



## U.S. Loses 20K Jobs but Some Are Merchants of Misfortune

**From Auction Houses to Shrinks: For Some, the Downturn Brings More Dollars**

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Employers cut another 20,000 jobs in April, the Department of Labor reported today. The reduction, while smaller than expected, marks the fourth straight month of job losses in the U.S., as many companies fight to stay in the black in a weakened economy. The unemployment rate now stands at 5 percent, down slightly from 5.1 percent last month.

The construction, manufacturing and retail sectors led the nation in payroll cuts.

As those industries continue to struggle, certain businesses and professions are thriving, and the slump is what's driving them.

Some are less obvious than others. Take, for instance, the video game industry. Conventional wisdom dictates that during tough times, consumers cut back on the extras in life, including entertainment. While movie ticket and DVD sales have flagged, it's been a banner year so far for video game makers.

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In the first three months of the year, the video game industry logged more than \$4.2 billion in sales, an increase of just under \$1 billion from the same period in 2007, according to NPD Group, a New York-based market research firm.



The video game industry has seen huge sales so far this year.

One of the factors behind the boom is consumers' desire to get more value for what they spend on entertainment and recreation, according to said David Riley, a director at NPD and a gamer himself

If you're "going to a bar with friends and spending \$8 on a cocktail -- after five or six cocktails, you're broke. It's hard to justify, especially in this economy," Riley said.

In contrast, he said, a \$60 game can bring up to 100 hours of enjoyment.

Some games, such as the music-based games "Rock Band" and "Guitar Hero," lend themselves to social gatherings and can substitute for pricey nights out.

"You're seeing more and more friends getting together on a Friday night and playing 'Rock Band' together," he said. "You're spending a lot less money that way."

With sales skyrocketing, many employees who work on successful games see more money in the way of larger bonuses, Riley said.

### **Auction Block Boom**

The soaring increase in mortgage defaults and foreclosures has meant heartache for homeowners but also hefty profits for the real estate auction industry.

Hudson and Marshall, a Dallas company that bills itself as "America's Leader in Foreclosed Home Auctions," expects to sell about 16,000 homes nationwide this year.



As foreclosures spike, so does business at some real estate auction houses.

On average, the homes Hudson and Marshall auction sell for about \$100,000, said co-owner Dave Webb. The company makes money by taking a 2 to 4 percent commission on each sale.

So far, Webb said, business is up 40 percent this year. He's had to more than double the size of his staff - - from about three dozen to nearly 100 -- just to keep up, hiring everyone from marketers to receptionists.

Real Estate Disposition Corp., based in Irvine, Calif., has had to increase its staff too. REDC public

relations manager Edgar Pagaza expects the company to auction off \$3 billion in homes this year.

"We're doing quite well," he said.

Both Pagaza and Webb suggested that the value of their work extends beyond their own profits.

"During this economic downturn, a lot of people are still having the ability to purchase homes through us. We feel great that we can sell properties," Pagaza said, "and fill up those neighborhoods that have vacant homes otherwise."

### **Downturn Therapy**

With dire economic straits stirring a plethora of emotions, some people have turned to psychologists to help ease the pain.

Nancy Molitor, a psychologist in Chicago, said she and her colleagues were getting more calls from would-be patients with problems ranging from marital strain to compulsive gambling, all related to financial stress.

"We're seeing a lot of people turning to unhealthy ways to manage their stresses," she said.

James Gottfurcht, who specializes in financial psychology, said he now spends an additional 10 hours a week counseling or coaching clients.



As financial stress creates emotional strain, more seek help from psychologists.

Gottfurcht, who practices in Los Angeles, said he saw similar spikes in business during other tough economic periods.

He confided that he hasn't always felt comfortable being fortunate in an unfortunate time.

"I think I felt a little guilty back when it first happened in 1980," he said, "but I see myself as helping people resolve issues that they're very anxious or depressed or threatened by, so I feel good that I'm contributing to resolving their suffering."

Molitor said that more patients doesn't always translate into more income for psychologists. Some cash-

strapped patients, she said, have reduced their number of monthly visits.

But for psychologists, earning power isn't limited to therapy fees. Brad Klontz, a financial psychologist and the president of the Hawaii Psychological Association, said sales for his book, "The Financial Wisdom of Ebenezer Scrooge: 5 Principles to Transform Your Relationship with Money" are up -- way up.

"We have sold more copies of our book in the past four months than we did in the 14 months prior," he wrote in an e-mail to ABC.

That, he said, "has significantly increased my bottom line."

## Lawyering Up

Busy as some psychologists are, they might not hold a candle to bankruptcy lawyers.

"We're buried right now," said Andrew Goldman, a partner and vice chairman of the bankruptcy practice for the law firm Wilmer Hale, which has offices in Boston, New York and Washington, D.C.

Goldman said the practice, which focuses on corporate bankruptcies, has seen "a dramatic uptick" in work during the last three months and, as a result, the firm is beefing up its manpower.



With more bankruptcy filings coming in each day, bankruptcy lawyers are "buried."

"We're now actively out there looking to hire associates because we have more work than we have associates to do the work," he said.

Eric Brunstad, the chair of the American Bar Association's Business Bankruptcy Committee, said bankruptcy filings have been increasing every month.

"Bankruptcy law is counter-cyclical," he said. "When the economy is booming, generally bankruptcy work is down. When the economy is tanking, generally bankruptcy work is up."

Consumers are also looking outside of law firms for bankruptcy help, Brunstad said. They're turning to administrative preparers, who file bankruptcy paperwork for their clients. Their services are less expensive than those offered by lawyers, but they don't represent their clients in court when filing problems arise, Brunstad said.

More consumers may be turning to preparers because of a 2005 change in bankruptcy laws that, Brunstad said, made bankruptcy filings for individuals more complicated and more expensive.

"A lot of people can't afford now to hire a lawyer," he said.

Law firms, meanwhile, thank their lucky stars for the people who can afford to hire bankruptcy lawyers. At some firms, the boom in bankruptcy work will compensate for a slowdown in other areas, such as mortgages.

### **Weak Dollar, Good News?**

With the faltering economy has come a weak dollar -- and for some industries, that's just fine.

With American goods now cheaper around the world, the U.S. technology sector is reaping the rewards through its exports, said Nariman Behraves, chief economist for Global Insight, a Massachusetts forecasting company.



A weak dollar is prompting more investors to put their money in commodities, like oil, leading to more jobs in the energy sector.

In the meantime, investors, wary of the volatile stock market, have been putting their cash into such commodities as oil and food, which, in turn, has helped prompt job creation in agriculture and parts of the energy sector, Behraves said.

"Any business or anybody working in those industries," he said, "should be feeling reasonably good at this point."

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