



employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for October 2014

October's Employment Situation report from the U.S. Bureau of Labor Statistics showed another strong month of job gains for the nation. Although fewer jobs were added in October than September, growth was still high enough in several sectors to push the unemployment rate down further.

Gains in many sectors

According to the BLS, employment increased by 214,000 in October. That put gains slightly below the 12-month average of 222,000. Employment growth was highest in food services and drinking places, retail trade, healthcare, and professional and business services.

Food services and drinking places gained the most workers, adding 42,000 jobs over the month. October's increase far outpaced the average gain of 26,000 per month over the last year.

Payroll additions in professional and business services were also strong, but fell below the sector's 12-month average. In the last year, an average of 56,000 people have found work in the sector per month, compared to a gain of 37,000 in October. The sector also gained 15,000 jobs in temporary help services and 7,000 in computer systems design and related services.

The next highest gains were seen in retail trade, which added 27,000 employees, and healthcare, which gained 25,000. Healthcare also added more than its 12-month average, which was 21,000 per month. In October, the industry saw the largest

gains from ambulatory healthcare services, which grew by 19,000 employees.

Employment in heavy and civil engineering construction rose by 5,500.

Larger labor pool, lower unemployment

Job gains in these sectors helped cut the country's unemployment rate. Following a 0.2 percent drop in September, the rate fell another 0.1 percent to reach 5.8 percent in October. Since January, U.S. unemployment has dropped 0.8 percentage points, representing 1.2 million people. As Dan Green Greenhaus of BTIG told The Wall Street Journal, the labor participation rate also rose 0.1 percentage point.

Economists' expectations

Economists had been expecting a slightly larger increase in the number of new jobs but didn't foresee a decline in unemployment, according to The Wall Street Journal. A poll from the news source showed growth forecast at 233,000 jobs over the month. Although generally positive in their assessments of the news, economists also said that the job market still has a long way to go in recovering.

Greenhaus noted that reported job gains in recent months have been revised upward by 31,000, offering a sign that the economy may be stronger than this report alone suggests. According to Greenhaus, a nine-month period of job growth over 200,000, such as the one the U.S. is currently experiencing, hasn't happened since 1995.

The most recent gains weren't enough for the federal government to raise interest rates, according to CNN. That may happen once employment and wage increases improve further.

Chart 1. Unemployment rate, seasonally adjusted, October 2012 – October 2014



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

