

employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for August 2015

According to the Wall Street Journal, the August Employment Situation Summary released by the Bureau of Labor Statistics, sent a mixed labor-market reading as the number of new jobs fell below the 218,000 monthly average recorded between January and July, and the unemployment rate fell more than anticipated. Financial institutions and economists had hoped that the report would have provided a more concrete basis for the Federal Reserve to determine whether to raise interest rates during its September 16-17 meeting.

Unemployment rate drops

The nation added 173,000 jobs in August, causing the number of job seekers to fall to 8 million. The unemployment rate fell as well, dropping to 5.1 percent, the lowest it has been since 2008. Over the past 12 months the number of unemployed people declined by 1.5 million while the unemployment average went down by 1 percent.

The healthcare and social assistance industry created the most new jobs, adding 56,000 positions to its payroll in August.

Healthcare-specific jobs accounted for 41,000 of these positions, with most workers being hired in the ambulatory care and hospital sectors. The social assistance field grew by 16,000.

Financial activities also expanded significantly, adding 19,000 jobs. Many of these new positions were in the real estate and investment industries. Professional and business services added 33,000 jobs, while the food service industry grew by 26,000 workers. Retail, construction, wholesale trade, transportation and warehousing and government were largely unchanged during the month of August. The mining and manufacturing sectors both sustained losses.

Wages on the rise

Average hourly wages for private, nonfarm payroll workers increased by 8 cents to \$25.09. In the past 12 months hourly earnings have grown by 2.2 percent, a positive sign for both economic strength and consumer spending.

CBS News reported that these improvements, which have been on par with previous months, may finally encourage the Federal Reserve to raise interest

rates. If the Fed chooses to do so, it will be the first time in 10 years that rates have been changed. The source noted however that an unstable stock market and a low inflation rate, in addition to China's financial issue, could persuade officials to hold off on making any major adjustments.

Labor Market Snapshot

Chart 1. Unemployment rate, seasonally adjusted, August 2013 – August 2015

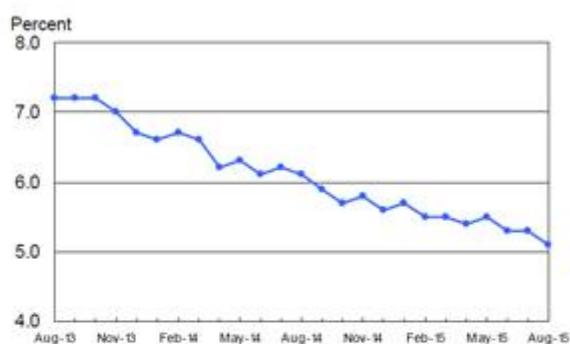
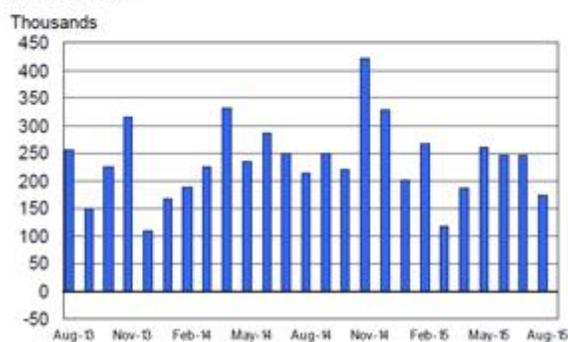


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2013 – August 2015



Full Report

The full Bureau of Labor Statistics report can be downloaded here:

