

Healthcare Workplace Economy June 2011

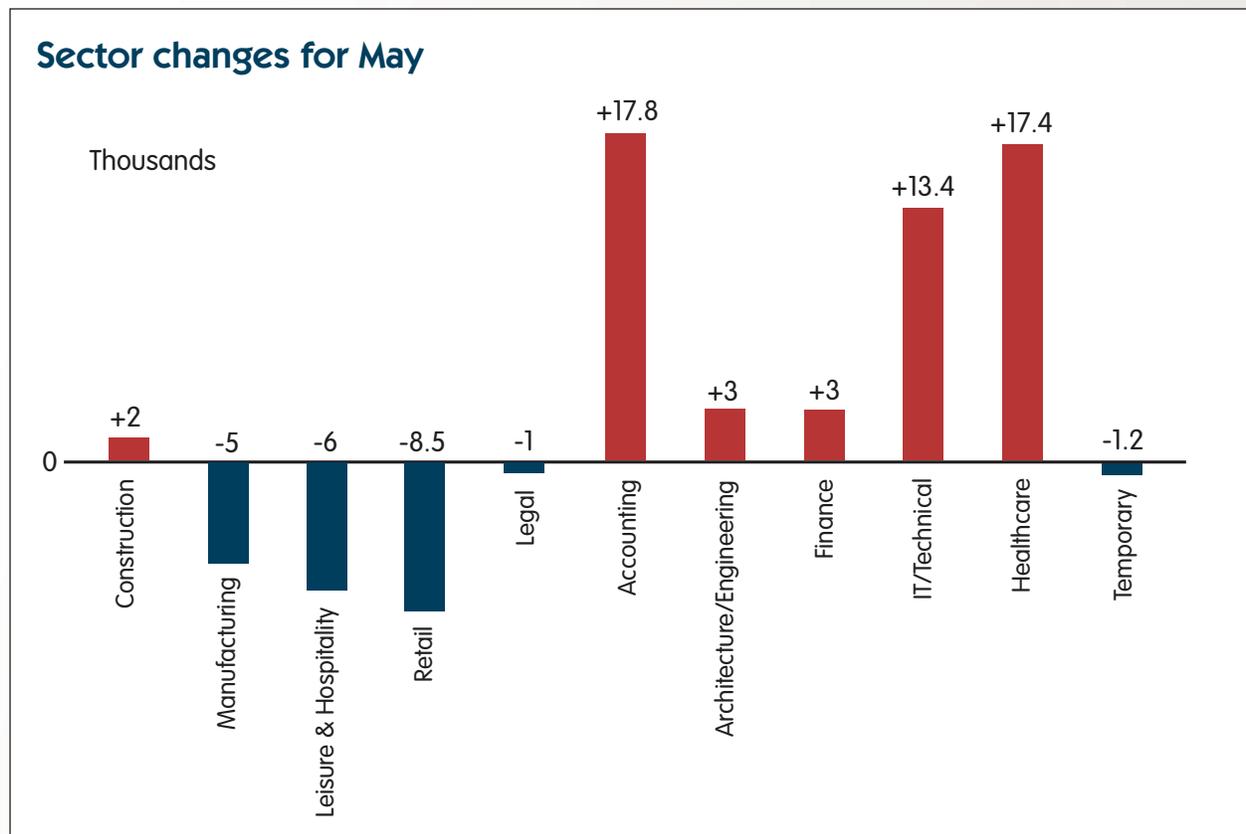
Jobs Report Summary for the Healthcare Industry Based on the BLS Report with May 2011 data

As a bleak but important reminder, the small number of job additions in May proves the employment situation is still a tenuous marketplace. Emerging from a recession is not a single motion but a bumpy road subject to the economic performance of a host of industries. While some industries continue to add, others continue to contract weighing heavily on the full picture. In the month of May, the industry weighing most heavily on employment was primarily the public sector, losing 29,000 jobs. This combined with little to no change in other industries led to the small number of aggregate additions. Revisions from March and

April indicated the employment picture was not quite as strong as previously predicted as March was revised from 221,000 to 194,000 and the change for April was revised from 244,000 to 232,000—still, an addition of 426,000 jobs.

The unemployment rate rose slightly to 9.1% as the private sector added the smallest number of jobs in 11 months. The average length of the workweek remained unchanged at 34.4 hours, but the average payroll increased by 6 cents to \$22.98/hour.

The May job numbers surprised some economists who were expecting larger gains, yet others point to similar economic indicators that have recently declined such as home prices, manufacturing performance and rising gas prices. Many believe



hope for progress is not lost, just slowed, as non-seasonally adjusted private sector job growth in May showed 723,000 additions to payrolls. This reiterates the fact that the economy is continuing to add jobs, yet the pace is slower relative to seasonal expectations.

As growth slows some industries feel the impact more than others:

- **Healthcare:** Healthcare remains the strongest sector for employment. 17,000 positions were added in May while the sector has added an average of 24,000 positions per month in the past year. According to data from the Conference Board, labor demand for healthcare workers has declined for practitioners and technicians yet there are still three jobs for every skilled healthcare professional seeking work. According to a separate recent study, health information technology is one of the most sought after jobs. Positions outside of traditional healthcare practice are expected to continue to grow in popularity as electronic medical records and other health systems become more prevalent.
- **Manufacturing:** Employment within manufacturing declined by 5,000 jobs in May. There were job gains in fabricated metals which were overshadowed by losses in transportation equipment and similar areas. In total, the industry has added 243,000 jobs from December 2009 through April 2011. Recent manufacturing reports indicated slower activity in China, the United States and throughout Europe. Decreased activity combined with higher costs primarily in commodity and energy prices could further impact employment in this sector.
- **Retail & Leisure and Hospitality:** These two sectors followed similar patterns in May after adding jobs in April. The retail sector lost 8,500 positions in May. Leisure and hospitality lost 6,000 jobs. These declines could significantly impact teens and college students seeking summer jobs as other job seekers compete for private sector opportunities due to government cuts in employment programs for teens and

college students. In a spot of good news, according to economists' data, retail sales increased in May. Among the beneficiaries of the increases were merchants of upscale merchandise and gasoline sellers.

- **Professional and business services:** Professional and business services gains contributed significantly to the overall private sector additions in May. The sector added 44,000 jobs in the past month. The professional services industry will be an important leader of private sector growth as the government sponsored stimulus package winds down. Additionally, this sector will be a good indicator of the extent of weather event effects from the South and Midwest U.S. and Japan due to the diversity of location and skills involved in professional services jobs.
- **Temporary:** The temporary job sector saw a negligible difference in available positions losing only 1,200 jobs in May. At Soliant Health we continue to see growth in and demand for the flexible workforce across a broad spectrum of skill sets within the healthcare system. Further, conversions from temporary positions to full-time jobs continue to increase. This will continue even with moderate economic growth because worker productivity has increased so dramatically in many US industries and jobs. Companies with strong prospects will need new and incremental talent in the coming months.

Soliant insights:

Recent economic data show oil prices rising, manufacturing production slowing and consumer confidence declining all of which impact unemployment. The good news however, is that the larger picture is not as bleak. As it happened in April, in May the unemployment rate rose as more people entered the job market. Additionally, the average hourly pay for workers increased by 6 cents. Factoring in this month's numbers, the average job growth each month has been 157,000 a month in 2011 which is a modest pace for the start of a recovery.

Though many are eager to speak of an economic recovery, the unemployment rate is expected to hover between 8-9% for a while. Getting the unemployment rate down in this country is going to require a multi-pronged approach involving the active participation of government, business, academia, and workers. As the first three of these stakeholders work to positively impact hiring, workers should continue to expand the reach of their skills, abilities and work location flexibility. This will help make our workforce more multi-dimensional, with workers actively looking to develop various skills and interests across the span of their working life.

Of interest

Hospitals Compete for IT Talent with Funding at Stake

Source: www.pcworld.com

Healthcare providers are experiencing difficulties finding qualified candidates as they strive to meet the federal government deadlines for EHR (electronic health records) and health IT. The challenge lies with being able to find enough IT staff who can help hospitals and medical practices migrate from paper records to EHRs and also manage the large amount of patient data generated from practicing medicine. Some facilities are finding that cloud computing best meets their hospital's IT needs by hiring staff to support the cloud's infrastructure as well as hiring workers with backgrounds in database development, wireless networking, security and server administrations. While looking for the perfect IT worker keep in mind it is beneficial to have someone with a working vocabulary of healthcare and are familiar

with the industry's privacy, security and compliance and regulatory aspects. It is equally important to hire employees who grasp how introducing technology into medicine changes how care is administered to patients because the biggest beneficiary to EHR is the patients. Even though there are many challenges the one good thing that has come out of the push from the government financially penalizing health care providers for converting over to EHRs is the more affordable technology available to hospitals.

Race is on for iPhone-like health IT apps

Source: www.healthcareitnews.com

A new platform created specifically to boost healthcare IT innovation was made available in March to the public kicking off a competition focused on challenging developers to create the best Web applications for patients, physicians and public health. The platform architecture was developed to support a flexible health information technology environment and promote innovation while aiming to transform the way health IT supports healthcare by facilitating the development of medical applications that are scalable and substitutable. The goal of the platform is to drive competition, innovation and increase efficiency in the functionality of technology for improved healthcare. "Future developments in health IT should always be driven by empowering physicians and improving patient care," stated Wil Yu, director of the SHARP program at the Office of the National Coordinator of Health IT. The deadline for submissions was May 31, 2011. Winners are to be announced on June 22. Visit www.smartplatforms.org/challenge/ to find out more.

