

## Healthcare Workplace Economy November 2010

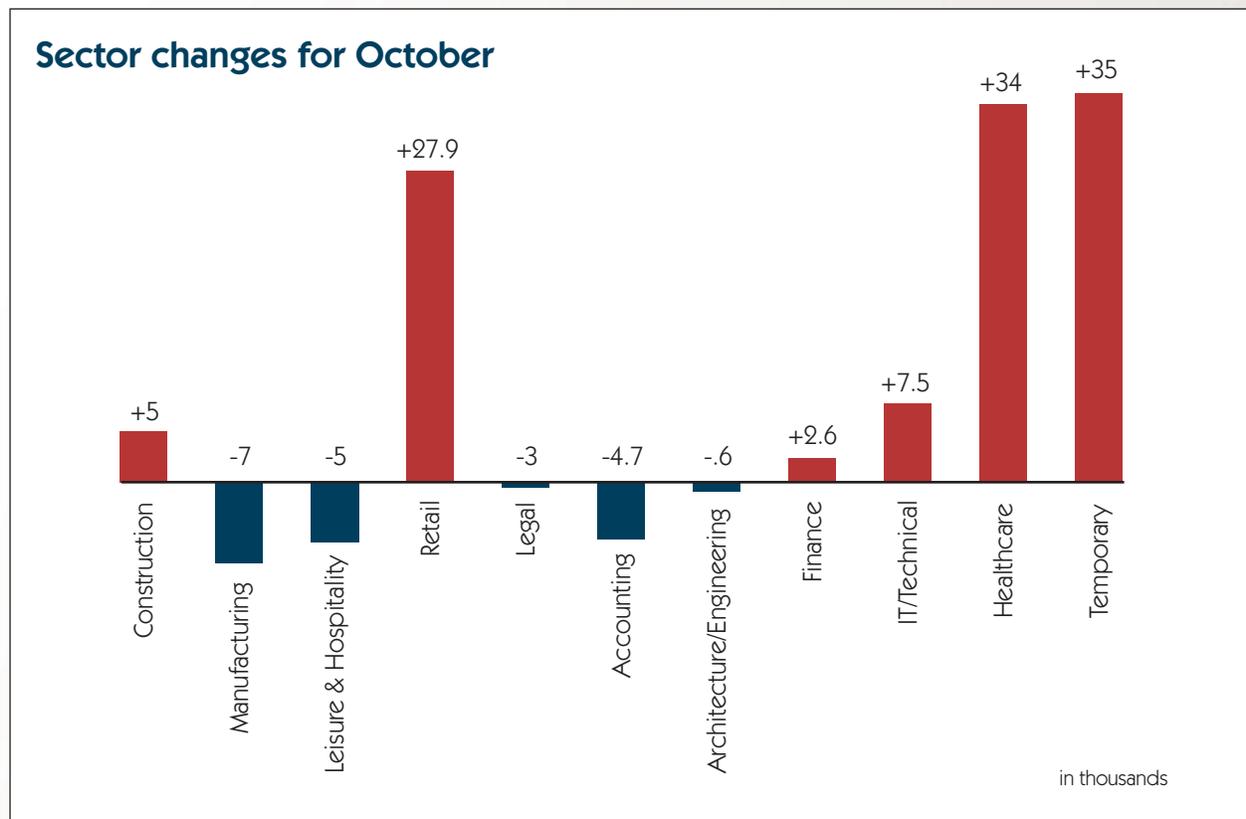
### Jobs Report Summary for the Healthcare Industry Based on the BLS Report with October 2010 data

Following several months of staggered job growth, October's report brought some welcome signs of life in the U.S. labor market, specifically 159,000 new private sector jobs. Additionally, and perhaps more significantly, October marked over 1 million new private sector jobs created since December 2009 – a very positive sign that private sector job growth is a significant trend that is starting to put a dent in the declines experienced during the depths of the so-called “great recession.”

#### Sector insights:

A wide range of industries contributed to these more positive results. These include:

- **Temporary employment:** Since a low point in September 2009, temporary help services have added 451,000 jobs. October certainly contributed to this upward shift, adding 35,000 for the month. These results continue to speak to employers turning to temporary workers to add productivity to their workforce while running as flexible and efficient of a business as possible – not only an effective strategy, but also a good sign that the economic rebound is continuing to take shape.
- **Information technology:** Within the professional and business services segment, IT jobs were amongst the fastest growing sectors bringing in over 10,000 new job opportunities in October alone. Since its low point in June 2009, IT roles have increased by more than 50,000 jobs. Despite stagnant infrastructure investments by



companies, investing in IT is seen as a way to save money and drive efficiency in the long run, which is clear in these improved job numbers.

- **Healthcare:** Before, during, and now after the recession, the healthcare industry has been a shining star in an otherwise gray job market situation. For the month of October, the healthcare industry added 34,000 jobs, just beating its average over the past 12 months, which is currently holding steady at 20,000 jobs per month.
- **Retail:** As the holiday season approaches, the retail sector always sees spikes in employment opportunities. As such, the monthly report is always seasonally adjusted to account for these annual peaks and valleys. Despite the seasonal adjustment, this year the sector is performing even stronger than in recent years with employment rising by 28,000 jobs. The most significant job increases were within car sales as well as electronics and appliance sales, both up 11,000 jobs in total.

Despite these positive areas of job growth, there were some less stellar results included in this month's report. This includes a slight dip in public sector jobs, decreasing by 8,000 in October, mainly driven by local government job losses. Additionally, the unemployment rate did remain stagnant at 9.6%, a sign that although jobs are being added to the economy, they are not being created quick enough to counteract the increase in job seekers looking for new employment.

Beyond industry ups and downs, there was more positive news in the form of hours worked. In October, the American workforce spent more time doing what they do best – working. In fact, payrolls were up 0.1 hour – beyond job creation this is seen as a very significant indicator of employer confidence and typically a good indicator that more positive news is on the horizon.

## **Soliant insights:**

The pleasant surprise of economists was loudly heard following the release of the October 2010 report. Increased private sector job growth was the most surprising data from the report, indicating the employment picture grew more in October than anticipated for the tenth consecutive month. This employment picture is the best we've seen since May 2010.

An additional positive note is the average weekly earnings increase of \$.05. This not only means good news for employees with more money in their pockets, it indicates consumer spending might pick up furthering subsequent job growth. These earnings combined with average weekly hours increasing gives promise to our current temporary workers. Employers will look to increase temporary and part-time worker hours before they fully ramp up full-time staffing.

It's important to remember that while this month's report is good news, most economists believe 200,000 -300,000 jobs per month will need to be added to significantly lower the overall unemployment rate to keep up with population growth. The sectors predicted to hire the most in the future are environmental science, IT, legal and medical including nurses and physicians. We recommend our associates look to expand their skill sets into these flourishing sectors for sustainable employment.

## **Of interest**

### **Number of Uninsured Americans Rises**

**Source: [www.nytimes.com](http://www.nytimes.com)**

A recent report by the federal Centers for Disease Control and Prevention reveals the number of uninsured adults in the United States continues to rise. The report shows that one in four adults under 65 reported not having insurance at some point in the last year. Of those 50 million adults one in three middle-income adults didn't have insurance and two of every five have a chronic condition. This data proves two myths about healthcare coverage untrue; first, only the poor are uninsured and secondly, only the healthy are uninsured.

### **Impact on the workforce**

This study shows that there will be a more diverse population of new patients soon to be coming into healthcare facilities come 2011. The new mix of recently uninsured will allow medical professionals to stay engaged within their field of study ensuring less burn out in the new year.

### **Impact on employers**

With the new healthcare reform bill more Americans will be required to have health insurance bringing more patients to medical facilities across the country. Hospitals that had to cut costs and eliminate valuable employees during the recession may be able to hire back eligible employees to keep up with the influx of the newly insured.

### **Healthcare provider competition could improve delivery of services**

**Source:** [www.mckinseyquarterly.com](http://www.mckinseyquarterly.com)

Greater competition amongst providers has been proposed as a solution to the current level of service from the healthcare industry. Arguments have been made both for and against provider competition in healthcare. One of the strongest arguments is that healthy competition between providers can create incentives that could bring innovation, improved quality and efficiency which in turn would result in higher quality at lower cost.

### **Impact on the workforce**

Healthy competition among healthcare providers could bring about a sense of pride in those working in the most innovative or streamlined facilities. Healthcare professionals could travel from facility to facility to sharpen their skills as facilities work toward being the best in their network through improved quality and efficiency.

### **Impact on employers**

Healthcare providers who rise to the occasion would have their choice of qualified medical professionals looking to work for the best of the best. Innovation and higher quality of care at a lower cost would improve the bottom line and employee morale all while ensuring patients are cared for in a timely and efficient manner – making it a win/win for everyone involved.

