



<http://www.newsday.com/business/inside-long-island-business-1.811933/local-investor-sees-continued-job-stagnation-1.2320999>

## Inside Long Island business

### Local investor sees continued job stagnation

2:01 PM By Carrie Mason-Draffen



The local and national job markets have been stagnating at record levels of unemployment for some time. Mitchell Goldberg, president of ClientFirst Strategy, a Woodbury investment firm, sees more of the same for at least two more quarters, based on the behavior of multinational corporations headquartered in the U.S.

Their growth strategies bode poorly for the U.S. job market, he believes.

“Large multinational companies are gearing up for growth in the developing markets, hence that is where the jobs are going to be created,” Goldberg said. For example, [Wal-Mart](#) recently offered about \$4 billion to buy a South African general-merchandise retail chain, he pointed out.

“If you’re a large multinational company that has been able to cut costs in developed countries, particularly in the U.S. and Western Europe, and if you can reinvest that money in developing nations, you will continue to show earnings growth and your stock will be rewarded with high prices.”

In fact, he said the stock market has punished U.S. companies after they announced hiring plans. As a result some companies have become gun-shy about taking on more workers, he said.

“They are only going to be rewarded for cutting expenses, not increasing costs,” he said. “The easiest way to raise costs is by hiring more people.”

This dynamic has changed investors’ views of the job market, he said.

“I think a lot of investors, including myself, no longer look at the [domestic] job market as the defining statistic regarding where to invest money,” he said. “That was the mother of all economic statistics, the monthly job market [report]. Now we just look at the earnings of multinational companies to see where we want to invest money.”

He also said that multinationals are one segment of the economy that has categorically recovered from the recession. The same is not true for consumers. And the same isn’t true

for smaller businesses because they are predominately U.S.-based

The latter has big implications for investors, he said.

“As an adviser, I am focusing more of my attention on large multinationals and less on the smaller- cap domestic companies.”

-----  
Read more of [Inside Long Island Business](#)

[< back to article](#)

[close](#)