

Healthcare Workplace Economy November 2012

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

Private sector hiring remained robust in October, as more than 100,000 new jobs were added to the national economy for the fourth consecutive month, providing further evidence that economic recovery is continuing at a steady pace.

According to the BLS' "The Employment Situation – October 2012" report, 171,000 jobs were generated last month, once again exceeding economists' projections. Prior to the release of the report, many economists expected 125,000 new jobs would be created.

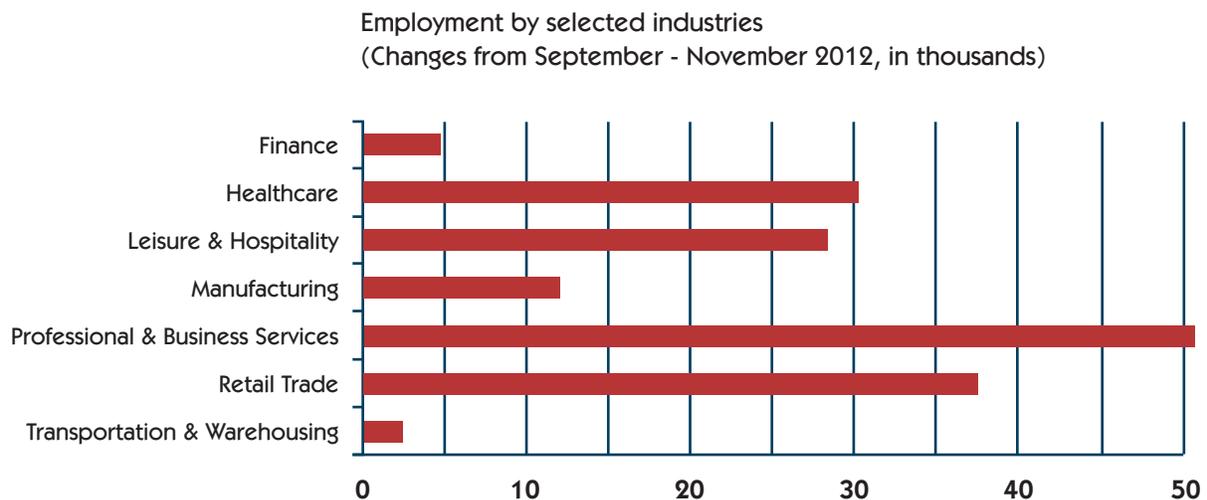
However, some economists' predictions regarding unemployment rate were precise, as the national jobless rate rose slightly, climbing from 7.8 to 7.9

percent. But, unlike other months, October's rate hike may have been a direct result of another positive statistic – the nation's civilian labor force increased by 578,000, indicating that Americans are not only returning to work, but discouraged workers are once again seeking employment after taking extended breaks from their job searches.

In fact, the total number of discouraged workers declined by 154,000 from October 2011 to October 2012 with the employment-population ratio rising to 58.8 percent, its highest level since August 2009. Furthermore, the total number of Americans employed part-time for economic reasons dropped by 269,000 last month, signifying that full-time employment is rising.

Although creation stalled during the second quarter, employment has steadily increased throughout the last four months. Since July, the economy has generated an average of 173,000

Sector changes observed in October



Source: BLS

new jobs per month – an increase of 106,000 jobs, when compared to the second quarter’s monthly job creation average.

In addition, the BLS reported that job creation was much higher in August and September than originally thought. August’s total job creation rose considerably, from 142,000 to 192,000, as did September’s, climbing from 114,000 to 148,000.

New jobs have now been added to the national economy for 25 straight months. Since January, an average of 157,000 jobs have been generated on a monthly basis; to compare, 153,000 jobs were created per month in 2011.

Although wages remain low, average hourly earnings have risen throughout the past year, climbing by 1.6 percent, to \$23.58. Additionally, according to the Department of Commerce, real gross domestic product (GDP) upturned at an annual rate of two percent during the third quarter, a slight improvement from the second quarter’s GDP increase of 1.3 percent.

As anticipated, private sector hiring continued to uptick in October, as the sector added 184,000 new jobs to the national economy, an increase of nearly 80,000, when compared to September’s statistics.

According to the BLS’ most recent “The Employment Situation” report, job growth was quite extensive last month, as a majority of the nation’s private sectors hired new workers.

- **Healthcare:** 14.5 million healthcare professionals were employed in October, as the sector generated 30,500 new jobs. Since October 2011, the sector has hired nearly 296,000 professionals, an average of 24,600 new hires per month.
- **Finance:** Approximately 4,000 finance professionals were hired in October, a decrease of 9,000 positions in comparison to September’s monthly total. Of those professionals, roughly half were hired for credit intermediation roles.

- **Leisure and Hospitality:** Sector hiring continued to rise last month, as 28,000 new jobs were added to the national economy. More than 22,000 of these positions were filled by food services and drinking places; arts, entertainment, and recreation organizations hired 5,300 workers.
- **Manufacturing:** After declining in September, sector hiring increased slightly in October, rising by 13,000. In all, 11.9 million professionals were employed last month; since October 2011, hiring has risen by approximately 200,000.
- **Professional and Business Services:** The sector created 23,000 more new jobs last month than in September, as sector hiring rose by 51,000. Sixty-five percent of these positions were generated by administrative and waste services companies.
- **Retail Trade:** For the fourth consecutive month, the sector reported a rise in job creation in October, as roughly 36,000 professionals were hired. Since August, the sector has hired an average of 27,300 professionals per month.

Soliant Insights

On October 22nd, U.S. Trade Representative Ron Kirk met with Panamanian Minister of Commerce and Industry Ricardo Quijano in order to conclude a six-year-long process – the enforcement of the U.S.-Panama Trade Promotion Agreement (TPA).

By signing a letter of exchange, the pair established October 31st as the entry-into-force date of the TPA. Since it was first negotiated in 2006, both nations have been working together to legalize the agreement. In 2007, the Panama government announced that it had approved the TPA; four years later, on October 21, 2011, President Barack Obama signed it into law.

Now that the agreement has been fully enforced, the decades-long trading partnership between the United States and Panama is expected to strengthen even further throughout the coming months.

In accordance with the TPA, Panama has agreed to abolish tariffs on at least 86 percent of the United States' consumer and industrial goods. In addition, nearly 50 percent of the United States' agricultural goods are now duty-free. The TPA also guarantees that any tariffs that still remain on industrial or agricultural goods will be completely removed within the next 10 and 15 years, respectively.

Not only will U.S.-based distributors have more access to the nation's services market, which is currently valued at \$22 billion, but they will also have more financial freedom to expand their operations and hire new employees.

"Panama is one of the fastest growing economies in Latin America, expanding 10.6 percent in 2011, with forecasts of between five to eight percent annual growth through 2017," said Ron Kirk. "That adds up to support for more well-paying jobs across the United States."

Senate Committee on Finance Chairman Max Baucus and U.S. Chamber of Commerce Senior Vice President for International Affairs Myron Brilliant agreed.

"Fair-trade agreements like the Panama FTA give the U.S. economy a much-needed boost and create new jobs for American workers here at home," said Senator Baucus. "Enhancing and expanding access to rapidly growing foreign markets like Panama is an opportunity for American workers, farmers, ranchers, and businesses."

"With this step, we can now take the century-old U.S.-Panama alliance to the next level," said Brilliant. "The agreement will level the playing field for U.S. workers, farmers, and companies."

Despite the promise of the agreement, three questions remain unanswered. How many jobs will be created as a result of the TPA? Will job creation be noticed immediately – or will hiring begin to uptick in early 2013? And, how many American farmers, ranchers, and companies will be directly impacted by the agreement?