

# employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

## Employment Summary for March 2013

According to the Labor Department, employers added 88,000 jobs in March as the unemployment rate fell from 7.7 to 7.6 percent. Job creation was at a significantly slower pace than February when 268,000 jobs were created or than the 190,000 jobs a survey of economists were projecting. Much of the falling unemployment rate, though, was driven by falling participation which reached 63.3 percent in March, its lowest point since 1979, at a time when women weren't as prevalent in the workplace.

The reasons for this rapid fall in participation are frequently debated, and hard to fully lock down. A significant portion of those who left the job market since the recession began did so because they had become frustrated with not being able to find a job. But other sections of the population are also being removed from the workforce. Baby boomers, with stock prices largely returned to pre-recession levels, have been able to leave the workforce. Also responsible for the exodus from the workforce, though, are an increasing number of one-time workers filing for Disability Benefits. Since the recession ended, the number of people receiving Disability Benefits and not counted in the labor force has grown by nearly 2 million.

March's report was a depressing contrast to February's numbers; on an industry level, though, there were some notable changes in employment. Temporary staffing firms added 20,300 positions in March and nearly 160,000 in the last year as employers continue to add staff, but seek to

maintain a level of flexibility. During the first month of sequestration, just 2,000 jobs were lost in the Federal Government outside of the Postal Service.

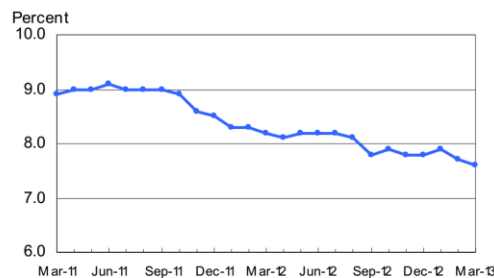
In the construction industry, nearly 23,300 jobs were added by specialty trade contractors. While the recession was devastating for the construction

industry, recent news emerging across the country has highlighted what might be a tipping point as new housing starts have surged and product supply has dwindled even in markets like California, which appeared to be the most overbuilt in the country. In the construction industry as a whole, 160,000 jobs have been added to a 5.6 million employee industry in the last 12 months. Almost half of those jobs were added in just the last two months.

The unemployment rate for those with a bachelor's degree remained unchanged at 3.8 percent while the management, professional and related unemployment rate fell from 4.2 percent a year ago to 3.6 percent in March.

After several months of strong employment numbers, March's report showed that the path of recovery is never a smooth one. If March is a change of course or an aberration may take several months to understand. What is clear is that the dynamic of the American workforce continues to shift with a remarkably low level of unemployment for those with an advanced education, while those with less education or professional experience bear the brunt of a variable job market.

**Chart 1. Unemployment rate, seasonally adjusted, March 2011 – March 2013**



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

