

employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for July 2014

Despite fewer gains than have been posted in earlier months of the year, July's Employment Situation report from the U.S. Bureau of Labor Statistics (BLS) still showed strong growth. According to the BLS, U.S. employers added 209,000 workers over the month. While the previous two months saw a greater job increase - 217,000 in May and 288,000 in June - the report still made July the sixth straight month of job gains over 200,000.

Predictions made ahead of the BLS survey anticipated faster growth than actually occurred. The private sector jobs report from Automatic Data Processing forecasted 218,000 new positions for the month. Typically, the BLS report shows more growth than the ADP report, since it comprises more employers. The two reports rarely agree in their estimates.

Economists had been expecting the report to show more new jobs, as well. A poll from Reuters found a prediction of 233,000 new hires. While there may actually be more growth than the first release showed, it is unlikely that levels will match the predictions, even after revisions. That said, May and June's reports saw revised estimates that added a total of 15,000 jobs to first predictions.

The country's unemployment rate also edged up slightly in July, from 6.1 percent to 6.2 percent. Although higher than last month, the unemployment rate is still the second-lowest of any month this year, and is 1.1 percent below last July's rate.

According to The New York Times, many economists viewed the slight rise in unemployment as a modestly positive sign, in part because more people reported they were looking for work, suggesting that many of them were starting to see greater job opportunities. The concurrent rise in the labor participation rate seems to support that notion as the figure increased from 62.8 percent, where it had been since April, to 62.9 percent.

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

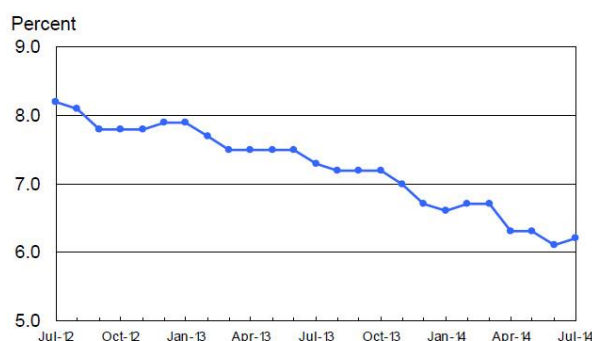
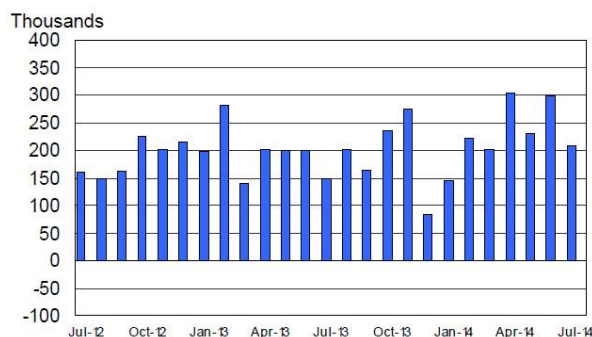


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, July 2012 – July 2014



The largest gains were found in the professional and business services sector, which added 47,000 positions, bringing its over-the-year hiring to 648,000. Job growth in temporary help services changed little over the month.

Healthcare employment experienced minimal change in July, with growth of over 21,000 in ambulatory healthcare services largely offset by cuts in a total of 13,000 hospital and nursing care staff.

Manufacturing jobs were also in abundance, gaining 28,000 compared to the 12-month average of 12,000.

Construction continued its steady hiring trend, adding 22,000 jobs.

Growth in the retail industry remained strong, with 27,000 new positions added over the month. The past year has seen nearly 300,000 jobs added to the sector.

Employment in the information sector changed little, gaining around 2,000 jobs, following last month's addition of around 10,000.