

Healthcare Workplace Economy September 2012

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

In July, the BLS released its most positive jobs report in months, as employment rose by 163,000, the highest monthly job creation total recorded since March.

Although the monthly total was not high enough to significantly reduce the national unemployment rate, the report was welcomed news nonetheless. And, as a result, many economists expected the positive trend of job creation would continue in August, projecting roughly 100,000 to 130,000 new jobs would be added to the economy.

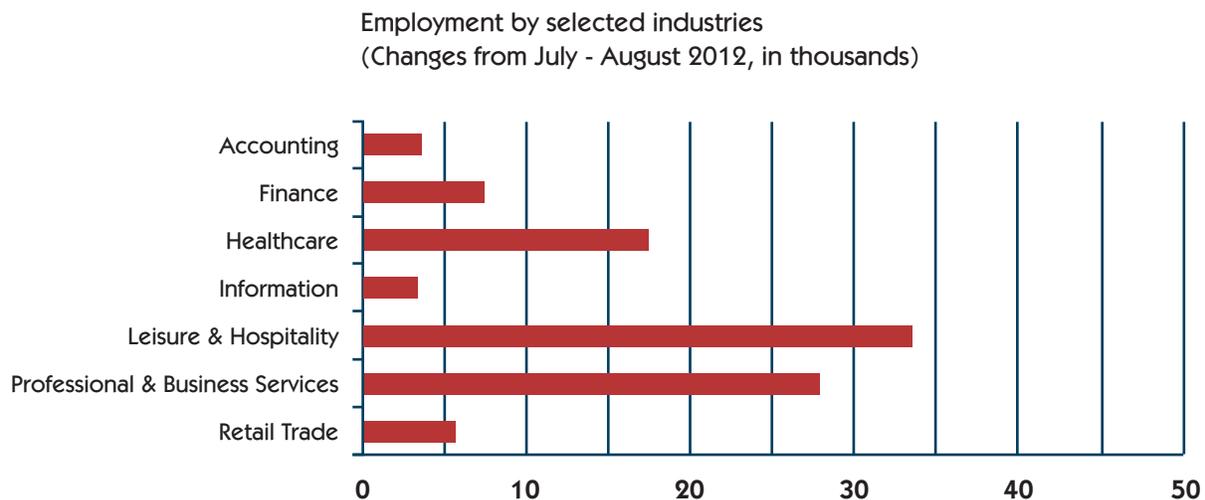
But, to some economists' surprise, August's total job creation was lower than anticipated, as 96,000 new jobs were generated. In comparison, the economy has added an average of 139,000 jobs per month since January.

Despite the decline in hiring, the national unemployment rate dropped to 8.1 percent in August, its lowest rate since April. Furthermore, the national underemployment rate fell from 15 percent in July to 14.7 percent in August.

So what led to the decreases? In short, the national labor force declined considerably. According to August's "The Employment Situation," nearly 581,000 Americans left the labor force last month. The sharp drop lowered the nation's labor force participation rate to 63.5 percent, the lowest it has been since September 1981.

Of equal importance, June and July's monthly job creation figures were each revised last month, since fewer jobs were created this summer than originally believed. In June, job creation fell from 64,000 to 45,000, while July's figures dropped from 163,000 to 141,000.

Sector changes observed in August



Source: BLS

Nevertheless, the report also revealed some positive findings. Not only has the national unemployment rate dropped by a full percentage point throughout the past year, but the total number of unemployed Americans has also decreased – by roughly 1.3 million.

Since August 2011, the number of discouraged workers has declined by 133,000, showing that less Americans have given up their job searches in recent months. And, while job opportunities are increasing, so is pay. In fact, average hourly earnings have risen by 1.7 percent since last August.

The BLS also found that most private sectors, including healthcare, finance, and retail trade, reported job growth in August, as anticipated. After all, private sector job growth has now occurred for 30 consecutive months. In that time, 4.6 million private sector jobs have been added to the national economy, while the nation's jobless rate has declined by 1.6 percent.

According to the BLS' most recent "The Employment Situation" report, private sector hiring was not as extensive in August as it was in July, as the sector created 33,000 fewer jobs.

Despite the decline in overall private sector hiring, many of the nation's largest sectors, and, generally, steadiest employers, continued to add more workers to the national economy.

The following sectors, ranging from healthcare to retail trade, hired new employees last month:

- **Healthcare:** As anticipated, the sector reported significant employment gains in August, as the sector hired 16,700 new employees last month. Ambulatory health care services hiring remained high, as the industry hired 14,200 professionals.
- **Finance:** After only 1,000 new jobs were generated in July, hiring increased considerably in August, as the sector added 7,000 positions to the national economy. Most of the hiring occurred in industries like investment and securities.

- **Information:** For the second consecutive month, the sector reported a jobs gain in August, as 3,000 Americans were hired within the industry. The publishing, motion picture, and data processing industries hired a majority of the freshly employed workers.

- **Leisure and Hospitality:** Unsurprisingly, the sector once again reported significant rises in hiring last month – 34,000 in all. As usual, food services and drinking places conducted most of the hiring, generating approximately 28,000 new jobs.

- **Manufacturing:** Once again, sector hiring increased on a month-to-month basis in July, rising by 25,000. Manufacturing hiring has now risen for 10 successive months; since January 2010, the industry has generated 532,000 new positions, the strongest 30-month period of job growth since June 1989.

- **Professional and Business Services:** Hiring remained robust in August, as the sector added 28,000 new positions to the national economy. Employment mainly occurred in professional and technical services, including accounting, engineering, and computer systems design.

- **Retail Trade:** Since 5,400 jobs were lost in June, the industry has added an average of 6,400 new jobs per month, including 6,100 in August.

Soliant Insights

According to the BLS' "The Employment Situation – July 2012" report, 5.2 million Americans have been without work for at least 27 weeks, accounting for more than 40 percent of the nation's unemployed. The national civilian labor force participation rate is currently well below average, at 63.7 percent. And, on August 2, the Labor Department reported that weekly jobless claims rose from 357,000 to 365,000 for the week ending July 28.

Without question, a full-fledged economic recovery is far from complete. However, the Obama administration believes it has solutions to some of the country's pressing economic issues.

The American Jobs Act, a set of bills first proposed by President Obama on September 8, 2011, features an investment proposal of \$35 billion, which would prevent the layoffs of nearly 280,000 teachers, as well as thousands of police officers and firefighters – \$30 billion would be used to retain teachers, while \$5 billion would help public safety and first responder professionals retain their positions.

Another investment proposal, known as Project Rebuild, would be used towards the restoration

of vacant and foreclosed businesses and homes. The \$15 billion investment is projected to create thousands of new construction jobs, a sector hard hit in the recession and an area of weakness in the job market. From June to July, nearly 1,000 construction jobs were lost. Job losses within specialty trade contracting were especially noticeable, as 12,600 positions were eliminated within that time span. Only 300 state government educators were hired in July, while 7,000 local government educators were laid off.

As unemployed construction workers and educators continue to search for employment opportunities, one question has yet to be answered – will either of these investment proposals be passed before Election Day?



Soliant[®]
Health

www.soliant.com • 800.849.5502 • ©2012 Soliant Health