

Healthcare Workplace Economy August 2012

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

According to the BLS' latest "The Employment Situation" report, the national economy generated 163,000 jobs in July, the first month in which more than 100,000 jobs were created since March.

The report's findings exceeded a majority of economists' projections. Prior to the release of the report, most economists had estimated that roughly 90,000 to 100,000 positions would be added to the economy.

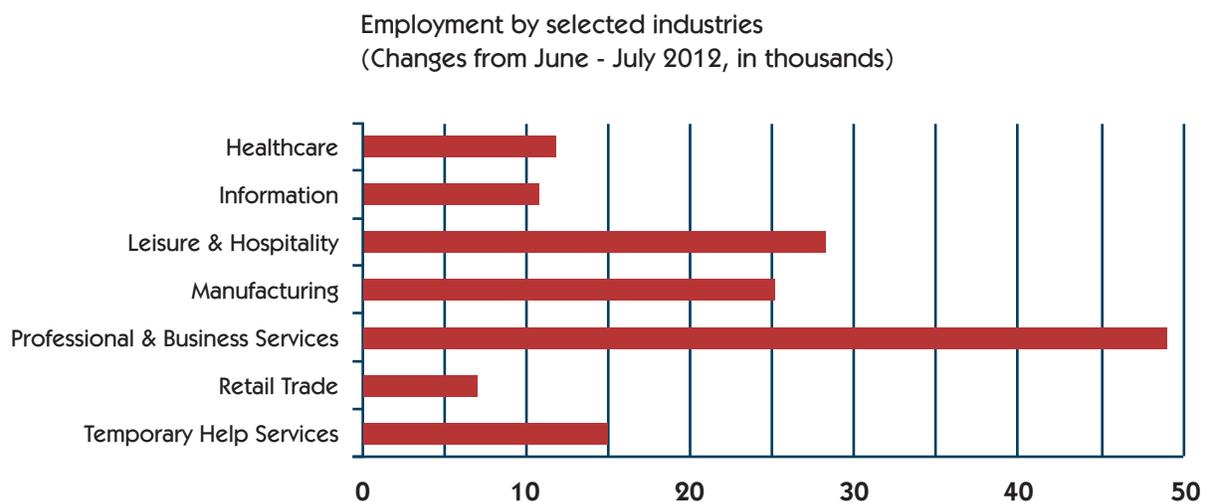
Yet, despite the considerable upswing in hiring, the national unemployment rate rose on a month-to-month basis for the second time in 2012, climbing from 8.2 to 8.3 percent, a five-month high. The rate has now been measured at eight percent or higher for 42 consecutive months, the longest streak ever recorded.

At the same time, the national underemployment rate also increased, rising to a six-month high of 15 percent. The rate currently includes unemployed Americans, discouraged workers, individuals employed part-time for economic reasons, and citizens marginally attached to the labor force. In all, nearly 23 million Americans were underemployed in July.

The BLS also discovered that 16,000 less jobs were generated in June than originally reported. So far, the economy has added an average of 151,000 jobs per month this year. To significantly reduce the national unemployment rate, at least 250,000 jobs need to be created each month.

Since January, 1.1 million new jobs have been added to the economy, while the national unemployment rate has dropped by 0.9 percent throughout the past year. In addition, the average hourly earnings for all employees has risen from \$23.29 in January to \$23.52 in July, a sign that organizational spending is steadily increasing.

Sector changes observed in July



Source: BLS

For the second straight month, job growth remained widespread within a majority of the nation's major industry groups in July, as the private sector added approximately 172,000 new jobs to the national economy.

According to the BLS' "The Employment Situation – July 2012" report, hiring rose within the following sectors last month:

- **Healthcare:** As usual, hiring continued to augment within the sector in July, as 12,000 new positions were created throughout the month. Most of the hiring occurred in ambulatory health care services, which generated 8,900 new jobs.
- **Information:** For the first month in 2012, the sector reported a jobs gain – of nearly 11,000 – in July. Hiring was especially pertinent within the telecommunications, data processing, and publishing industries.
- **Leisure and Hospitality:** Roughly 27,000 new jobs were generated in July, as food services and drinking places alone hired 29,400 new employees. Accommodation hiring also increased last month, as 1,800 new workers were employed.
- **Manufacturing:** Once again, sector hiring increased on a month-to-month basis in July, rising by 25,000. Manufacturing hiring has now risen for 10 successive months; since January 2010, the industry has generated 532,000 new positions, the strongest 30-month period of job growth since June 1989.
- **Professional and Business Services:** For the second straight month, hiring rose within the sector, increasing by 49,000 in July. A majority of the hiring occurred in professional and technical services, as well as management and technical consulting services.
- **Temporary Help Services:** Hiring continued to uptick within the sector in July, as 14,100 new jobs were generated. The sector has now created an average of 17,400 jobs per month since April.

Soliant Insights

According to the BLS' "The Employment Situation – July 2012" report, 5.2 million Americans have been without work for at least 27 weeks, accounting for more than 40 percent of the nation's unemployed. The national civilian labor force participation rate is currently well below average, at 63.7 percent. And, on August 2, the Labor Department reported that weekly jobless claims rose from 357,000 to 365,000 for the week ending July 28.

Without question, a full-fledged economic recovery is far from complete. However, the Obama administration believes it has solutions to some of the country's pressing economic issues.

The American Jobs Act, a set of bills first proposed by President Obama on September 8, 2011, features an investment proposal of \$35 billion, which would prevent the layoffs of nearly 280,000 teachers, as well as thousands of police officers and firefighters – \$30 billion would be used to retain teachers, while \$5 billion would help public safety and first responder professionals retain their positions.

Another investment proposal, known as Project Rebuild, would be used towards the restoration of vacant and foreclosed businesses and homes. The \$15 billion investment is projected to create thousands of new construction jobs, a sector hard hit in the recession and an area of weakness in the job market. From June to July, nearly 1,000 construction jobs were lost. Job losses within specialty trade contracting were especially noticeable, as 12,600 positions were eliminated within that time span. Only 300 state government educators were hired in July, while 7,000 local government educators were laid off.

As unemployed construction workers and educators continue to search for employment opportunities, one question has yet to be answered – will either of these investment proposals be passed before Election Day?