

Healthcare Workplace Economy April 2013

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with March 2013 data

In early March, the BLS published one of its most encouraging jobs reports in recent memory, “The Employment Situation – February 2013.” According to the report, not only did the national unemployment rate decelerate to 7.7 percent, the lowest measurement since December 2008, but hiring continued to upsurge, as 236,000 new jobs were generated.

Therefore, projections were positive for the March BLS report with many economists expecting the unemployment rate to linger at 7.7 percent, and between 175,000 and 200,000 new jobs to be created.

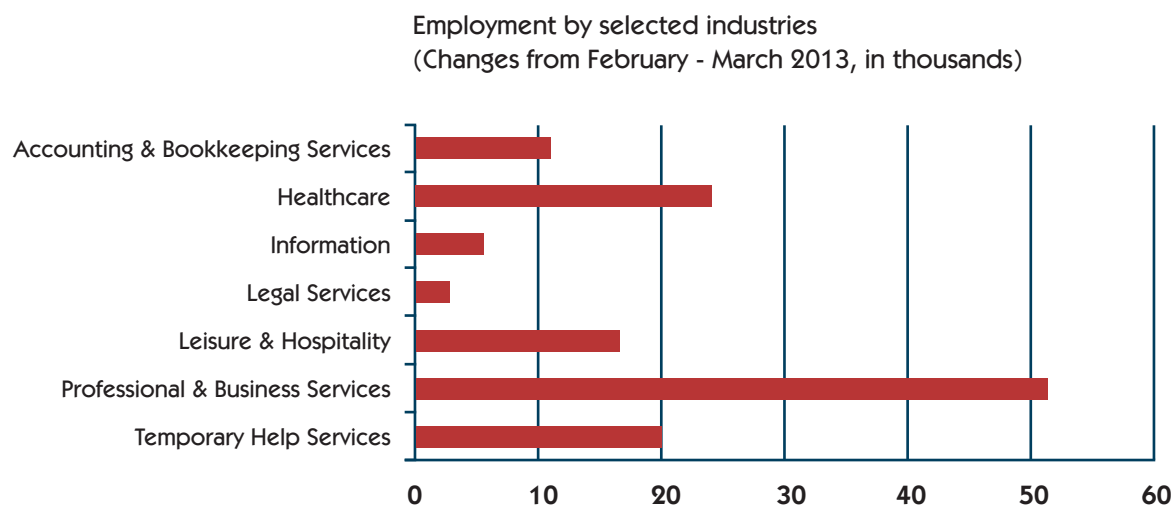
So, how accurate were economists’ predictions when all was said and done? The March data

resulted in a bit of a mixed bag with 88,000 new jobs generated and a slightly lowered unemployment rate of 7.6 percent. The number of jobs added was the lowest seen since June 2012, however, positive news came in the form of January and February’s employment figures being revised to 148,000 and 268,000, respectively, perhaps the most positive aspects of the report.

The slightly decreased unemployment rate was attributed to labor force participation figures – as Americans opted not to actively look for work, those 803,000 employees were not accounted for in the report.

Yet, in spite of this report, economists are remaining optimistic as they look ahead to the future. First, financial experts have discovered that, even though March’s employment situation was not nearly as encouraging as expected, 168,000 new jobs have been created per month, on average, in 2013.

Sector changes observed in March



Source: BLS

Moreover, the total number of workers employed part-time for economic reasons declined by 350,000, generally a sign of economic recovery, while the average hourly earnings for all employees on private nonfarm payrolls continued to increase, rising to \$23.82. And, as a final indication of economic progress, the average workweek for all employees rose to 34.6 hours, the highest aggregate since February 2012.

Although the BLS data may be seen as a bit of a letdown after robust reports earlier this year, it remains important to keep in mind that the March data was a reminder that although progress is being made in the jobs landscape, there will continue to be bumps in the road. It's now more apparent than ever that growth will be a long incline rather than quick spurts towards total recovery.

Although March's job creation figures were lower than expected, economists quickly pointed out some of the positives of the latest "The Employment Situation" report, particularly with regards to private sector hiring.

After all, the sector generated new jobs for the 37th consecutive month in March, 95,000 in all, as the total number of Americans employed within the sector rose to 113.3 million. Since March 2012, private sector employment has increased by roughly 2 million, as a majority of industries' employment figures have improved in recent months.

Furthermore, although some sectors did report job losses last month, like retail trade and manufacturing, the following sectors, among others, still recorded a rise in hiring.

- **Healthcare:** As a sector known for steady hiring, even in the midst of economic downturns, economists were not surprised by the healthcare sector's latest job figures, as 23,400 professionals were hired last month. More than 14.5 million professionals were employed overall.

- **Accounting and Bookkeeping:** With 10,700 new jobs generated in March, total sector employment rose to 932,600. As a sign of recent job growth, nearly 28,000 accounting and bookkeeping professionals have been added to payrolls since March 2012.

- **Information:** Sector hiring continued to increase, rising by 5,000 in March. As usual, more than half of the jobs were filled by the publishing and telecommunications industries. However, motion picture and sound recording hiring remained robust, rising by 2,300.

- **Leisure and Hospitality:** Unsurprisingly, leisure and hospitality hiring continued to increase in March, rising by 17,000. Nearly all of the positions were filled by food services and drinking places, or amusements, gambling, and recreation businesses, matching most economists' expectations.

- **Professional and Business Services:** There was no sign of a deceleration in hiring within the professional and business services sector either, as 51,000 new jobs were generated. Since March 2012, the sector has added approximately 44,416 jobs to the national economy, on average.

- **Temporary Help Services:** Although hiring stalled in late 2012 and early 2013, as the sector recorded job losses in December and January, employment has risen recently. Last month, the sector created 20,300 new jobs; since February, 18,150 professionals, on average, have been added to payrolls.

Soliant Insights

During his February State of the Union Address, President Obama specifically focused on one of his primary goals: to improve the safety and reliability of America's infrastructure of roads, bridges, and ports, while also generating thousands of new jobs in the process.

His administration's infrastructure plan is tri-fold, as he intends to increase the timeliness of federal permitting and review processes, concerning construction projects; invest in a "Fix-It-First" program, setting aside \$50 billion for transportation infrastructure maintenance; and establish the "Rebuild America Partnership."

The "Fix It First" program is expected to create new jobs throughout all regions of the country, as professionals may soon be hired to upgrade airports, bridges, highways, and transit systems. According to the White House, the investment will lead to the renovation of nearly 80 percent of the nation's defective bridges, among other restorations. Although an estimation of job creation remains uncertain, some economists believe the program could generate thousands of new jobs, as early as this year.

Through future infrastructure investments, potential job creation is expected to vary, according to certain, respective sectors. The White House currently estimates that 61 percent of all new jobs will be filled by professionals within the construction sector. Manufacturers, as well as professionals in either retail or wholesale trade, will fill another 12 and seven percent, respectively, of the available positions. The remaining 20 percent of the jobs will be filled by professionals within other types of fields.

Without question, all renovations of the nation's roads, bridges, and ports will be welcomed, as they will improve the transportation and safety of Americans and foreign-born visitors. However, each of President Obama's investment plans also appear to be promising with regards to jobs, potentially generating thousands of new positions within a wide range of industries.

But, are there any signs that the initiatives will actually be passed this year? And, once they are enacted, will they fulfill their potential, by not only improving the national infrastructure, but also creating thousands of new jobs – for months, or even years, to come?