines in wages and savings. Based on daily tax deposits to the U.S. Treasury, wages plummeted 4.1% year-over-year in August, matching the decline in Q2 2009.

TrimTabs also pointed out that M2 savings--which consists of bank savings, small-denomination certificates of deposit, and retail money market funds--dropped \$94.6 billion in the past three months, the largest three-month decline on record.

"Consumers are yanking record amounts of money out of savings vehicles as they cope with the worst economic slump since the 1930s," noted Biderman. "The report from the Bureau of Economic Analysis that the savings rate was 4.2% in July is dead wrong."

TrimTabs explained that massive defaults on mortgages are spreading to commercial real estate loans, credit cards, and commercial and industrial loans, dashing widespread hopes for a quick economic rebound.

"While many investors are convinced the recession is over, real-time indicators show the economy has not yet bottomed, let alone started to recover," said Biderman.

TrimTabs Investment Research is the only independent research service that publishes detailed daily coverage of U.S. stock market liquidity--including mutual fund flows and exchange-traded fund flows--as well as weekly withheld income and employment tax collections. Founded by Charles Biderman, TrimTabs has provided institutional investors with trading strategies since 1990. For more information, please visit www.TrimTabs.com.

SOURCE TrimTabs Investment Research

<http://www.earthtimes.org/articles/show/trimtabs-estimates-us-lost-335000,945752.shtml#>