

Healthcare Workplace Economy October 2012

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

With the upcoming presidential election quickly approaching, the BLS has just released one of the most encouraging jobs reports of President Barack Obama's first term.

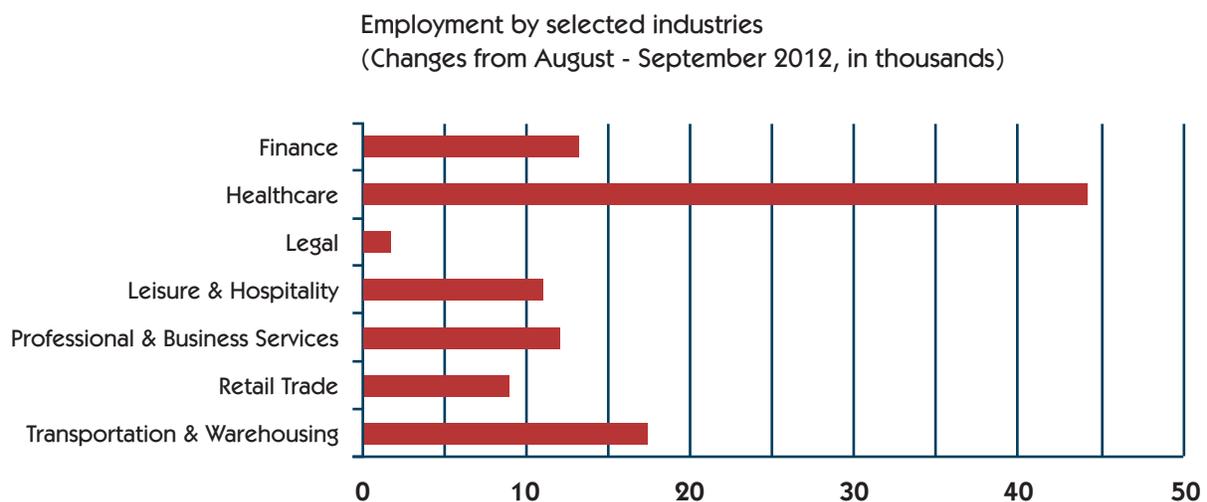
According to "The Employment Situation – September 2012," the national unemployment rate dropped below eight percent for the first month since January 2009, falling from 8.1 to 7.8 percent. Prior to the release of the report, a majority of economists had projected the rate would linger between 8.1 and 8.3 percent, as it had throughout 2012. After all, the rate had remained above eight percent for a record-breaking 43 consecutive months.

For the first time since Obama was inaugurated, unemployment is declining on a regular basis. In fact, since September 2011, the rate has contracted by 1.2 percent – the largest annual decrease since February 1995; within the last two months alone, the rate has deteriorated by 0.5 percent.

Furthermore, the report found that employment rose by 114,000 last month, matching economists' expectations that 110,000 to 115,000 jobs would be generated. The employment increase led to a substantial drop in the total number of jobless Americans, from 12.5 million to 12.1 million, the lowest monthly total since January 2009.

As a further sign of economic progress, the BLS also discovered that more jobs had been created in July and August than originally thought. July's job creation figures have recently been raised from 141,000 to 181,000, while August's data increased considerably, rising from 96,000 to 142,000.

Sector changes observed in September



Source: BLS

Since January, the economy has added an average of 142,000 jobs per month, a decrease of 7,000, in comparison to last year's monthly job creation average. However, private sector jobs have been generated for 31 straight months – and there are 325,000 more jobs now than there was when Obama was inaugurated on January 20, 2009. In all, 5.2 million private sector jobs have been added to the economy since March 2010.

In addition, the civilian labor force augmented by 418,000 in September, rising to 155.1 million, while the employment-to-population ratio increased to 58.7 percent, its highest level since May 2010.

According to the BLS' latest "The Employment Situation" report, the nation's private sector added 104,000 new jobs to the national economy in September, nearly matching August's total job creation.

Although employment declined in sectors like manufacturing and information, a majority of the nation's largest sectors still reported hiring increases last month:

- **Healthcare:** As expected, hiring rose within the sector yet again in September, as 43,500 new jobs were created. Ambulatory health care services and hospitals accounted for most of the hiring, adding 29,800 and 8,000 new jobs to the economy, respectively.
- **Finance:** Hiring remained robust, as 13,000 new jobs were generated. As is often the case, a majority of the hiring occurred in depository credit intermediation and commercial banking, which added 3,900 and 3,300 new jobs, respectively.
- **Leisure and Hospitality:** Despite a decline in accommodation hiring, sector employment increased by nearly 11,000, mainly due to a steady rise in food services and drinking places employment.
- **Professional and Business Services:** For the fourth consecutive month, the sector reported a rise in employment, as 13,000 professionals were hired. Since January, the sector has created an average of roughly 42,000 new positions each month.
- **Retail Trade:** Employment continued to uptick in September, as 9,400 professionals were hired, an increase of 3,300, when compared to August's figures. Hiring was especially noticeable in clothing stores, which added 9,500 jobs to the economy.
- **Transportation and Warehousing:** Transit and ground passenger transportation and warehousing and storage employment rose considerably in September, increasing by 9,200 and 4,300, respectively. In all, the sector hired 17,100 employees last month.

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To further strengthen the national economy and increase job creation, the Obama administration recently announced competitive grant funding worth \$40 million.

The grant, known as the Make it in America Challenge, will be fully funded by the Department of Commerce's Economic Development Administration (EDA), the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP), as well as the Department of Labor's Employment and Training Administration (ETA) in order to achieve one principal goal – to promote insourcing by providing incentives to American businesses.

To compete for the grant, applicants will propose projects they believe will help companies maintain their U.S.-based operations, expand their local workforces, and prepare their current employees and new hires for the future demands of their positions.

“More and more businesses are choosing to invest, create jobs, and make things here in America, and this new initiative represents the latest effort by the Obama administration to build on that trend,” said Rebecca Blank, acting Secretary of Commerce.

To help companies further develop their operations within the United States, grant competitors are also invited to offer suggestions concerning the ways in which businesses can use direct foreign investment to hire new staff members, promote local employees to higher paying positions, and increase their profit margins.

Blank added, “By making competitive investments, the challenge will help communities across the United States accelerate economic growth, attract business investment, and create jobs.”

All winning applicants will be chosen by an interagency panel. According to the ETA, approximately 15 applicants are projected to be endowed with grant money.

Winners will be selected according to their projects’ capabilities to expand insourcing, create dynamic, well-trained American employees, and increase bottom-lines, all while adhering to sound, sustainable business plans.

Funding for the grant will be offered through a Federal Funding Opportunity, which is set to be announced sometime after the beginning of 2013.



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