

Healthcare Workplace Economy June 2012

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

According to the “The Employment Situation – May 2012” report, hiring dwindled for the third consecutive month in May, as only 69,000 jobs were added to the national economy, the lowest monthly total since June 2011.

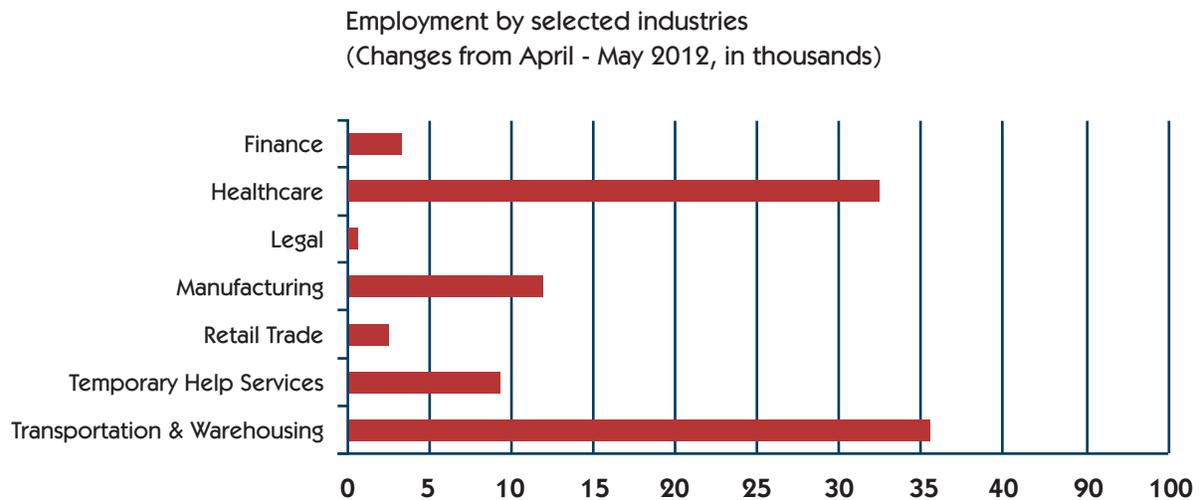
The report also found that 5.4 million Americans have now been without work for at least six months and, 8.1 million citizens were employed on a part-time basis for economic reasons, while 2.4 million Americans were marginally attached to the workforce, an increase of nearly 200,000 over the past year.

The national labor force participation rate remained lower than hoped as well, at 68.3 percent, nearly two percent lower than in June 2009 and only 0.2 percent higher than in April, a month in which the nation reported its lowest rate since the 1980s.

Despite the rise in unemployment to 8.2%, President Barack Obama continued to maintain a sense of optimism while speaking about the current state of the national economy in Minneapolis, just hours after the release of the monthly jobs report.

“The economy is growing again, but not as fast as we want it to grow,” Obama said. “We will come back stronger [though]. We do have better days ahead.”

Sector changes observed in May



Source: BLS

As a sign of continued economic progress, 642,000 Americans did re-enter the labor force last month—the likely reason that the unemployment rate snuck up to 8.2%— and 422,000 more Americans were employed in May than in April. But, unfortunately, that did not improve optimism from the stock market as the Dow Jones Industrial average fell to its lowest total in 2012 on June 1st.

Three years after the official end of the Great Recession, it appears the nation's path towards economic recovery continues to be a drawn out process with continuous ups and downs. Based on these numbers, economists are beginning to consider the idea of a jobless recovery or a new natural unemployment rate more seriously as the country moves farther from the 'official' end of the great recession.

Private sector hiring was a bit disappointing last month, as only half of the nation's 10 major industry groups reported employment increases. In all, the construction, government, information, leisure and hospitality, and professional and business services industries recorded job losses in May.

Although sector job growth was not as strong as hoped this month, the following industries still recorded employment increases throughout May:

- **Healthcare:** Employment remained steady in May, as 32,800 healthcare workers were hired, including recent college graduates. A majority of the hiring occurred in ambulatory healthcare services, particularly physicians' offices.
- **Finance:** Hiring within the industry rose by 3,000 last month, as 7.72 million finance professionals were employed. Hiring also augmented on a year-to-year basis; only 7.69 million professionals were employed in May 2011.

- **Manufacturing:** Hiring also remained robust within the manufacturing sector, as 12,000 new positions were added to the national economy. In all, nearly 12 million workers were employed last month.
- **Retail Trade:** Although hiring is currently much slower than it was in late 2011, 2,300 Americans received new job opportunities within the industry in May. Most hiring occurred in clothing or food and beverage stores.
- **Temporary Help Services:** For the second straight month, hiring rose within the sector, as 9,200 new positions were generated. Roughly 2.5 million Americans were employed.
- **IT Design and Consulting:** This sector added 7,500 jobs in May with the bulk being seen in computer systems design.

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From December 2011 to February 2012, the national economy generated an average of 252,000 new jobs per month. Since then, only 96,000 new jobs have been added to the economy each month, on average. Of further concern, more than 12.7 million Americans are unemployed and, to make matters worse, thousands upon thousands of jobless citizens are currently losing their unemployment benefits.

In response, the Obama administration proposed a "Congress To-Do List" last month to create more jobs at a faster, steadier pace and to foster a more secure financial future for America's unemployed – and underemployed – citizens.

The "To-Do List" includes five initiatives, ranging from the development of a new hire tax credit for American-based small businesses to the establishment of a Veterans Job Corps.

First, the Administration has asked Congress to pass legislation which will, according to the White House, recompense all American organizations with a 20 percent tax credit if they choose to relocate their current business operations from overseas locations back to the United States. The tax credit will be utilized towards all costs of the relocation process, thus eliminating their incentives to operate abroad.

Second, the Administration has requested that Congress pass another form of legislation, which will offer a 10 percent income tax credit to all small businesses that either create new jobs or increase employee wages in 2012.

Finally, the Administration is also focused on passing a conservation program known as the

Veterans Job Corps. According to Matt Compton, Deputy Director of Online Content, The White House, the program “will put up to 20,000 veterans to work over the next five years” while working “to restore habitats [and] maintain public lands,” among other responsibilities.

In less than 60 days, Congress will have its annual summer recess. Will any of these initiatives be passed beforehand? And, if so, how will they improve the national economy?

As President Obama prepares for this year’s upcoming election, his Administration will likely not only press Congress to pass each of these initiatives, but to also develop new legislation to generate a more secure economic future for all Americans.

