

employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for July 2013

United States unemployment dropped slightly in July to 7.4 percent, but the addition of 162,000 jobs overall in the month was lower than expected and considered a disappointing total. Hiring was strongest in the retail trade, food and drink services and professional services sectors, but other important industries such as manufacturing and construction saw little to no growth.

The official figure came in almost 40,000 jobs lower than most analysts had predicted, as initial estimates pegged growth for the month to be around 200,000. While continued growth has stayed in line with recent months, May and June figures were also revised downward by 26,000 jobs.

"Overall this is not a strong labor report," Navy Federal Credit Union economist Alan MacEachin told the Washington Post, adding that the data was "consistent with a sluggish, lackluster economy."

Job growth was highest in the retail trade industry, where 47,000 jobs were added, contributing to overall growth of 352,000 jobs in the sector over the past year. Employment in food services and drinking places grew by 38,000, while wholesale trade saw 14,000 additional jobs.

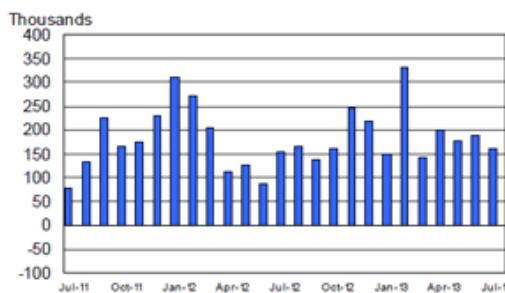
Financial activities grew by 15,000 jobs in July, with 6,000 added in the securities, commodity contracts and investments sectors. Professional and business services saw an additional 36,000 jobs with company management and management in technical consulting services each growing by 7,000 positions.

Manufacturing and healthcare employment were both relatively even over the month, both showing signs of slowing over the past year. Motor vehicle and parts employment saw 9,000 additional jobs. Other industries that saw employment hold steady included mining and logging, construction, transportation, warehousing and government.

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



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



Part-time employment in the month rose by 174,000 jobs, evidence that many people chose to take less than full-time positions because of fewer options in the market or a reduction of hours. Discouraged workers, who aren't currently looking for employment because they do not believe options are currently available to them, rose to 988,000 in the month, an increase of 136,000 from one year prior.

Lower-than-expected unemployment numbers are not projected to affect improving prospects for the economy, which should see growth of an average of 2.5 percent during the second half of the year, according to Bloomberg. Gross domestic product grew by 1.7 percent from April through June, a rise of .6 percent from the first quarter of the year.

Hourly nonfarm payroll employment fell by two cents in July after a 10 cent increase in June. Overall earnings have risen by 1.9 percent or 44 cents during the period.