

MRINetwork Analysis of the BLS Employment Situation Report July 2011 Employment

The full report can be seen here: <http://www.bls.gov/news.release/empsit.htm>.

The Labor Department has reported a gain of 117,000 jobs in the United States during the month of July, the largest gain since April. Additionally, the unemployment rate dropped a tenth of a point to 9.1 percent, its first decline since March. During the month, private employers added 154,000 jobs while state and local government shed nearly 37,000 positions. While still slower than the rate of population growth in the U.S.—150,000 a month over the last year—July’s gains were significantly more positive than many observers were expecting after Thursday’s 500-point drop in the Dow Jones Industrial Average.

BLS ANALYSIS

August | 2011

Chart 1. Unemployment rate, seasonally adjusted, July 2009 – July 2011

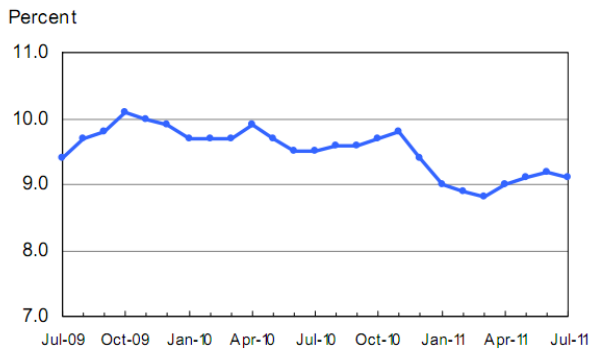
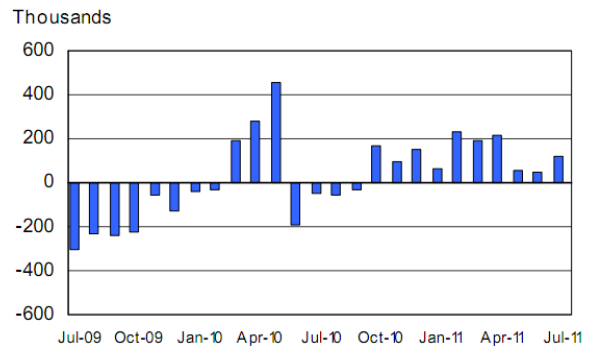


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, July 2009 – July 2011



The unemployment rate for those holding a Bachelor’s degree or higher fell to 4.3 percent in July while the management, professional and related occupation rate remained flat year-over-year at 5 percent. The average length of unemployment, however, continued to trend upward, reaching more than 40 weeks. Prior to 2009, the average length of unemployment had only twice exceeded 20 weeks since records started being kept in 1948.

Across industries, job gains and losses were insignificant, with some exceptions. Motor vehicle manufacturing added 12,000 jobs and mining support activities added 8,400. Ambulatory healthcare services added 14,100 positions, while hospitals added another 14,000. Administrative and support services, excluding temporary staffing firms, posted 12,200 new jobs in July, while temporary staffing firms added just 300.

June’s deeply disappointing 18,000-job gain was revised to a gain of 46,000, and May’s gain of 25,000 was revised to 53,000. Between July’s gains and revisions to previous months, job growth appears mildly stronger than had been thought after last month’s report. Initial unemployment claims have also trended downward over the last few weeks, falling by 22,000 from July 16 to July 30. Yet, total claims, just like total unemployment, remains at record highs—further highlighting that, while total employment continues to grow, its growth remains slow.