

MAIN STREET STILL IN RECESSION

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Here is what Wall Street should know and doesn't - consumer spending is not really 70% of GDP. Included in that 70% number are all the intermediate steps between the producer and the final buyer. Who are those people and what do they do? They are primarily small businesses and they create most of the jobs in the economy. See the following statements taken from the piece [Small Business Optimism Declines in March](#) by the National Federation of Independent Business.

The National Federation of Independent Business Index of Small Business Optimism lost 1.2 points in March, falling to 86.8. The persistence of index readings below 90 is unprecedented in survey history.

"The March reading is very low and headed in the wrong direction," said Bill Dunkelberg, NFIB chief economist.

"Something isn't sitting well with small business owners. Poor sales and uncertainty continue to overwhelm any other good news about the economy."

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After a devastating period of employment reductions, employment change per firm hit the "zero line" in March.

While actual job reductions may have halted, plans to create new jobs remain weak. ... Only nine percent (seasonally adjusted) reported unfilled job openings, down two points and historically low, showing little hope for a lower unemployment rate.

The small business owner represents Main Street and it is there that most of the economic problems still reside. The evil axis of Wall Street and

Washington, D.C. are doing just fine, thank you very much. The Federal Reserve has been their facilitator. The vast middle class, however, is being systematically destroyed by the fiscal and monetary policies of Washington, aided and abetted by Wall Street. Of that there can be little doubt.

How long can the economy continue to work itself higher without small business doing well? They create most of the jobs - maybe that is why unemployment refuses to go down. Our answer to that question of how long - not very.