

employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for September 2013

After a two-week delay due to the government shutdown, the September 2013 labor report from the Bureau of Labor Statistics was deemed disappointing by economists. While surveys from Bloomberg News before the release predicted 180,000 new positions being added to the United States labor force, only 148,000 non-farm positions were added.

“The employment report released this morning showed that the economic recovery continued its moderate pace during September,” Boston College associate economics professor Robert Murphy told ABC News. “Of course, the latest report is based on data from before the government shutdown and debt-crisis brinkmanship, and so to gauge any possible fallout from those events we must await the October numbers.”

In somewhat brighter news, the unemployment rate for the country was expected to be unchanged during the month at 7.3 percent, but September’s numbers saw the month’s rate decline by .1 percent for a new total of 7.2 percent.

While the unemployment rate has declined by nearly half a point since June, the number of unemployed persons remains at 11.3 million nationwide. According to the Wall Street Journal, however, this drop in the unemployment rate is not due to a decline in the labor force participation rate. The unemployment rate dipped because the number of people employed jumped by 133,000, while the number of people who said they were unemployed fell by 61,000. In addition, the U-6 section of the report, which includes marginally attached workers -

the underemployed and those looking for jobs - also saw a drop, though it has grown by 300,000 since July.

Bright spots for the report were found in construction, wholesale trade, transportation and warehousing, all of which added jobs. Employment in construction saw growth of 20,000 jobs, while wholesale trade rose by 16,000 in the month-long period. Transportation and warehousing saw growth of another 23,000 jobs with 18,000 of those positions being found in transit and ground passenger transportation.

Professional and business services also experienced growth during the month-long period, trending up by 32,000 - and that’s less than the monthly average in the past year, which rose as high as 52,000. Temporary help services also saw the addition of 20,000 jobs last month.

Retail trade also experienced growth in its labor force, with the building material/garden supply stores and automobile dealer subsectors in particular experiencing growth of 5,000 and 4,000 jobs, respectively. Healthcare saw another 7,000 positions added.

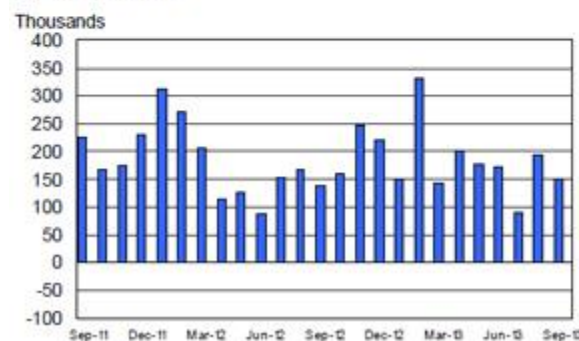
Industries experiencing declines included financial activities, which fell by 8,000 positions, while food services lost 7,000 positions in that same time. Major sectors that experienced next to no change included mining and logging, manufacturing, information and government.

Average workweeks for all employees in the country

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



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



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remained constant at 34.5 hours, while average hourly earnings for all employees on nonfarm payrolls rose by 3 cents during the month, contributing further to the year's increase of 2.1 percent.

In addition, reports from previous months were changed to the tune of 9,000 more jobs than initially estimated. While employment in July was marked down from 104,000 to 89,000 positions, August saw its numbers increased by 24,000, reaching a new figure of 193,000 for the month.

Because of the government shutdown, the jobs report for October will be watched intensely when it's released on November 8. Analysts will want to see if the two-week period had a significant effect on overall employment levels.

The New York Times reports that the weaker aspects of the report will likely push back the date when the federal government begins to scale back its major asset purchases because of the uncertain economy. Initially estimated to begin in September, new predictions have moved beyond the target date of December 2013 and now sit in the period of March 2014, according to Barclays economists.

