

Healthcare Workplace Economy October 2010

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

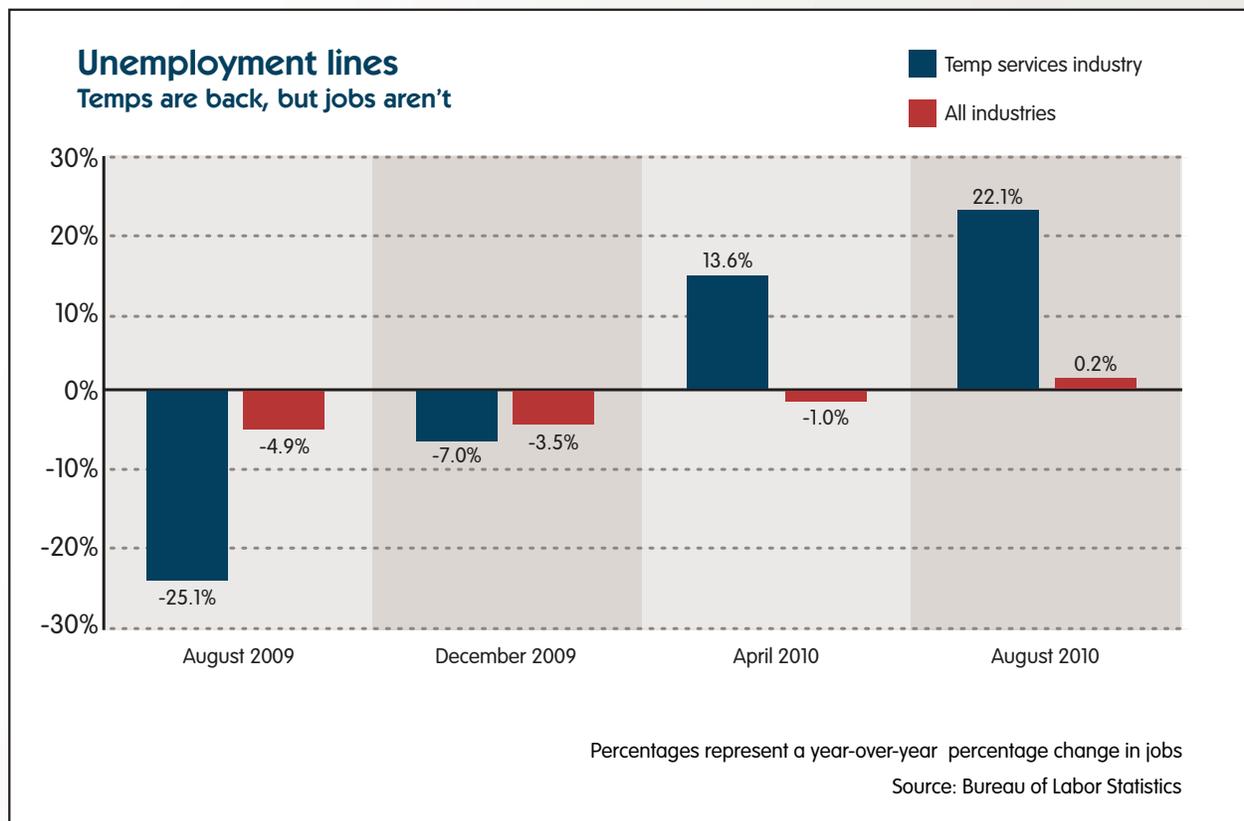
The Bureau of Labor Statistics reported that the US lost 95,000 jobs in September 2010, greater losses than the previous month with the unemployment rate holding at 9.6%. In addition to the government job losses that have remained over the few months due to the close of the 2010 Census, September saw more public sector losses due to state and local government cuts accounting for 159,000 jobs lost.

For the ninth straight month private businesses added jobs hiring 64,000 – a positive indicator, yet a lower total than job gains in the previous two months for the sector. Another bright spot

in the report was revisions from July and August 2010 which reported the addition of more private sector jobs than previously reported, an additional 36,000 jobs over the summer. Economists remain fixated on private sector job growth to dictate the upturn of the economy. The private sector growth each month is a positive sign, yet the pace of growth is slower than what many believe is needed to contribute to lowering the overall unemployment rate at a faster pace.

Sector insights:

Temporary Employment: 16,900 temporary jobs were added in September 2010. Since the beginning of 2010, over 245,000 jobs have been added, and temporary staffing remains the best way to judiciously hire as business grows at an incremental rate.



Healthcare: 32,000 jobs were added for healthcare over the last month – making it one of the top performing sectors in September. The increase came largely from adding 17,200 ambulatory healthcare services, 4,800 home healthcare services and 3,800 nursing and residential care facility jobs. Healthcare is expected to be the most consistent industry in adding jobs to the US economy over the remainder of 2010.

Soliant insights:

Year to date, US businesses have added an average of 96,000 workers a month. The reason we have not seen this impact the unemployment rate is due to the rate of new entrants to the labor force. Private sector job growth brings hope to economic forecasts for job growth, yet the pace will need to speed up in order to see strong unemployment rate declines. With our fears of a double dip recession subsided, we remain watchful and hopeful for future indicators for robust growth. In the next few months, we could see the unemployment rate remain the same even with continued private sector job growth as more and more previously discouraged job seekers enter the market.

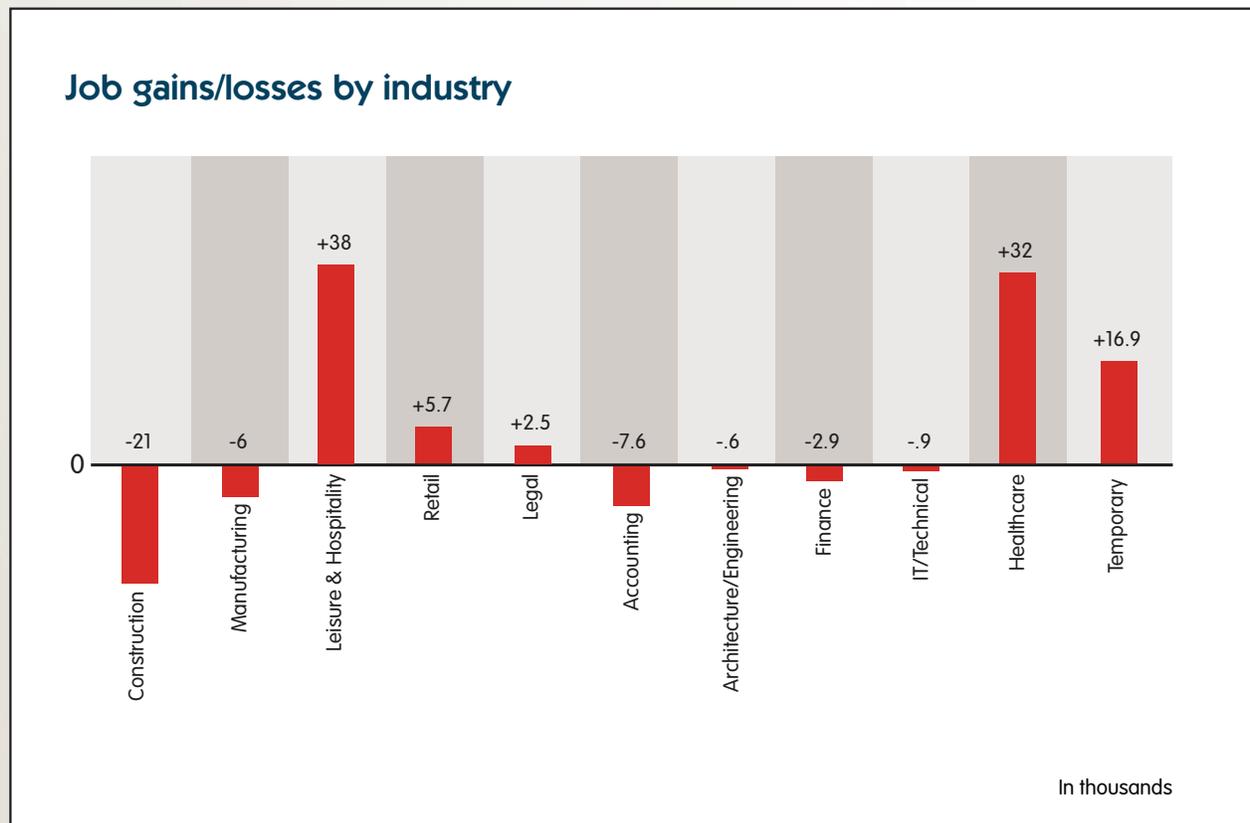
What many economists are beginning to realize is what we at Soliant have been seeing for some time – flexible work arrangements are growing in popularity. Where temporary work was previously been seen only as stop gap employment, it now allows both companies and employees the flexibility to adapt to and meet changing organizational and personal career goals.

Of Interest

Retaining key employees in times of change

Source: www.mckinseyquarterly.com

Too often companies try to retain key employees during times of change through financial incentives, offering pay increases to senior executives and star performers. According to McKinsey & Company, it has been found that these employees would have stayed regardless -- it's the regular employees that companies need to focus on retaining. One way to keep these employees is to offer a mix of financial and nonfinancial incentives geared towards individual employees – not a one-size-fits-all approach.



Impact on the workforce

Employees should voice desires to their managers regarding nonfinancial incentives such as leadership opportunities and flexible work schedules. This action can offer improved clarity about their future with the company and result in long-term success.

Impact on employers

Through finding the “hidden gems,” moving away from one size fits all retention packages and using non-monetary incentives, companies can save money while also retaining their most valuable employees. By targeting retention measures, organizational transitions can be achieved without breaking the bank.

A “War for Talent”

Source: SIReview Magazine September 2010

With the new focus of the healthcare industry striving to deliver services to some 30 million previously uninsured people there will be an increase in the hiring of professionals with technical skills in information technology

services, clinical development, and medical and regulatory affairs. These professionals will be responsible for lowering the cost of efficiencies and administrative systems within hospitals across the US to help offset the cost of the increase of uninsured Americans.

Impact on the workforce

The increase in uninsured people will in turn increase the need for jobs that currently do not exist, bringing new opportunities to the healthcare field including information technologies arena and traditional healthcare workers.

Impact on employers

New technology will be available for hospitals, enabling hospitals to become more streamlined while bringing about cost reductions. Ultimately, hospitals will need to hire more healthcare professionals to help control the influx of previously uninsured people to prevent the increased patient growth from overwhelming existing systems and infrastructure.

