

Healthcare Workplace Economy February 2011

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with January 2011 data

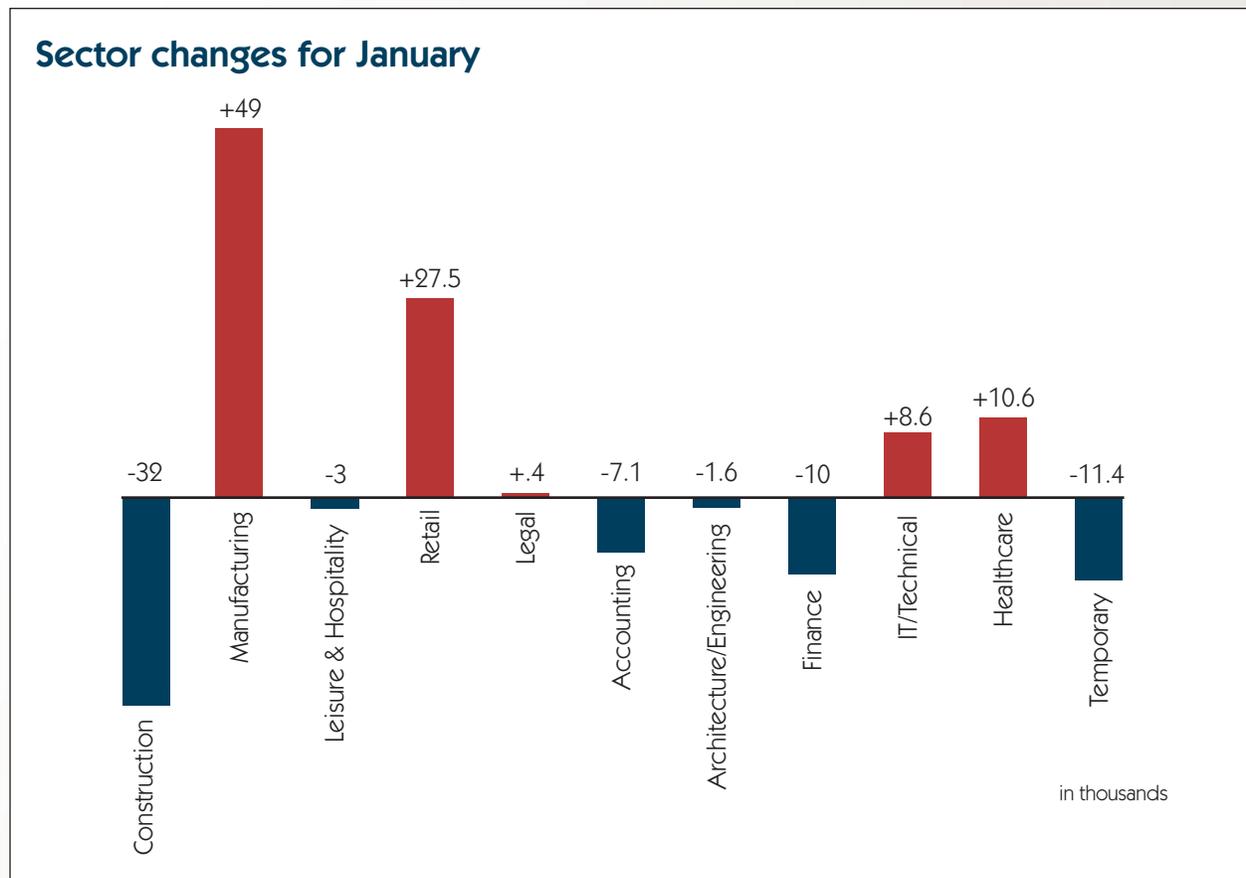
In terms of both weather and Labor Department statistics, 2011 kicked off with a perplexing start. Weather patterns shocked meteorologists leaving very few areas of the country untouched by winter's wrath. The total job growth for the month was a net 36,000 with 50,000 private sector jobs added and a loss of 14,000 public sector jobs. The weather unquestionably played a role in the low job gains for January with estimates ranging from 100,000 – 200,000 jobs that could have been added had work and productivity not been lost due to weather effects. Economists predict a possible “weather rebound” if February is a mild month for weather. Historically during months of weather

events, the unemployment rate is a better indicator of actual employment growth over the number of jobs created.

Additionally, the unemployment rate continues to perplex economists as some feel that revised census data led to the weak report. The data, which is revised every January, can impact the report significantly as it recalibrates the number of people who noted they worked in the last month.

Regardless of opinion, this month's report reiterates the slow but steady pace of improvement we are headed towards.

A highlight of the major trends resulting from this month's report include:



- **Temporary employment:** The temporary sector took a hit in the month of January with a loss of 11,400 jobs, largely due to the weather conditions that plagued the US throughout the month. This is a sharp decline as the average number of temporary jobs added per month in 2010 averaged 25,000. Many economists view this as a one time dip due to the large number of temporary positions involving outdoor work (specifically construction and transportation) that impeded progress in January. Temporary employment remains the safest way for companies to add talent before hiring full time.
- **Healthcare:** The healthcare sector remains one of the most steadfast sectors adding 10,600 jobs in January with an average of 22,000 jobs added per month. Ambulatory services continued to be the main area of growth in healthcare, recording 8,000 payroll additions this month.
- **IT:** In its eighth straight month of growth, the IT sector added 8,600 jobs in January. The outlook for IT was not dimmed in the least by this report and growth is expected to continue. At a recent IT conference, more than half of IT professionals projected an increase in their budgets going forward and many IT initiatives for the coming year will involve shifting data and processes to more efficient means. In addition, IT security continues to be an investment area for businesses shifting to cloud computing and implementing similar changes.
- **Manufacturing:** Manufacturing was the brightest spot of the report adding 49,000 jobs last month. Job gains occurred in durable goods, including motor vehicles and parts, fabricated metal products, machinery and computer and electronic products. Prices for metals (silver, copper and platinum) rose as a new industry report offered a positive outlook for the manufacturing industry.

Soliant insights:

The anomalies of the January report are the small number of job gains (36,000) combined with the drop in unemployment to 9.0%. Often

when such a significant drop in unemployment is seen, the underlying cause is more often due to increasing numbers of discouraged workers leaving the job market than it is due to an actual drop in unemployment. This month, however, is still somewhat of a mystery in that the number of discouraged workers also dropped. While the drop in unemployment has some economists scratching their heads, this report does shed light on questions we do know the answers to – regardless of the rate, we know the process of growing our economy and lowering unemployment is slow and steady. Bursts might occur, but the pace of this recovery cannot be characterized in any other way but reserved.

We also know what the economy must do in order to significantly sustain growth – consistently add 200,000-300,000 jobs a month to improve unemployment. While we are not near there yet, signs continue to point in the right direction. Recent economic reports on filing for jobless benefits as well as consumer confidence and spending all indicate we might be turning the corner. In addition, labor department revisions from December and November show a higher level of job gains than initially reported.

Of interest

Most Secure Jobs in 2011

Source: www.hotjobs.yahoo.com

According to the U.S. Bureau of Labor Statistics, the unemployment rates at the end of 2010 came in close to ten percent. At this time job security matters more than in the past, especially during periods of high unemployment. Good news though for the healthcare industry - physician assistant, home health aide, physical therapist and physical therapist assistant top the list of jobs that are forecasted to be the most secure jobs in 2011.

Impact on the workforce

With these four job titles being of the most secure for 2011, healthcare professionals in these fields can take a sigh of relief and move forward in focusing their skill sets - not fighting to keep their jobs.

Employees can take comfort in knowing their industries will continue to grow as the population ages.

Impact on employers

Employers of physician assistants, home health aides, physical therapists and physical therapist assistants will now need to focus their energy on retaining these employees since they will be in such high demand in 2011.

Five Ways Health IT will reduce the cost of care

Source: www.healthcareitnews.com

Health IT is hot right now and brings many opportunities to improve healthcare diversity in America, from changing the way healthcare is financed to enhancing efficiency. By improving standards of care, increasing patient involvement and collaboration, putting information at the forefront, focusing on outcomes and offering transparency to patients, the healthcare industry can cut healthcare costs in 2011.

Impact on the workforce

By reducing the cost of care and focusing on health education, healthcare professionals can fine tune best treatment methods, while increasing patient involvement to encourage healthy lifestyle choices. By empowering staff to take a proactive approach to patients' health, everyone wins.

Impact on employers

The improvement of healthcare delivery will provide the opportunity to replace the outdated business model most facilities operate under bringing about more efficiency and lowered healthcare costs. By being able to lower the healthcare cost, patients won't be insulated from the cost of their care and can focus on the experience the healthcare professionals gave instead of the looming medical bill.



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