

employment situation

Frontline Analysis by the MRINetwork Team of Global Search Experts

Employment Summary for September 2014

After lukewarm job gains in August, the September Employment Situation report from the U.S. Bureau of Labor Statistics showed a return to the heightened growth seen earlier in the year. According to the agency, employment increased 248,000 over the month, pushing the unemployment rate down to 5.9 percent. These numbers exceeded economists' predictions for 215,000 new jobs and for the unemployment rate to remain at 6.1 percent.

Early indicators

There was reason for optimism ahead of the BLS release, as the month's report from Automatic Data Processing showed a gain of 213,000 private sector workers across the country. Small businesses were the big winners according to ADP, adding 88,000 employees over the month. Gains were seen fairly evenly across many sectors with trade, transportation and utilities, and manufacturing posting the strongest growth.

Total economy

The BLS report showed even more pronounced growth. Unemployment was pushed down from 6.1 percent in August to 5.9 percent in September. Compared to a year ago, unemployment was 1.3 percentage points lower, with nearly 2 million people returning to work. Job gains exceeded the year's monthly average of 213,000, according to the agency.

Service sectors

Professional and business services hiring led the gains, adding 81,000 positions. It, too, grew above its yearly average of 56,000 new employees per month. Growth was especially strong in employment services, which added 34,000. Management and technical consulting

services gained 12,000 employees, while architectural and engineering services grew by 6,000.

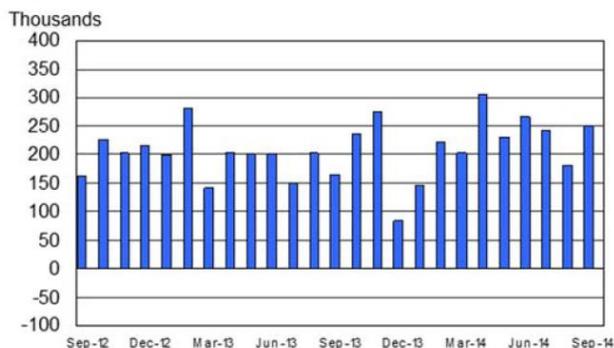
Gains above 30,000 were seen in the retail trade, education and health services, and leisure and hospitality sectors. In education and health services, health care employment showed the strongest growth, with a gain of 23,000 employees. Food services led growth in leisure and hospitality, contributing 20,000 new positions.

Financial activities' total also rose by 12,000, due almost entirely to 11,100 jobs that were added in the finance and insurance industry.

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



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



Growth in goods

Among goods-producing industries, construction led the way, adding 16,000 workers. As USA Today previously pointed out, rising construction could be a sign that other sectors, such as manufacturing, are due for a rebound as well. That could be good news for workers in the sector, which gained only 4,000 over the month. Specialty trade contractors made up the bulk of construction growth in September, accounting for nearly 9,000 jobs. Employment in building construction was close behind, with a gain of 6,200 workers. Civil engineering employment showed little change.