

Healthcare Workplace Economy January 2011

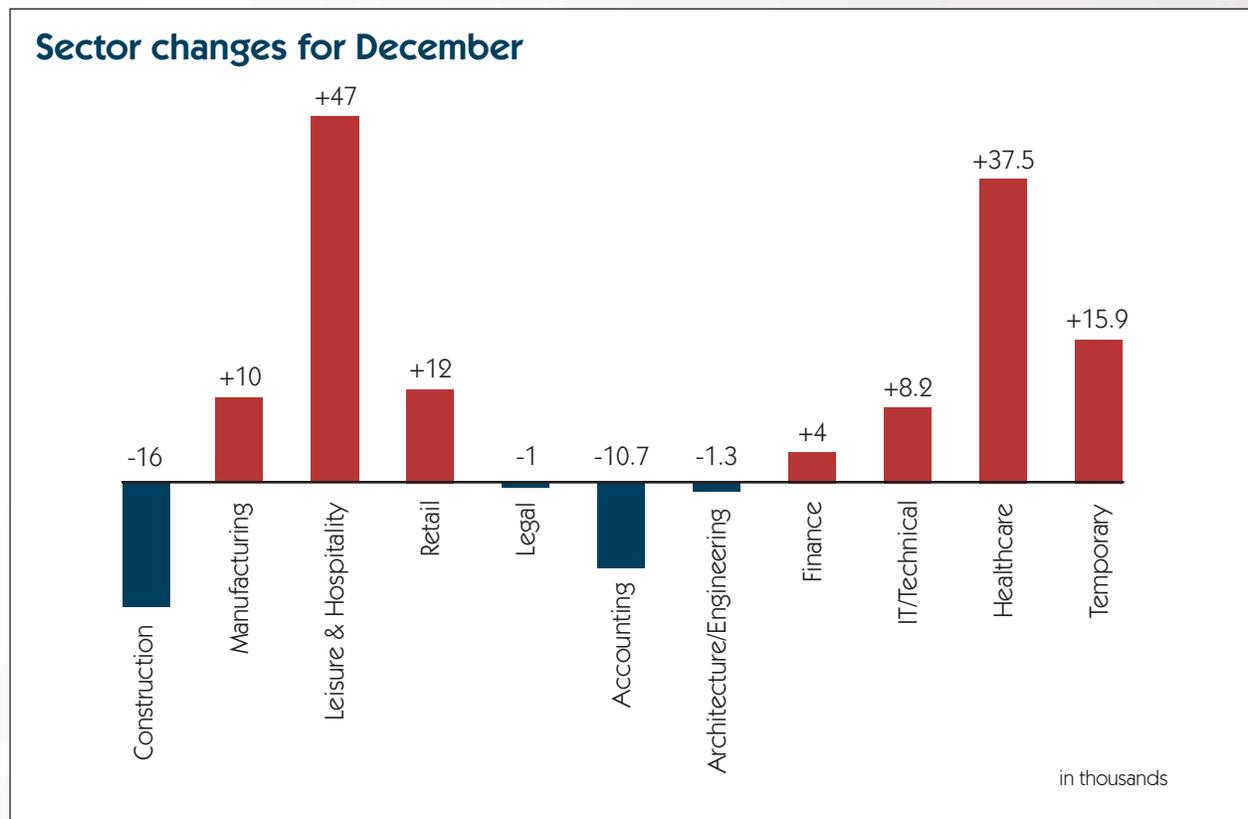
Jobs Report Summary for the Healthcare Industry Based on the BLS Report with December 2010 data

The final chapter in the book of 2010 is now complete with the release of the December 2010 BLS unemployment report. The economy added 103,000 jobs in December 2010 with a gain of 113,000 in the private sector and a loss of 10,000 in the public sector. The BLS numbers were below what early reports had predicted, leaving many economists less optimistic than expected. While the drop in the unemployment rate to 9.4% might be initially seen as a heralding precursor to a quickly growing 2011, a closer look at the numbers is essential to understand how 2010 finished and what can be expected for 2011. In addition to the December net growth which is still a move in the

right direction, the report included revisions to account for more gains than originally reported in October and November 2010 adding +38,000 and +32,000 jobs respectively.

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

- **Temporary employment:** The addition of 15,900 temporary jobs in December is a leading signal that companies remain in need of talent. The total number of temporary jobs added since the sector's low point in September 2009 has been 495,000 making the temporary sector the stand out sector of the entire recovery thus far alongside healthcare. This is not expected to change in the near future, as companies remain inclined to hire more temporary workers for both project and seasonal work.



- **Healthcare:** Adding even more jobs to the sector, December registered 35,700 new healthcare jobs. The biggest gains were seen in ambulatory services, hospitals, nursing and residential care facilities, and the industry will remain in the headlines throughout the beginning of 2011 as talk continues around the healthcare bill in Congress. The types of healthcare jobs being added are diverse in terms of skills and location requirements as they require knowledge beyond traditional medical positions and are located in virtually every metropolitan area in the United States.
- **Leisure and Hospitality:** Even more so than healthcare, leisure and hospitality was the brightest spot in the December report adding 47,000 jobs in December. Job gains were seen in food and drink establishments. Since its low in December 2009, the industry has added a total of 188,000 jobs. The sector has consistently added jobs in recent months--a potential sign of increasing consumer confidence and spending.
- **IT:** IT continues to be a strong sector and holds a bright outlook in 2011. 8,200 jobs were added in the IT industry in December 2010 with forecasts for 2011 indicating that employers will be in need of highly skilled IT workers, depicting a bright future for jobs in the sector. Job seekers who do not have work history within IT should look for ways in which their skills can be transferred; professionals with skills historically used in other industries can parlay their analytical and communication skills to IT.
- **Retail:** The little change between November and December retail employment numbers indicate that retailers hired more seasonal temps than permanent employees. The retail sector added 12,000 jobs in December 2010, yet the full retail picture must include consideration of the temporary jobs added in December. This is establishing a pattern in the retail industry that should be watched as it becomes regular practice to hire seasonal help instead of hiring independently.

As analysts look back on 2010 and forecast for 2011, they will look to the labor market as one of the most important factors shaping the economy's strength and potential. What remains constant is the cautious confidence of business that has shaped the start of the 2011 discussion. Economists predict large and small businesses are better poised to hire employees and expand services smartly. This stronger footing does not mean recklessness or bullish hiring, but careful spending in the New Year.

Soliant insights:

As the close of Q4 2010 numbers indicate, in large part, 2010 was a recovery year for the US in both the temporary sector and overall job growth. Now we look towards 2011 to see if we can achieve the 200,000-300,000 job additions that we need for an overall recovery in the job market. In addition to employment numbers, an important element to watch in 2011 will be consumer confidence and spending as they will be underlying components giving employers confidence that the economic recovery is sustainable.

The 9.4% unemployment rate, while the lowest seen in 18 months, is not as positive an indicator as one would hope. The 350,000 people who moved from the unemployment listing is a bit of an anomaly with many moving to the discouraged workers category. Job seekers continue to drop out of the job search due to a lack of confidence that they are going to find something. We should expect this number to change again in the future and potentially move back up.

Including the October and November revisions, we are still seeing additions of approximately 130,000 jobs a month on a 3-month average. These are still positive and meaningful additions. The recession ended in 2009, the recovery started in 2010 and it may take two years to fully get back on track economically.

Of interest

Nurses' Role in the Future of Health Care

Source: The New York Times

As we near 2014, the year in which the Patient Protection and Affordable Care Act takes place, we as a whole need to take note that it's not the healthcare overhaul that is the issue, it's the volume of patients it must serve. Over the next 10 years, a third of our country's physicians will retire causing shortages in all specialties, not just primary care. While the emphasis is placed on the physicians, an important player in the game of healthcare is being left out – the nurses. As of late, innovative nursing-led services are being used to help with the elderly population deemed to be at risk for relapse after being treated. So far the program has significantly decreased hospital readmissions and costs by as much as \$5,000 per patient. This new "culture of care" has risen out of the sheer need of more help within our healthcare facilities nationwide.

Impact on the workforce

The increasing number of patients ensures job security in the coming years for nurses as well as physicians. As the BLS reports, the healthcare community is continuously adding new jobs every month proving the healthcare industry is the place to be within the recovery of the Great Recession.

Impact on employers

Increasing employment numbers within the healthcare industry allow employees to move as desired from one facility to another encouraging healthcare professionals to fine tune their skills and explore their options. This ability to explore their profession puts more qualified and seasoned employees in the market bringing a wide range of potential employees to facilities across the US. This brings happier and more content employees to the table which in turn increases an organization's approval within the community it serves.

Rauland-Borg, Voalté bring nurse calls to iPhone

Source: Healthcare IT News

Rauland-Borg Corporation and Voalté have partnered to enable Rauland-Borg's Responder 5 Nurse Call system to connect directly to caregivers' Voalté-enabled iPhones. This collaboration will enhance mobility for caregivers and allow them to answer calls from anywhere within their hospital unit – which in turn provides faster response times for patients.

Impact on the workforce

This new technology will allow healthcare professionals to provide quicker response times no matter where they are within the facility ensuring the patient is taken care of in a timely manner. The flexibility of being within the facility and being able to care for a patient is a perk of the ever improving technology within hospitals today.

Impact on employers

Allowing healthcare professionals to use their iPhones while on duty gives them access to valuable information in addition to caring for their patients more efficiently. The new technology allows hospital staff to be able to step away from the desk as needed to perform their daily duties making the typical work day more productive.