



A woman walks up to the United Parcel Service booth at a job fair in Chicago, Illinois. UPS said it was adding up to 95,000 holiday workers to avoid last year's debacle when it and rival FedEx were overwhelmed by an online sales surge.

US stores hire big with high hopes for holiday spending

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US stores and shippers are ramping up holiday hiring to potentially the highest level in 15 years, but no one is sure whether that will be answered by a burst of shopping.

Package shipper FedEx said it would add 50,000 temporary workers for the November-January holiday shopping season, aiming to avoid last year's debacle when it and rival UPS were overwhelmed by the online sales surge, resulting in a huge number of deliveries missing the December 25 Christmas target.

UPS earlier said it was adding up to 95,000 holiday workers to meet what all analysts agree will be another

banner season for shipper-dependent online sales.

Added to hiring by stores, that could give around one million more people work for the three-month stretch.

But, a week ahead of the unofficial kickoff to the year-end splurge, views were mixed over whether consumers will open their pocketbooks and unleash their credit cards more generously than last year.

While the steady fall in joblessness and improved consumer confidence point to more spending, wages in the United States have not grown, and household incomes and savings have not significantly improved in the past year.

The National Retail Federation is

optimistic, predicting consumers will go on a \$617-billion (Bt20.2 trillion) splurge this holiday season, 4.1-per-cent higher than last year.

"Though we have only seen consumer income and spending moderately, and erratically, accelerate this year, we believe there is still room for optimism," said NRF chief economist Jack Kleinhenz.

Others are more cautious, with consultant PricewaterhouseCoopers taking a very pessimistic bent, forecasting a 7-per-cent fall in spending from last year.

PwC's survey showed 84 per cent of shoppers planned to spend the same or less this year, citing their flat incomes.

Bankrate.com's pre-season consumer survey backed up PwC's conclusion: respondents said they were limiting spending because incomes have not grown, and they need to add to their savings.

"Sustainable growth in household income is the missing ingredient from this economic recovery, and the leading culprit for why consumers are holding back on monthly spending," said Greg McBride, Bankrate's chief financial analyst.

But retailers and shippers are not hedging their bets. The season should see retailers add 800,000 temporary jobs, according to outplacement firm Challenger, Gray and Christmas.

That compares to 786,000 last year, and would be the largest holiday surge since 1999.