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Jobless executives prove drag on recovery

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Holly Dary works in the Madison office of the Robert Half International professional staffing agency and is happy to report an uptick in activity. That's the good news this week.

"We've seen so many cutbacks over the past 12 to 18 months, companies are starting to find they need more people," says Dary.

So what fields are actually hiring these days? Health care, of course, along with accounting and property management.

Dary says accounting firms in particular are finding themselves short of CPAs as tax season draws nearer. What's the old line that accountants make money whether you do or not - kind of like stock brokers?

"I think what happened was either these firms didn't hire as aggressively or had laid off too many people," she says. "Now they are looking to fill some positions."

The bad news is that the slow road to recovery may prove even slower since so many job seekers are indeed white collar workers.

And the inability of higher-earning professionals to find jobs will be an increasing drag on consumer spending and further hobble the economy, according to Chicago-based Challenger, Gray & Christmas, Inc.

"White-collar workers make up about 60 percent of the labor force and their higher earnings give them spending power that is invaluable to the economy's health," says CEO John Challenger in a new report.

An analysis of Bureau of Labor Statistics data found that of the 5.5 million Americans out of work for 27 weeks or more in September, 46 percent previously held management, professional and related occupations. By comparison, white-collar workers accounted for only 30 percent of the long-term jobless during the 2001 recession.

Put another way, when poor people are out of work it doesn't matter so much to the overall economy because they don't have much money to spend anyway. But when a manager used to making six figures is unemployed, that's money not being spent on a new car, a new furniture or season tickets to

UW football games.

Even high-wage earners who've kept their jobs are holding tight to their wallets. A recent survey by IBM found that 59 percent of respondents earning \$100,000 or more have made significant spending cuts because of the economy.

But a bigger question no one is asking is whether an economy based 70 percent on consumer spending is flawed to begin with.

Americans since the 1980s have been played for fools with easy credit and cheap money to buy a lot of crap they likely don't need.

What's the "new economic model" if consumers finally wake up and decide to save like Grandma always said?

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