

Healthcare Workplace Economy February 2012

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

These were just a few of the headlines that gripped the front pages of newspapers throughout the nation on February 3rd after the BLS released January's "The Employment Situation" report – arguably the most positive jobs findings that have been recorded since Barack Obama was sworn in as the 44th President of the United States on January 20, 2009.

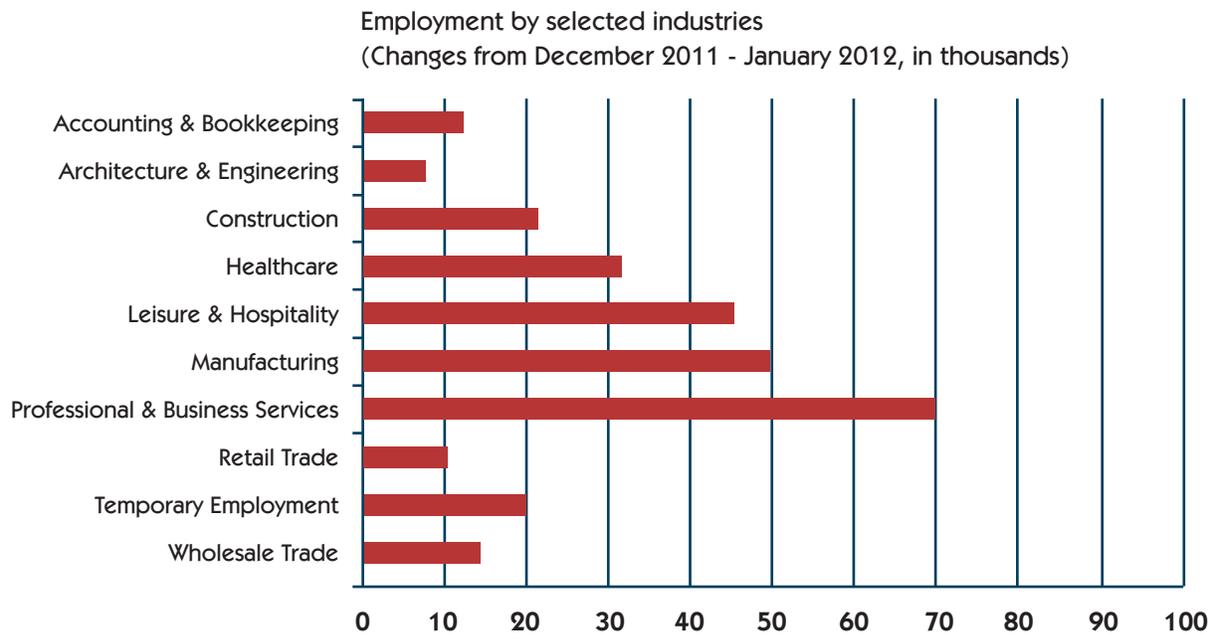
Last month, the national unemployment rate was 8.3 percent, slightly lower than December's rate of 8.5 percent and nearly one percent less than it was last summer. In addition, the rate has now declined

for five consecutive months, an employment feat which has not been accomplished since 1994. Of equal importance, the national economy has added jobs for 23 straight months, as the number of unemployed individuals declined by 300,000 in January, in comparison to December's findings.

Simply, the report absolutely shocked thousands of economists, many of whom had predicted that the unemployment rate would begin to increase once again, up to 8.6 percent, while only 150,000 to 155,000 jobs would be added – approximately 100,000 less than was actually reported by the BLS.

"It's very unusual to get an unambiguous job report; usually you have a lot of cross currents in the data," said Mark Zandi, Moody's Analytics'

Sector changes observed in January



Source: BLS

chief economist. “This [month’s report was] unambiguous. Everything [was] good.”

Perhaps the most positive aspect of January’s jobs report was the fact that job growth was very extensive, as nearly every private sector industry hired thousands of workers.

Manufacturing job growth – a strong sign that the economy is regaining momentum – was especially noticeable, as 50,000 jobs were generated. Since December 2010, 14 percent of all new jobs have been created within the manufacturing industry.

In addition, the BLS announced that 157,000 jobs had been generated last November, 57,000 more than had been originally reported. December’s jobs report was also revised, as 3,000 more jobs were added to the economy during the month. Overall, 1.82 million jobs were created throughout 2011.

Finally, as a further sign of economic recovery, stocks increased considerably on February 3rd. Nasdaq reached its highest level in more than a decade, while the Dow reached its highest level since May 2008.

For the first time in months, job growth was quite extensive throughout the private sector in January, according to the BLS’s latest “The Employment Situation” report.

Hiring statistics blossomed in a majority of industries, including the following:

- **Healthcare:** The industry added nearly 31,000 positions to the economy in January, with ambulatory care services and hospitals leading the way as the industry’s top two employers.
- **Construction:** Employment within the industry increased by 21,000 jobs. Of all construction positions, nonresidential specialty trade contracting opportunities were the most plentiful.

- **Leisure and hospitality:** 44,000 professionals were hired within the industry in January. A majority were employed in either drinking places or food services places.
- **Manufacturing:** Once again, manufacturing hiring continued to rise, as 50,000 professionals were freshly employed last month. Fabricated metal products and machinery organizations each hired roughly 11,000 employees in January.
- **Professional and business services:** More than 70,000 workers accepted new employment opportunities within the industry in January. Temporary employment and accounting and bookkeeping were two standouts in terms of employment last month, as each industry hired 20,100 and 12,500 new employees, respectively.

Soliant insights:

Beyond the shadow of a doubt, January’s BLS jobs report was among the most optimistic that has been released since the end of the ‘Great Recession’ more than three years ago. Approximately 141 million Americans were employed last month, as the national unemployment rate continued to trend downwards.

But, despite all of the positive news that has recently been mentioned by various media outlets, which negative aspects of the report will affect the future of the national economy – and how will they influence economists’ projections for the remainder of 2012?

Although the national unemployment rate is currently lower than it has been in years, the rate does not include the 8.2 million individuals who must now work part-time hours as they have been unable to acquire a full-time position despite applying regularly.

The rate also doesn't include the 2.8 million Americans who have not searched for employment throughout the last four weeks, even though they are physically able to work on a full-time basis. In addition, roughly 1.1 million Americans are "discouraged workers" who have completely given up on the prospect of finding a new job, at least for the time being.

If all of these individuals are added to the present total number of jobless Americans, the unemployment rate is actually 15.1 percent—a much different number than the 8.3 percent announced in the report.

Earlier this year, the Congressional Budget Office predicted the unemployment rate would increase to 8.9 percent by the end of the year. The Federal Reserve's and Moody's Analytics' projections were slightly more positive, as they believed the rate would range from 8.2 to 8.5 percent by December 2012.

Still, despite economists' concerns, Alan Krueger, Chairman of the Council of Economic Advisers, remains optimistic about the nation's economic future.

"The economy is continuing to heal from the worst economic downturn since the Great Depression," said Krueger. "It is critical that we continue the economic policies that are helping us to dig our way out of the deep hole that was caused by the recession."

So, what exactly does the future hold? Will the unemployment rate continue to decline – or will it once again uptick to levels that have not been measured since last summer? And, how will the rate influence this November's election results? Stay tuned.