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PAUL KANGAS, NIGHTLY BUSINESS REPORT ANCHOR: Less talk, more action. The Obama administration wants to turn the tide when it comes to foreclosures, so it`s turning up the heat on mortgage servicers to help borrowers keep their homes.

SUSIE GHARIB, NIGHTLY BUSINESS REPORT ANCHOR: If you went to the mall this weekend, you know shoppers were buying. But investors started buying retail stocks months ago. We`ll look at why shares of retailers are doing so well.

KANGAS: Union leaders will be among President Obama`s guests at Thursday`s White House summit on jobs. Tonight, we ask the AFL/CIO`s Damon Silvers how his union will help the president create jobs.

GHARIB: When it comes to investing, do you follow the herd? Coming up, surprising evidence on what makes you choose the stocks you choose.

KANGAS: I`m Paul Kangas.

GHARIB: And I`m Susie Gharib. This is NIGHTLY BUSINESS REPORT for Monday, November 30.

Good evening, everyone, tough action today from the White House to stop the pace of foreclosures. The Obama administration announced new measures that pressure mortgage lenders to help borrowers at risk of losing their homes. The administration hopes to shame the mortgage industry into doing a better job, speeding up the progress of loan modifications so people can stay in their homes. Stephanie Dhue has more.

STEPHANIE DHUE, NIGHTLY BUSINESS REPORT CORRESPONDENT: Out of 650,000 trial modifications, only a tiny fraction have been made permanent. Treasury`s Michael Barr says the banking industry has to do better.

MICHAEL BARR, TREASURY ASSISTANT, SECRETARY FOR FINANCIAL INSTITUTIONS (BY TELEPHONE): We`re really focused on making sure that the servicers do what it takes, that the banks step up to their responsibility to get the job done.

DHUE: With more than half of those modified loans being paid on time, Treasury wants them to be made permanent by the end of the year. To make that happen, Treasury will be sending in bureaucratic SWAT teams to top loan servicers this week to oversee the process. It`s also requiring firms decide on each loan and notify the borrower. Servicers who don`t comply could be fined. Treasury says borrowers also have to step up and fully document their loans. Mortgage industry representative Faith Schwartz says getting that paperwork is an obstacle.

FAITH SCHWARTZ, EXEC. DIRECTOR, HOPE NOW ALLIANCE: Paperwork is a big part of it. It`s just a technically cumbersome program because it`s government/taxpayer dollars. There`s a reason.

DHUE: Consumer advocate Ira Rheingold says that`s an excuse for a program that is fundamentally flawed.

IRA RHEINGOLD, EXEC. DIR., NATIONAL ASSN. OF CONSUMER ADVOCATES: Treasury doesn`t get it. Treasury continues to rely on the good word of the mortgage servicing industry, the same people who put us in this mess today and the same people who created the foreclosure problem that we are living with today. I think fundamentally that`s wrong.

DHUE: The Treasury is also trying to shame banks into action by embarrassing them publicly. Next week, it`ll release a list of loan servicers along with just how many mortgages each has modified. Stephanie Dhue, NIGHTLY BUSINESS REPORT, Washington.

GHARIB: Shares of amazon.com hit an all-time high today on investor confidence the retailer will be a big winner this holiday. But it was the only big retail winner, as shares of most others sank on soft sales from black Friday. Still, retail stocks overall have been rallying for months. So, will the good cheer continue for the sector? Suzanne Pratt reports.

SUZANNE PRATT, NIGHTLY BUSINESS REPORT CORRESPONDENT: From Macy`s in New York`s Herald Square to Old Navy, to JCPenney, retailers are trying to believe in this year`s holiday season. For retail stocks, however, the optimism began months ago. Despite sky-high unemployment and nervousness about consumer spending, retail shares have been market leaders this year. The S&P retail index is up 42 percent since January, more than double the S&P 500. Retail analyst Richard Jaffe says investors are trying to get a jump start on the recovery.

RICHARD JAFFE, RETAIL ANALYST, STIFEL NICHOLAUS: I think people look ahead and say the economy will get better and when it does, what industries, what sectors will benefit first? And, it`s the consumers stepping up to the retail or apparel retailers to spend.

PRATT: So, is it too late to get a ride on the retail rally? Experts say if you`re looking to play the sector, the answer is probably yes. But S&P retail analyst Marie Driscoll says it`s definitely a stock picker`s universe because consumers are still facing headwinds.

MARIE DRISCOLL, RETAIL ANALYST, STANDARD & POOR`S: The consumer is increasing their savings rate. The consumer is getting their balance sheet in order. So, there`s winners and losers. This is not an environment where people are indiscriminately spending like they did 18 months ago.

PRATT: Driscoll`s top picks are Wal-Mart, Polo/Ralph Lauren, Coach and TJX -- all because she says they offer value to shoppers. Stifel Nicholaus` Jaffe also likes TJX, as well as Gap, American Eagle and Children`s Place. He says his choices could jump as much as 25 percent in the next year and have one thing in common.

JAFFE: A balance between the left brain activities -- the disciplined rational, analytical, approach to operating a retailer -- and then the right brain side, the creative, artistic, risk-taking side of the equation which fills the store with merchandise that inspires the consumer to buy.

PRATT: Forecasts for retail stocks beyond the holiday season get blurrier. Some experts worry the recovery will be muted and that consumers will continue to battle their own financial realities. Suzanne Pratt, NIGHTLY BUSINESS REPORT, New York.

KANGAS: Wall Street posted modest early gains on bargain hunting after Friday`s sell-off. Also helping was word that the United Arab Emirates would help debt-ridden Dubai. An hour into trading, the Dow was up 46 points and the NASDAQ had gained three points. The blue chips went into the red briefly in mid-afternoon, but rallied later on on news that Dubai is in constructive talks to restructure its debt. The Dow Industrial Average closed with a gain of 34.92 at 10,344.84. The NASDAQ Composite up 6.16 ending at 2144.60, while the Standard & Poor`s 500 Index was up 4.14 at 1095.63. Over in the bond market, the 10-year note rose 3/32 to 101 16/32, putting the yield at 3.20 percent.

GHARIB: A debate on health care reform is now under way in the U.S. Senate. It`s expected to last about three weeks and senators have some new numbers to stir into the mix tonight. The Congressional Budget Office now estimates that under the Senate bill, if you buy insurance through your employer, you`d see virtually no change in premiums by the year 2016. That affects about 159 million Americans. But the CBO`s numbers also show 14 million Americans who buy insurance as individuals would see premiums rise 10 percent. Whatever the Senate passes, it must still be reconciled with a House health care reform bill that passed a month ago.

KANGAS: Employment takes center stage at the White House Thursday when President Obama holds a jobs summit to help cut double-digit unemployment. Big businesses like Disney, Comcast and Fedex will be there. So will small businesses, Ivy League academics and union leaders. This afternoon, Washington bureau chief Darren Gersh sat down with Damon Silvers, policy director of the AFL/CIO. Darren began by asking Silvers what message the labor movement will send to the president.

DAMON SILVERS, POLICY DIRECTOR, AFL-CIO: Act now to create jobs and act on a large scale. Specifically the AFL/CIO has a five point plan for job creation and for helping the unemployed. Extend unemployment benefits, redouble our efforts on infrastructure, give aid to state and local governments so we don`t see a collapse in emergency response and education and the like, direct Federal job creation in a targeted way and finally, extend credit through the TARP system directly to small business where, that we really depend on for job creation.

DARREN GERSH, NIGHTLY BUSINESS REPORT CORRESPONDENT: Haven`t we been doing that? Wasn`t that the goal of the stimulus package and does that mean the stimulus was basically -- didn`t live up to expectations?

SILVERS: The stimulus package was a success insofar as it was big enough to address the size of the economic crisis. Many economists at the time it was passed said it wasn`t -- it wasn`t big enough in relation to the shrinkage in our economy and the global economy. We`ve also learned since then how profoundly broken some key aspects of the ways in which our economy creates jobs, you know, how badly broken some of those key aspects are, for instance, the system for small business credit. And our five- point program is in part -- in part addresses the fact that stimulus was not big enough in relation to the economic crisis and two, addresses that targeting on job creation that we need to focus on now.

GERSH: Now as I understand your proposal would be about $400 billion, which if you create five million jobs is $80,000 a job. Why does it cost so much to create a job?

SILVERS: It depends on what kind of jobs you create. If you create jobs that are really about doing things of lasting value like substantial infrastructure projects, you`re not paying $80,000 just for a job. You`re paying $80,000 for a job and -- and, you know, a built bridge, a high speed rail network, a smart grid, complete the sentence, all right. You`re not simply creating a job. Also part of our program is extending unemployment benefits, COBRA and food stamp aid for the millions of unemployed we have today. That is part of the number you are citing.

GERSH: The question is going to come up should this be paid for, in other words, should any project that comes up, any proposal that comes up not add to the deficit which is already, as you know, very large. What do you think?

SILVERS: Well, the emphasis on the impact on the deficit immediately is misplaced. In fact, if we don`t do some continued deficit spending, we really run the risk of long-term economic stagnation because of the scale of economic contraction we`ve just been through. However, we do have to pay for what we do long-term. And that`s why the AFL/CIO supports Representative de Fazio`s proposal to create a financial transactions tax that would generate $150 billion in annual revenue. That tax would in short order pay back what deficit spending is necessary in the short run.

GERSH: Damon Silvers, the policy director for the AFL/CIO, thank you for your time.

SILVERS: Thank you.

KANGAS: Now let`s take a look at some stocks in the news tonight.

Once again topping the active list today on 38 million shares, Citigroup (C) moving up a nickel a share.

Bank of America (BAC) a $0.38 gain there.

Genworth Financial (GNW) was up $0.09.

Pfizer (PFE) dropped $0.08.

And then General Electric (GE) gained that much.

JPMorgan Chase (JPM) up $1.16 on a firm banking group.

AT&T (T) dropped a nickel a share.

Motorola (MOT) down $0.19.

Ford Motor Co (F) was up $0.16 although the U.S. Supreme Court denied the company`s last-ditch effort to reverse an $82 million award in a product liability case involving a Ford Explorer SUV. Incidentally, November auto sales are due out tomorrow.

Wells Fargo (WFC), tenth in big board volume up $0.90 a share.

American International Group (AIG) tumbling $4.90. The Sanford Bernstein report out today notes that the company`s property casualty operations have an $11 billion deficiency and Bernstein cut its price target from $20 a share all the way down to $12 a share.

Aflac (AFL), another insurance company, moving up $2.38. Credit Suisse upgraded it from "neutral" to "out perform."

And US Bancorp (USB) gained $1.18. The Baird brokerage upgraded it from "neutral" to "out perform" and boosted its price target from $25 to $29 a share.

US Steel (X) did well, up $1.61. Goldman Sachs upgraded the whole steel sector from "neutral" to "attractive" (ph) and came out specifically with a "buy" on U.S. Steel.

Some of the retailing stocks you heard about due to disappointing sales down today, JCPenney Co (JCP), Macy`s (M), Sears Holding (SHLD), Target (TGT) down $1.14 and Wal-Mart Stores (WMT) $0.08 drop there. But they all came back from their lows of the day incidentally.

SuperValu (SVU), the big grocer, down $0.59. Morgan Stanley downgraded it from "equal weight" to "under weight" in the belief the company will have a difficult time in turning its grocery business around partly due to some tough competition from Wal-Mart.

Las Vegas Sands (LVS) down $0.47, traded as low as $14.92. The company`s initial public offering for its Macao unit made a very poor debut on the Hong Kong exchange. That stock dropped 10 percent from its offering price.

Education Realty (EDR) moving up $0.36. Baird brokerage upgraded it from "neutral" to "out perform."

NASDAQ`s most active, Apple (AAPL) down $0.68.

Then Amazon.com (AMZN) at that record high you heard about, up $4.17 on optimism its online holiday sales will be strong, especially for the Kindle book reader.

Microsoft (MSFT) $0.19 gain.

Research in Motion (RIMM) down $0.25.

Baidu (BIDU) fell nearly $6 a share.

Google (GOOG) up $3.24.

Intel (INTC) $0.09 gain.

Cisco Systems (CSCO) up $0.02.

Oracle (ORCL) a penny loss.

And then EBay (EBAY), online retailers doing well today, up $1.25.

Origin Agritech (SEED) up $2.62. That`s on top of a good gain last week. It`s carry over strength from last week`s government approval for the company to market its genetically modified corn seed in China.

And those are the stocks in the news tonight. Susie.

GHARIB: Paul, as you know, many investors fall into the trap of following the crowd when it comes to investing. The experts call it "herding," a topic we`re exploring this month with our partners at "Kiplinger`s Personal Finance." As we continue our series, "Your Mind and Your Money," I talked about herding with Professor Terrance Odean of the Haas School of Business at the University of California-Berkeley. My first question: how widespread is herding among individual investors?

TERRANCE ODEAN, HAAS SCHOOL OF BUSINESS, UNIV. OF CA: Well, we find a lot of evidence that individual investors tend to get excited about the same stocks at the same time and to lose interest in other stocks as the same time as each other. So there is a strong tendency for investors to buy at the same time as each other and sell at the same time as each other.

GHARIB: Professor Odean, I understand a few years ago you did some research that suggested that investors are gravitate towards attention- grabbing stocks, stocks that make the headlines. So how does that fit into what you just said in terms of this pattern of following the crowd?

ODEAN: What a lot of investors do is basically they wait for a stock to catch their attention. And then if it suits their preferences, they buy it. Now as it turns out, attention-grabbing stocks tend to grab everybody`s attention at the same time, something going on, a big news story. So we see individual investors heavily on the buy side of stocks that are in the news or trading unusually much.

GHARIB: Is this the same motivation that goes into individuals who are in investment clubs? I understand you did a study that shows that the club`s performance compared to the S&P 500 was much worse because of some herding concept. Tell us why these clubs did so poorly.

ODEAN: In a club, typically when the club meets one or two members will pitch an idea for a stock. And for social reasons, you don`t really want to pitch something that will later embarrass you. So people tend to go with stocks that have a strong rational. They will go with a stock that`s been doing very well over the last year for which there is maybe good news reports or a good story goes along with it. Now as it turns out, that`s often a stock that a lot of other investors are buying. And sometimes those investors are pushing the price of that stock up too high and subsequently the stock under performs.

GHARIB: We hear so often that investors tend to buy high and sell low. Is there any connection between market timing and herding?

ODEAN: I think there is. My colleagues and I have looked at every investor in Taiwan, in the Taiwan market. And we found that when individual investors as a group were putting more money into the stock market in Taiwan, the market subsequently did less well over the next six months. And when individuals were pulling money out, the market subsequently did better. We find very similar things in the U.S. when it comes to individual stocks. So we find that the herding by investors tends to forecast future returns and negatively so.

GHARIB: So is there any advice you can give to people so that they don`t get over influenced by herding or investing styles of other people?

ODEAN: Yeah, I guess my first advice would be buy and hold well diversified mutual funds. And my second advice would be if you are going to trade, make your own -- do your own independent research. Don`t listen to what your neighbor has to say.

GHARIB: All right, we`ll leave it there. Thank you so much for talking to us, we appreciate it.

ODEAN: Happy to do so, thanks, Susie.

KANGAS: Tomorrow, a checkup on the auto industry as car makers report their November sales.

GHARIB: A positive outlook tonight for one type of investment: hedge funds. Consulting firm Hennessee (ph) Group says hedge fund performance should continue to improve through the end of this year and into the year 2010. One reason: the "December effect." Investors stay invested in hedge funds so they can defer taxes on gains. 2008 was the worst year ever for hedge funds, which lost about 20 percent of their value.

KANGAS: One of the nation`s biggest medical device makers is getting bigger. Stryker Corporation is buying Ascent Healthcare Solutions for $525 million. Ascent is privately held. It processes medical devices for more than 1,800 hospitals nationwide. The deal is expected to close by year`s end.

GHARIB: Capitalism may have survived this great recession, but its reputation has not. Look no further than the movie screen to see business cast as the modern villain. But tonight`s commentator also sees reason for inspiration from the next generation of business leaders. She`s Nell Minow, editor and co-founder of The Corporate Library.

NELL MINOW, CO-FOUNDER & EDITOR, THE CORPORATE LIBRARY: The economy is showing some promising signs of recovery, but I cannot say the same for the brand of American capitalism, with Wall Street and the financial services industry as contenders for the most hateable (ph) villains of 2009. Wall Street has been obtuse, tone deaf and counter-productive, coming across as arrogant and greedy.

Even at the movies, we`ve got more than the usual run of corporate bad guys, from the real-life story of corruption and incompetence at Archer Daniels Midland in "The Informant" to the latest incarnation of that all- time prototype of the heartless businessman Ebenezer Scrooge in Disney`s 3D "A Christmas Carol." Even Gordon Gekko, Mr. "greed is good," is returning to the screen in Oliver Stone`s upcoming sequel to "Wall Street." So it was especially satisfying to see business portrayed as rewarding for both the spirit and the wallet in a new documentary called "Ten Nine Eight" about an American idol-style competition with business leaders as coaches and judges.

As a mentor, I have loved the adventure and satisfaction of helping to create a business and loved seeing the passion of people like Bill Gates, Warren Buffett and Michael Dell for the products and services and jobs they have created. It is inspiring to see students so inspired and it gives us hope that the next generation of leaders will learn from our mistakes to restore confidence and pride in American business. I`m Nell Minow.

KANGAS: Recapping today`s market action, investors shake off worries about holiday sales and Dubai`s financial problems. The Dow gained nearly 35 points and the NASDAQ was up six points. To learn more about the stories in tonight`s broadcast and to read econo-blogger Terri Cullen`s take on the problem with home loan modifications, go to NIGHTLY BUSINESS REPORT on pbs.org. You can also email us at NBR@pbs.org

GHARIB: And that`s NIGHTLY BUSINESS REPORT for Monday, November 30. We want to remind you this is the time of year your public television station seeks your support.

KANGAS: Support that makes programs like NIGHTLY BUSINESS REPORT possible.

GHARIB: Thanks for joining us tonight and don`t forget to support your public television station. I`m Susie Gharib. Good night everyone and good night to you, Paul.

KANGAS: Good night, Susie. I`m Paul Kangas, wishing all of you the best of good buys.