

Healthcare Workplace Economy April 2012

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with March 2012 data

Throughout the last five years, national economists have been quite dissatisfied, if not completely alarmed, by the volatility of the United States' economic conditions as the economy has slowly recovered from 2007's recession.

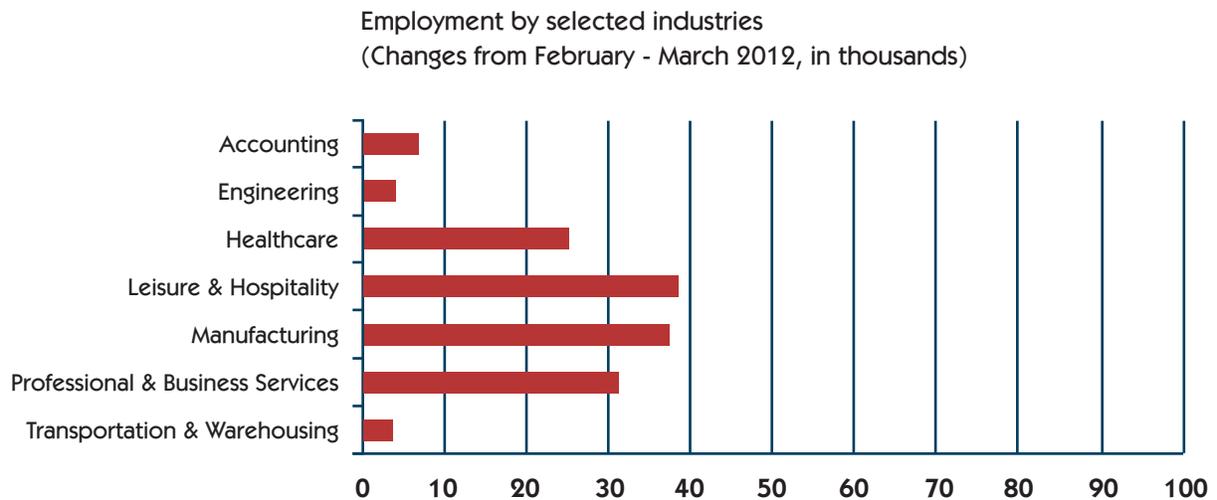
However, as an utter surprise to many Americans, economic recovery suddenly began to uptick towards the end of 2011, as 223,000 new jobs were generated during the month of December alone. Such positive progress actually continued in 2012 as well, as 275,000 and 240,000 jobs were added to the economy in January and February, respectively.

Consequently, a majority of economists were optimistic prior to the release of the BLS' "The Employment Situation - March 2012" report, believing that economic growth would continue at or near the pace that had been documented from December 2011 to February 2012.

Yet, as can be expected amidst the ebbs and flows of national economic reclamation, economists had hoped for more than 120,000 new positions that were generated in March.

Senate Majority Leader Eric Cantor, an endorser of the recently passed JOBS Act, placed the blame of lowered employment figures on the high costs of gas, which have significantly reduced citizens' capabilities to commute to interviews. He also focused on the nation's lack of small business growth.

Sector changes observed in March



Source: BLS

“The level of growth we are seeing isn’t enough to make a difference for the millions of Americans still out of work or families facing high gas prices and the uncertainty of a lagging economy,” said Cantor. “Job growth happens when small businessmen have the ability to take risks, invest capital, and start hiring new workers.”

On a positive note, the jobs report did include some encouraging news, as private sector job growth continued for the 25th consecutive month and the public sector has significantly decreased the number of layoffs in the past few months. Since February 2010, 4.1 million positions, including 466,000 manufacturing jobs, have been added to the economy. In fact, surprisingly, the manufacturing industry has not recorded such a steady streak of job gains since 1995.

After two consecutive months of extensive, private sector job growth, the BLS’s latest “The Employment Situation” report found that industrial hiring was quite disappointing in March, as month-to-month employment was not nearly as widespread as it had been in January and February.

Nevertheless, the following industries still recorded significant employment statistics last month:

- **Healthcare:** After 31,000 and 49,000 positions were created in January and February, healthcare hiring dwindled in March, but still remained higher than most other sectors. Overall, more than 26,000 healthcare professionals were hired last month.
- **Finance:** Throughout the month of March, the industry added 15,000 new positions to the national economy, nearly 6,000 more than had been generated in February. A majority of the new hires, nearly 11,000 in all, occurred in credit intermediation.

- **Leisure and hospitality:** In all, approximately 13.6 million leisure and hospitality professionals were employed in March, as 39,000 new positions were added to the economy.
- **Manufacturing:** Since January 2010, 470,000 professionals have been hired within the industry. Last month, hiring remained steady, as 37,000 new jobs were generated; 19,000 of the hires occurred in motor vehicles, parts, and machinery.
- **Professional and business services:** Although temporary help services hiring slightly dropped last month, employment remained high in March, as more than 31,000 professionals were hired.

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Less than 24 hours before the release of the BLS’ latest “The Employment Situation” report, many national economists were pleased to learn that initial claims for state unemployment benefits had fallen to 357,000 last week, a four-year low. The most recent benefits claims findings appeared to have provided further evidence that economic recovery was up ticking and January and February’s positive jobs reports were indeed accurate after all.

But then March’s jobs report was released and economists were once again shaking their heads in disbelief, as the report found that only 120,000 positions were added to the economy last month.

According to some estimates, roughly eight million positions have been eliminated since 2007. And, although job growth has improved in recent months, these lost positions are not expected to be filled anytime soon. In fact, even if 200,000 jobs are regularly generated on a monthly basis, many economists believe job levels will likely not equate pre-recessionary figures for another five to eight years.

Meanwhile, according to a report released by Rutgers University, regarding unemployment benefits, nearly 50 percent of the report's re-employed respondents have noticed a reduction in their annual salaries. Many others received a significant cut in health care benefits, forcing them to pay for coverage completely on their own.

But Americans have certainly not given up. In hopes of securing a more fruitful future, approximately 10 percent of the report's unemployed respondents have opted to take matters into their own hands by enrolling in courses that will improve their occupational skills or job search capabilities.

However, many respondents also believe the government could do more to improve the nation's current economic situation, by offering tax credits to companies that are hiring, reducing wage taxes, and developing more advanced job creation programs.

Yet, some pressing questions still remain. How will the government ultimately help lower the nation's exceedingly high unemployment rate? Will President Obama's administration create any new jobs bills prior to November's election? Or will economic recovery continue to linger at a slow pace?



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