

Healthcare Workplace Economy March 2013

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with February 2013 data

Consistent. Robust. Encouraging.

Last month, economists were encouraged by the Bureau of Labor Statistics' unemployment report, which revealed that the national economy generated more than 100,000 new jobs for the seventh straight month.

On March 8th, the positive news continued, with the release of the "Employment Situation - February 2013" report. According to the BLS, 236,000 new jobs were created in February, as the national unemployment rate dropped to 7.7 percent, the lowest measurement recorded since December 2008.

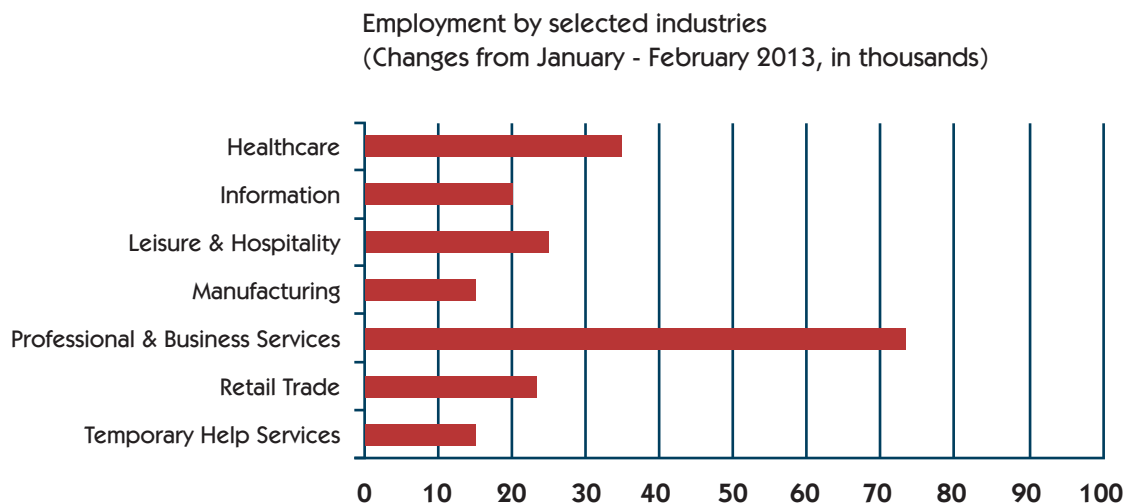
Since November, 205,250 jobs, on average, have been added to the economy per month. By comparison, 183,000 jobs on average were generated last year on a monthly basis.

February's jobs report exceeded most economists' expectations, as many projected the national unemployment rate would linger at 7.9 percent for the second consecutive month. Others anticipated 160,000 to 170,000 new jobs would be created.

Some economists believed the sudden decline in the national unemployment rate was a direct result of the civilian labor force shrinking by 130,000 from January to February. Yet, others noted that total employment rose by 170,000 last month, while unemployment decreased by 300,000, signifying economic progress.

Furthermore, the national underemployment rate decelerated, falling to 14.3 percent. The rate

Sector changes observed in February



Source: BLS

includes unemployed Americans, discouraged workers, individuals employed part-time for economic reasons, and citizens marginally attached to the labor force.

Roughly 8 million Americans are currently employed part-time for economic reasons, as they have yet to find full-time jobs. Another 2.6 million Americans are marginally attached to the labor force, as they have not searched for employment in the past four weeks.

Meanwhile, 34 percent of the nation's marginally attached workers were considered discouraged, as they had recently given up on their job searches. And, although employment is rising, 12 million Americans are still considered unemployed.

Nonetheless, the Labor Department reported that the four-week moving average for new state jobless aid claims declined by 7,000 during the week of February 25th, dropping to 348,750, the lowest level documented since March 2008.

The average workweek increased to 34.5 hours last month, while the average hourly earnings of private nonfarm payroll employees rose to \$23.82.

Many economists believe such signs of economic growth will continue this spring and summer, in spite of the sequestration enacted on March 1st, sharing an optimistic outlook for the months to come.

As expected, private sector hiring rose for the 36th straight month in February, as the sector generated 246,000 new jobs.

In all, 113 million Americans were employed within the private sector, an increase of 2 million, when compared to February 2012's employment statistics.

Hiring was especially noticeable in the following sectors:

- **Healthcare:** Since February 2012, the healthcare industry has added 301,000 new jobs to the national economy. Last month, 32,000 jobs were created; a majority of the hiring occurred in hospitals and home healthcare services.
- **Information:** For the second consecutive month, the sector recorded a rise in employment, as 20,000 professionals were hired in February. A surprise to some economists, the motion picture and sound recording industries reported a significant gain of 20,800 jobs.
- **Leisure and Hospitality:** Sector hiring remained steady in February, as 24,000 jobs were added, virtually matching January's employment total. Nearly 80 percent of the hiring occurred in food services and drinking places.
- **Professional and Business Services:** Roughly 18 million professionals were employed in the sector last month, as hiring rose for the ninth successive month. 73,000 jobs were added in all, the largest monthly gain of all sectors.
- **Retail Trade:** After reporting a net loss of 11,300 jobs last December, the sector has steadily recovered. Last month, the sector hired 23,700 professionals, leading to a total of 56,300 new jobs since the beginning of 2013.
- **Temporary Help Services:** Hiring rose for the first month since November 2012, as the sector reportedly generated 16,000 new jobs in February. Approximately 2.6 million Americans were employed in the sector last month.

Soliant Insights

On February 12, 2013, President Obama delivered his State of the Union address to the nation, focusing on one primary issue: economic growth.

“We gather here knowing that there are millions of Americans whose hard work and dedication have not yet been rewarded,” he said. “It is our unfinished task to restore the basic bargain that built this country – the idea that if you work hard, you can get ahead.”

To improve the nation’s economic situation and help all Americans thrive, President Obama discussed four of his chief goals – to improve the manufacturing industry, sustain the nation’s transportation and business infrastructures, increase exports, and raise the national minimum wage.

This year, President Obama has proposed to develop three new Manufacturing Innovation Institutes, much like the pilot that was finalized last year in Youngstown, Ohio. Community colleges, universities, businesses and government will collaborate to establish these institutes in order to develop new technology for companies to incorporate in their products and services, and consequently generate new jobs.

Obama also mentioned two additional proposals: the “Fix-It-First” and the “Partnership to Rebuild America” programs. The “Fix-It-First” program is focused on investing \$50 billion in the United States’ transportation infrastructure. \$40 billion of that investment will be spent strictly on particularly urgent upgrades, including highways, bridges, and airports.

The “Partnership to Rebuild America” is dedicated to business infrastructure upgrades, such as oil and gas pipelines and power grids. Both programs are expected to add new jobs to the economy throughout the coming months, although an estimate of job creation has yet to be fully determined.

The president also discussed exports and its impact on job creation. To support millions of jobs, Obama announced that discussions regarding a Transatlantic Trade and Investment Partnership with the European Union will soon begin, while negotiations concerning a Trans-Pacific Partnership recently concluded. Through such trade initiatives, the nation may be able to increase exportation and create new jobs throughout the United States.

Finally, Obama announced that the national minimum wage will be raised from \$7.25 per hour to \$9.00 per hour by 2015, after which the wage will be indexed to inflation. Today, a full-time, minimum wage employee only earns \$14,500 annually; however, a boost in earnings is projected to increase the wages of nearly 15 million Americans by the end of 2015.

With the announcement of these forward looking measures, new questions have emerged. Will these economic initiatives be enacted on time? And, if so, what type of impact will they have on the nation’s economic progress, on a short-term and long-term basis?