

# employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

## Employment Summary for August 2014

The August Employment Situation report from the U.S. Bureau of Labor Statistics brought somewhat disappointing news, showing the first month of job gains under 200,000 since January. According to the BLS, just 142,000 positions were filled over the month.

Reuters reported that economists were anticipating job gains of up to 225,000 and a shrinking of the unemployment rate to 6.1 percent. Although unemployment did drop 0.1 percent to reach the level predicted, it may have been caused not by job gains but by Americans dropping out of the search for work. Long-term employment also fell 192,000 over the month, ending at 3 million long-term unemployed, the BLS reported. The number of people unemployed in the long term has fallen 1.2 million over the year.

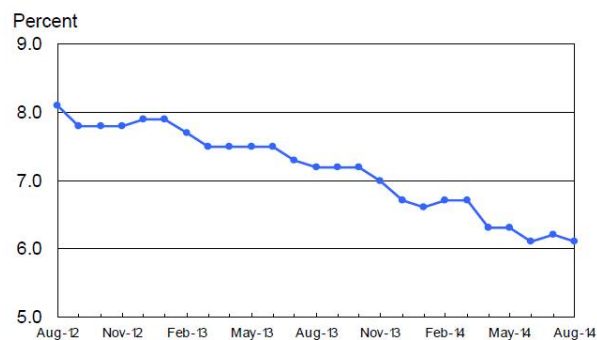
According to the BLS, the labor participation rate also fell back to 62.8 percent in August, where it has been for most of the year. In July, the figure experienced a slight increase to 62.9 percent.

Not all news about the labor market was bad. Despite lower-than-expected job gains, the number of people seeking unemployment benefits for the first time, fell close to pre-recession levels.

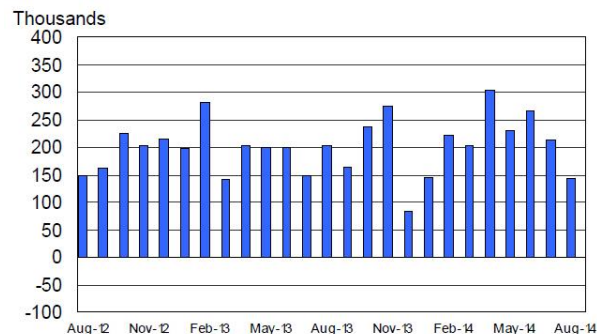
Professional and business services benefited the most, with 47,000 new hires over the month. Employment in architectural and engineering services, as well as management and technical consulting services, climbed by 3,000.

Healthcare employment also showed positive growth, gaining 34,000 employees. Social assistance added another 9,000.

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



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



People looking for work in the construction industry also had reason to be optimistic. Construction employment grew 20,000 last month, slightly better than its 12-month average gain of 18,000 positions. Specialty trade contracting and building construction fared especially well, adding 12,000 and 7,000, respectively. Employment in civil engineering grew by around 900.

Many industries showed almost no change in employment over the month, however. Mining and logging added 2,000 employees, after gaining 8,000 in July. However, those gains were entirely in support positions, which added 2,700. Growth in those jobs was offset by a loss of 400 in oil and gas extraction and 500 in other mining occupations.

Manufacturing showed no net change in employment in August, following a strong gain of 28,000 last month. Car manufacturers lost 5,000 employees the month.

August's disappointing job report could make it less likely that the Federal Reserve will raise interest rates soon. The New York Times reported that some analysts were expecting such a move following months of strong job gains. According to the Times, it's now more likely that interest rates will remain at their current level until the middle of 2015.