

# employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

## Employment Summary for December 2014

December's Employment Situation Report from the U.S. Bureau of Labor Statistics showed strong growth in the nation's workforce, as well as a decline in the unemployment rate. Gains were seen across a variety of industries as the country finished 2014 on a high note.

### Unemployment rate continues to fall

December's numbers reveal that the U.S. unemployment rate, which has been steadily declining since the start of 2014, fell by .2 percent to 5.6 percent. Over the past 12 months, this number has gone down by a total of 1.1 percent. The total number of people searching for work in the U.S. fell by 383,000 to its current rate of 8.7 million people - a number that has declined by 1.7 million over the course of 2014.

In total, nonfarm roles increased by 252,000 during the month of December. This followed the overall trend of 2014, which saw an average of 246,000 positions added each month. The report noted that this standard showed significant growth over 2013, which had monthly average gains of 194,000.

### A variety of industries experienced growth

Overall, a number of sectors expanded their workforces. Leading the group was professional and business services, which added 52,000 positions during the month of December. Within this field, some of the most prominent expansions occurred in the administrative and waste services industry, which grew by 35,000 employees and computer systems design and related services, which added 9,000 jobs.

The construction industry expanded by 48,000 employees this month, mostly in the specialty trade contractor position, which saw an addition of 26,000 workers. Food services grew by 44,000 workers, noted the report. This industry expanded consistently throughout the year, adding an average of 30,000 positions each month. The health care sector added 34,000 jobs, mostly in the ambulatory care services sector, which expanded by 16,000 workers. This field has been a fast-

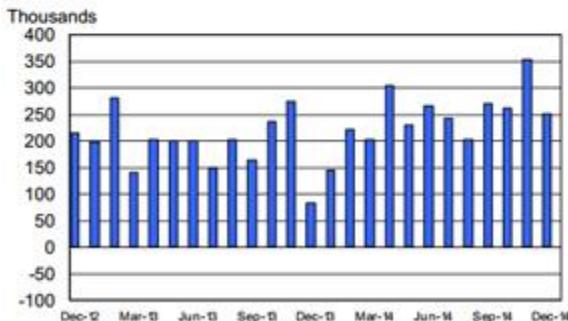
growing industry in the U.S., adding an average of 26,000 jobs every month in 2014, up from average monthly gains of 17,000 in 2013.

Other industries that saw positive growth include manufacturing, wholesale trade and financial activities. The retail, mining and logging, transportation and warehousing, government and information sectors all remained largely the same during December.

**Chart 1. Unemployment rate, seasonally adjusted, December 2012 – December 2014**



**Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, December 2012 – December 2014**



### Strong end to 2014 though wages remain a concern

While the report demonstrated an overall robust growth for employment in the U.S., wages remain a concern. Although November saw average hourly earnings rise by 6 cents, December's compensation numbers declined by 5 cents to \$24.57. Overall, however, this year has seen a positive 1.7 percent change in hourly earnings. Reuters reported that despite December's disappointing decline, wage growth is likely to accelerate as the overall employment market becomes stronger in 2015. Lower gas prices are also expected to contribute to future pay raises.

According to Reuters, this year demonstrated the strongest labor gains for the country since 1999, with 11 months of workforce increases above 200,000. Numbers regularly exceeded economists' expectations as well - the source noted that industry experts had predicted an increase of 240,000 jobs this month and a .1 percent decline in the unemployment rate.

However, strong growth throughout 2014 increases the likelihood of the Federal Reserve raising interest rates. According to Reuters, economists said the data buttressed the case for the Federal Reserve to take a go-slow approach to raising interest rates.