

employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for August 2013

The United States unemployment rate took a slight dip in August, falling to 7.3 percent, on the strength of 169,000 nonfarm new jobs created during the month. While job growth was seen in retail trade and healthcare sectors, information saw a reduction in employment and experts said the month's advance was smaller than expected.

While rates fell to their lowest level since December 2008, signaling a potential return to pre-recession figures, economists expected an additional 11,000 jobs to be created during the month, according to Reuters. While the unemployment rate beat economists' estimates that it would hold steady in the month, revised job count totals saw 74,000 fewer positions than expected in June and July.

Year over year, the jobless rate has fallen .8 percent, as it stood at 8.1 percent a year ago. Demographically, the unemployment rate for most major worker groups showed little change during the month. Long-term unemployed figures were relatively unchanged, holding at 4.3 million - accounting for about 38 percent of all unemployed. However, these figures have declined by 733,000 in the past 12 months.

The participation rate, which tracks the share of Americans either currently working or looking for work, dropped to its lowest level in more than 30 years, which has economists worried. It has fallen 1.6 percentage points in the past four years, implying people are dropping out of the workforce either through retirement or discontinuing their job searches.

"Clearly the labor market is losing momentum," managing director and chief economist at firm Sterne Agee, Lindsey M. Piegza, told ABC News. He mentioned "inorganic reasons" for the decline of the unemployment rate. Job growth in the month was strongest in the retail trade industry, which added 44,000 jobs and nearly 400,000 in the past year. Clothing outlets and food and beverage stores saw growth of more

than 10,000 each in the month. Leisure and hospitality positions were also seen to experience gains. Healthcare employment also increased during the month, with 33,000 positions added - 27,000 of them in ambulatory care services. Employment in professional and business services continued to rise as well, with an increase of 23,000, having bolstered their ranks by 614,000 jobs in the last 12 months.

Manufacturing employment saw a rise of 19,000 during the month, recovering from a decline of 10,000 jobs in July. Many new jobs returned recently laid-off workers to companies' ranks. Government payrolls increased by 17,000 during August.

Mining, construction, transportation and financial activities saw little change during the month, while information suffered. The motion picture and sound recording industry, in particular, lost 22,000 jobs during August after seeing gains in July.

Average workweeks in the month rose by a tenth of an hour, currently standing at 34.5 hours. Manufacturing hours saw a boost to 40.8 hours per week, while overtime rose by a fifth of a point. Production and nonsupervisory employees' hours remained the same, at 33.6.

Average hourly earnings rose by five cents during the period, hitting a new total of \$24.05 hourly - over the year, earnings have risen by 52 cents in total, an increase of 2.2 percent.

Unemployment gaps were especially large when considering education levels. College graduates saw unemployment rates of only 3.5 percent, according to ABC News, while those who haven't graduated high school saw their rates reach 11.3 percent.

June's employment figures were revised, dropping by 16,000 jobs, while July saw major losses, falling by 58,000 positions. The Labor Department's jobless claims report said the number of Americans applying for unemployment benefits has neared a five-year low, while private payroll provider ADP saw a drop in its monthly rates with overall increases of 176,000.

Chart 1. Unemployment rate, seasonally adjusted, August 2011 – August 2013

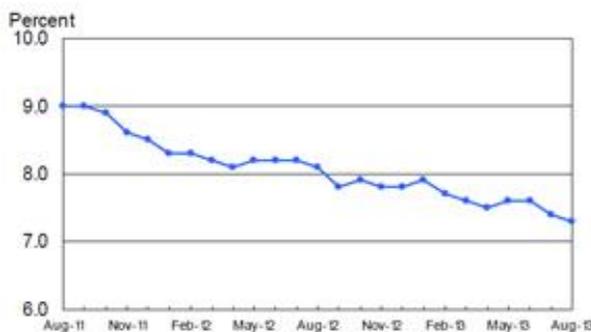


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2011 – August 2013

