



We Could All Use A Vacation Right Now; And Firms Are Staffing Up To Help

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When the Labor Department released its monthly jobs report Friday, it showed a hiring surge in June, with 287,000 new jobs popping up.

And the report suggested something else: we're spending more to have fun.

Dig down into June's numbers and you'll find the hiring boom was helped by consumers spending money on good times. For example, in the "food services and drinking places" category, employers hired another 22,000 workers. But it didn't end there; check out the "fun" places where employers added jobs:

- 14,000 in performing arts and spectator sports
- 11,400 in amusements, gambling and recreation
- 9,200 in accommodation

Maybe you're thinking: well, it was June. Hiring always goes up in those three "fun" categories as the vacation season heats up. But that's not true. Last June, jobs actually shrunk in those sectors.

Travel experts have long been predicting that summer 2016 would bring more fun.

For example, in May, Airlines for America, the trade group for major carriers, predicted that 231.1 million passengers would board U.S. airlines this summer — a 4 percent increase from last summer's record number. And last month, AAA, the auto club, said this summer's driving season would "set new records for both gasoline demand and vehicle miles traveled."

Now those predictions are turning into real spending and more jobs. "I have more and more work as a tour guide," said Karen Pohlmann Miller, a member of the Guild of Professional Tour Guides of Washington D.C.

She said weekends are especially strong this summer. "I'm going to be showing them the monuments and memorials, Capitol Hill and the White House," Miller said.

Economists say there are lots of reasons why consumers are in better shape. For one, they have bigger paychecks. Friday's report showed average hourly earnings are 2.6 percent higher than a year ago.

At the same time, energy costs have been falling, especially at the gas pump.

On Thursday, JPMorgan Chase Institute published a study that showed middle-income households saved an average of \$477 on gasoline in 2015, compared with the previous year. The savings will continue. AAA said on Friday that the national average for a gallon of gas has fallen to \$2.25, compared with \$2.76 one year ago. And here's another plus for consumers: Interest rates have plunged recently, making it cheaper to borrow money. Many families are refinancing their mortgages to lower monthly costs. Others are borrowing with cheaper home-equity loans and credit cards.

So Americans are feeling more comfortable about spending. The Conference Board's consumer confidence index rose to 98 in June, up from 92.4 in May.

Erik Davidson, chief investment officer at Wells Fargo Private Bank, said he sees good times. "The unemployment rate is low; inflation is low; interest rates are low," he noted. "Someday we'll look back on these times and say: 'Those were the good old days.'"

But other economists worry that June's joy could wilt quickly.

That's because June can be a "noisy" month, with data getting distorted by graduates pouring into the job market. And May's hiring was far, far slower, with only 11,000 jobs created, so maybe the economy is getting too volatile, running too hot and then too cold.

Bernard Baumohl, chief economist for the Economic Outlook Group, wrote up his reasons for wariness. He said that while the economy may look good on the surface, companies may not keep hiring: "When you have to contend with the wackiest U.S. presidential campaign in modern history; the consequences of the Brexit vote on the U.K. and Europe; a puzzling Federal Reserve interest rate policy; an emerging bond price bubble; another looming banking crisis in Italy; China's still shaky economy; the collapse of the Brazilian and Venezuelan economies and at least half a dozen serious geopolitical threats that can erupt anytime."

Now, did that just take the fun out of your weekend?

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