

Healthcare Workplace Economy September 2013

Jobs Report Summary for the Healthcare Industry Based on the BLS Report with August 2013 data

At first glance, the results of the BLS' "The Employment Situation - August 2013" report appeared to be quite positive as the report showed the addition of 169,000 jobs and the national jobless rate decreased slightly, from 7.4 to 7.3 percent, the lowest rate of 2013. Additionally, the national underemployment rate contracted for the second straight month, falling to 13.7 percent.

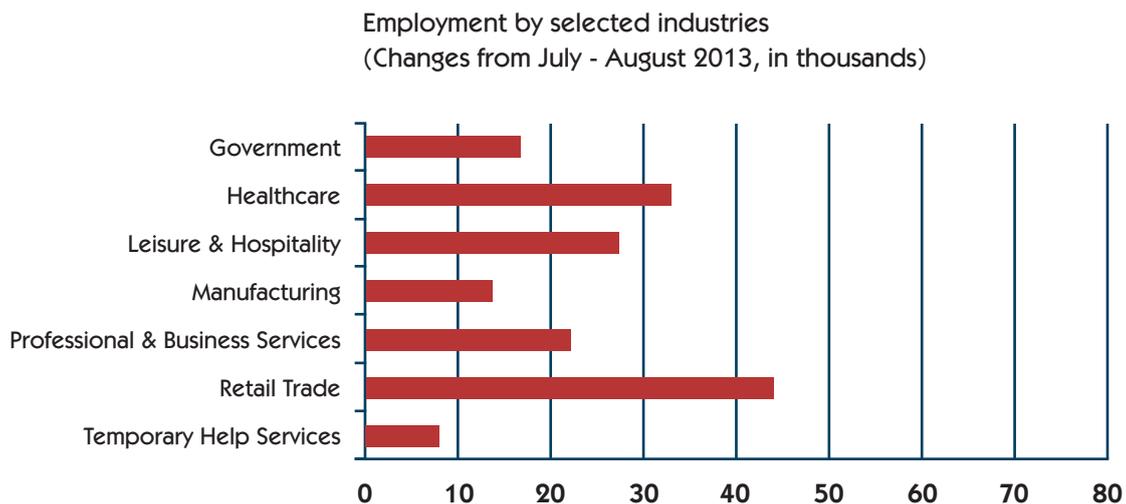
Some economists quickly pointed out a key statistic from the report, which may have directly caused the decrease in the national jobless rate: the country's civilian labor force diminished considerably, declining by 312,000. As a result, the United States recorded its lowest labor force participation rate since August 1978 - 63.2 percent.

Although nonfarm payroll employment continued to rise, as it has every month since March 2010, the BLS' recently published job creation figures were lower than many economists had anticipated as some experts predicted at least 180,000 jobs would be added to the economy.

Furthermore, the total number of employed residents fell to 144.2 million, a decrease of 115,000, in comparison to July's finalized data. Thus, the employment-population ratio also weakened, from 58.7 to 58.6 percent, the second-lowest rate of the year.

With these changes, some economists believe the decline in the nation's unemployment rate was a by-product of Americans giving up on their job searches. After all, 11.3 million Americans were without work last month and 4.3 million of these individuals have been unemployed for at least 27 weeks, 37.9 percent of the total jobless population.

Sector changes observed in August



Source: BLS

Without a doubt, the report was not as encouraging as some economists had hoped for, but it was not entirely disappointing either. The White House reported that, with August's employment data included, 7.5 million private sector jobs have been created since March 2010. In addition, the total number of Americans working part-time for economic reasons fell to 7.9 million, a decrease of 334,000, typically an indication of hiring and economic progress.

Since August 2012, the nation's jobless rate has decreased by 0.8 percent, while the total number of unemployed Americans has diminished noticeably, by 1.2 million. On the other hand, total employment has upturned by roughly 2 million during that same timespan.

In the meantime, American employees' hours and earnings each increased last month. Average weekly hours rose to 34.5, while average hourly and weekly earnings augmented to \$24.05 and \$829.73, respectively, showing an additional sign that while growth may not be as robust as hoped for, the national economy is gradually improving.

Last month, the public sector reported its first monthly net gain in employment of 2013, as hiring increased slightly, rising by 1,000. The news was certainly welcomed, but some economists were unsure if such progress would continue in August.

Yet, as a surprise to many financial experts, August's public sector employment statistics substantially exceeded July's data, as the government reported a net gain of 17,000 jobs, according to the BLS' "The Employment Situation" report. This number was largely attributed to the hiring of teachers ahead of the school year, and the real test of positive sector growth will be seen in the coming months.

The private sector also reported positive findings, as hiring upturned for the 42nd successive month, rising by 152,000. Once again, employment was wide-ranging, with a majority of sectors, including the following, recording net job gains.

- **Healthcare:** Total sector employment continued to upsurge in August, rising by 32,700, as 14.6 million professionals were actively working. As usual, ambulatory healthcare services accounted for most of the hiring, 26,600 new jobs in all, while nursing care facilities employment rose by 3,400.
- **Leisure and Hospitality:** As one of the nation's most consistent job creators, the sector has reported monthly net hiring gains every month this year, with total employment rising by 275,000 since January. Last month, 14.2 million Americans were employed within the sector, as 27,000 new jobs were generated.
- **Manufacturing:** After recording a net loss of 17,000 jobs from March to June, sector employment has rebounded lately. Not only did the industry verify a gain of 3,000 new jobs in July, but it also added 14,000 new jobs to the economy in August, the highest monthly total since February.
- **Professional and Business Services:** Another consistent job creator, total sector employment rose by 23,000 last month, as 18.6 million workers were employed. In particular, professional and technical services reported strong gains, adding 10,900 new jobs to the economy.
- **Retail Trade:** Since August 2012, total sector employment has increased every month except for December 2012 and March 2013, as the industry has created an average of 32,708 new jobs per month, on average, during that time span. As of August, 15.2 million workers were employed within the sector.
- **Temporary Help Services:** Last month, 13,100 employees were added to payrolls within the industry, as total employment upturned for the seventh straight month. 181,700 new jobs have been generated within the sector since August 2012.

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With the nation's jobless rate lingering near 7.5 percent throughout 2013, and more than 11 million Americans currently without work, one issue regarding the United States' path towards economic recovery is often discussed more than any other – jobs.

As a means to alleviate the nation's presently high unemployment rate, on April 16, 2013, Sen. Charles Schumer (D-NY) introduced the Border Security, Economic Opportunity, and Immigration Modernization Act, an immigration reform bill created to help the nation's 11 million undocumented immigrants attain United States citizenship.

Soon afterwards, the bill was fully supported by the Obama Administration, as well as a majority of the United States Senate, which officially passed it on June 27, with 68 senators voting "yea" and 32 voting "nay." However, the bill has not yet been passed by the House of Representatives, despite overwhelming evidence that it will significantly increase the nation's GDP and total income throughout the next 10 years.

According to the White House, if the bill is passed by the House of Representatives and signed into law, U.S. GDP will rise by \$1.4 trillion by 2023, whereas total income – for all Americans, whether or not they are presently immigrants – will surge exponentially during that same duration of time, by upwards of \$791 billion.

Furthermore, the White House projects that, by allowing law abiding employed immigrants to acquire United States citizenship, not only will approximately \$184 billion be raised in federal and state tax revenue, but nearly 2 million new jobs will be generated, which should help boost the national economy in a considerable fashion.

Sen. Schumer's immigration reform bill is expected to dramatically increase the total size of the nation's population, by upwards of 9.6 million, within the next 10 years, according to the Congressional Budget Office (CBO).

Of equal importance, the bill will not be overwhelmingly costly for the federal government, as the CBO has projected that it will cost the government \$23 billion, thereby leading to a total gain of \$135 billion throughout the next 10 years. And, according to The New York Times, the Social Security Administration (SSA) agrees, predicting a rise in revenue of \$276 billion by 2023, believing the bill will only cost \$33 billion within that time frame.

But what would happen if the House of Representatives decide to reject the bill? What type of impact might a rejection have on the nation's long-term economic reclamation? The White House has published the following findings.

If the nation's current 11 million undocumented immigrants only attain legal status, rather than the earned citizenship they could potentially acquire as a result of Sen. Schumer's bill, the results could be detrimental. According to the White House, \$568 billion less GDP – and \$321 billion less total income – would be accumulated, while total job creation would decline by 820,000.

So how will the House of Representatives respond? Will the nation's immigrants continue to work without citizenship for the unforeseeable future, or will they finally be recognized as citizens of the United States? And how will the House's decision ultimately impact the nation's economic recovery?

