

# employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

## Employment Summary for June 2013

Unemployment in the United States showed little change for June, with employers adding a better-than-expected 195,000 positions, leaving the rate steady at 7.6 percent, according to the Bureau of Labor Statistics (BLS). Some of the biggest gains were seen in the leisure and hospitality sector, retail trade, healthcare, financial activities and professional and business services.

In light of the positive growth - analysts had predicted payrolls would rise by approximately 160,000 for June - and signals from the Federal Reserve that the labor market was strong enough to handle a reduction in the stimulus package, the employment picture appears to be slowly improving.

"The job market continues to gracefully navigate through the strongly blowing fiscal headwinds," Mark Zandi, chief economist of Moody's Analytics, told USA Today. Across the industries, leisure and hospitality added 75,000 jobs, with employment in food services and drinking places continuing to expand, increasing by 52,000. The amusements, gambling and recreation sector continued to trend up, adding 19,000 positions.

Employment in the professional and business services rose by 53,000 in June, with the management and technical consulting services segment gaining 8,000 positions, the computer systems design and related services segment adding 7,000 and the temporary help services sector making gains of 10,000.

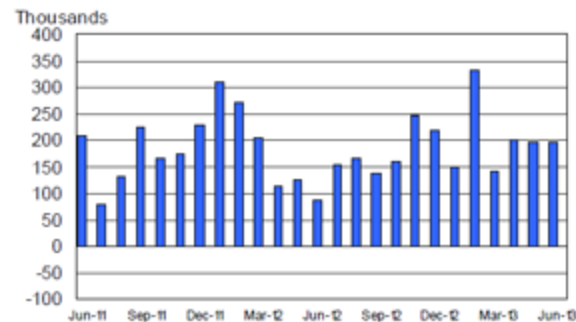
For those with a four-year degree or higher, the unemployment rate edged up slightly, from 3.8 to 3.9 percent. Meanwhile the professional, business, and financial operations unemployment rate fell from 4.4 to 4.2 percent year-over-year.

In the retail industry, total employment rose by 37,000, with building material and garden supply stores adding 9,000 in June. Employment also rose in the motor vehicle and parts dealers sector, which added 8,000 jobs, and the wholesale trade segment increased by 11,000 jobs.

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



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



The financial activities sector rose by 17,000 jobs in June, with some of the largest growth seen in the credit intermediation and insurance segments.

Healthcare also continued to make gains, adding a total of 20,000 jobs in June. Employment trended up in ambulatory healthcare services, which added 13,000 jobs, and 5,000 people were hired at hospitals in June, following a loss of 8,000 in May.

Employment fell in the public sector, with the federal government losing 5,000 jobs in June. All other major industries, including mining, manufacturing, transportation, logging and construction,

remained mostly unchanged. The lack of movement in the manufacturing sector came on the heels of a report by the Institute for Supply Management that found expansion was slowed in June by a drop in new orders for exports. However, imports rose by 1.9 percent, which may be a sign that domestic demand and production is picking up.

"The steady gain in import activity points to continued improvement in domestic activity and signals a broad-based gain in demand," Millan Mulraine, senior economist at TD Securities in New York, told The Wall Street Journal.

Part-time employment in June increased by 322,000, with many people working an abbreviated work week because

# employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

they were either unable to find full-time employment or their hours had been reduced.

The Fed will now continue to access June's data from the BLS to determine if it's time to cut back on policies designed to stimulate the economy. Chairman Ben Bernanke had said that the stimulus program may be eliminated once the jobless rate falls to 7 percent.