



AUGUST 2012

Monthly Employment Report

Released on September 7, 2012

SUMMARY

- **96,000 net jobs added in August; private sector added 103,000 jobs**
- **Unemployment rate reduced slightly to 8.1% - from 8.3% in August**
- **Black unemployment rate was unchanged at 14.1%**

National Jobs Snapshot - 96,000 Net Jobs Created

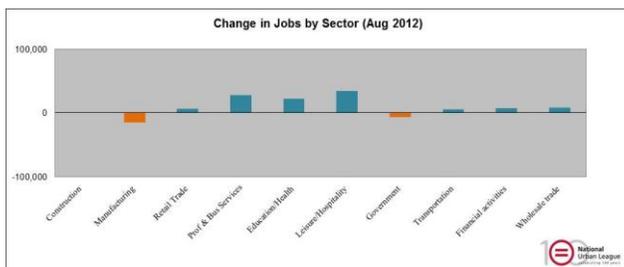
In August 2012, +96,000 net jobs were created - this was lower than the +125,000 net job gains that had been expected. The private sector had +103,000 net job gains. Manufacturing (-15,000) and government (-7,000) were the only two major sectors with net job losses.

The unemployment rate rate in August 2012 fell slightly to 8.1% (from 8.3% in July) and the participation rate also fell slightly to 63.5% (from 63.7% in July).

Except for manufacturing and government noted earlier, all other major sectors had net job gains. The sector with the most gains was leisure/hospitality (+34,000), followed by professional/business services (+28,000), education/health (+22,000), wholesale trade (+7,900), financial activities (+7,000), retail trade (+6,100), transportation (+5,700) and construction (+1,000).

In August 2012, the number of long-term unemployed (defined as those unemployed for longer than 27 weeks) fell by -152,000 and the long-term unemployment rate fell to 40% (from 40.7% in July).

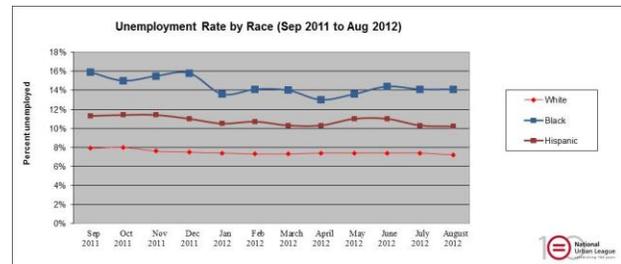
People working part-time for economic reasons fell by -215,000 to 8 million. If you add this group and marginally attached workers to the officially unemployed, the under-employment rate in August 2012 was 14.7 (down from 15% in July 2012).



Snapshot of the Black Labor Force - Unemployment Rate Unchanged at 14.1%

Black unemployment rate was unchanged at 14.1% in August 2012 and the participation rate was also unchanged at 61.4%.

In August 2012, the White unemployment rate was slightly down at 7.2% (from 7.4% in July) and the Hispanic rate was largely unchanged at 10.2% (from 10.3% in July).



Large differences in unemployment rates exist among Blacks based on age, gender and education – see tables below. The unemployment rate in August 2012 for Black high school dropouts was 18.6% (down from 27.5% in Aug 2011) and for Black college graduates 6.9% (down from 7.3% in Aug 2011). The tables below show that unemployment rates for Blacks are worst for new Black workers (20-24 years) and Black high school dropouts. In all categories, the Black unemployment rate was higher than the corresponding rate for Whites.

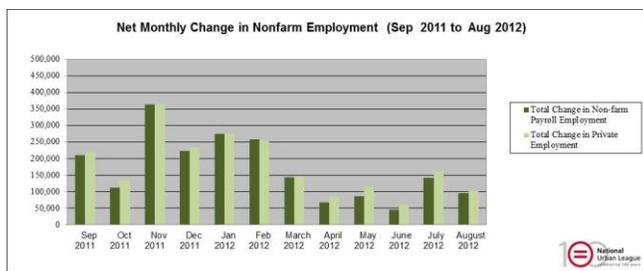
	Unemployment Rate by Gender (+20 Years) - Aug 2012	
	Unemp. Rate	Labor Force Participation Rate
Black Men	14.3%	67.3%
White Men	6.8%	73.1%
Black Women	12.0%	62.6%
White Women	6.5%	58.6%

	Unemployment Rate by Age (Seasonally Unadj.) - Aug 2012		
	New Workers: 20 -- 24 Years	Mid-Level Workers: 35-44 Years	Older Workers: 55 - 64 Years
Black	24.9%	11.7%	10.0%
White	11.5%	5.8%	5.4%

	Unemployment Rate by Education (Seasonally Unadj.) - Aug 2012			
	Less than High School	High School Graduates	Associate Degree	Bachelor's Degree and Higher
Black	18.6%	14.4%	9.3%	6.9%
White	10.3%	7.4%	5.2%	4.2%

Job Gains At a Lower Rate Since April 2012

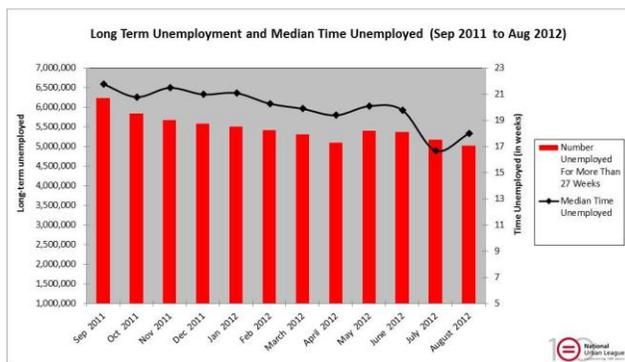
The +96,000 net job gains continues a trend of less than +100,000 monthly net job gains experienced since April 2012 – this pattern was only broken in July 2012 with +141,000 net job gains. The two sectors that continue to show weakness are government and construction - net job losses in manufacturing (-15,000) in August 2012 is worrying as it breaks a pattern of low but steady net job gains in manufacturing. Construction has lost -2 million jobs since the recession (followed by manufacturing with -1.8 million job losses) - government lost -470,000 in that time. This shows that low job growth is driven by the weaknesses in construction and manufacturing, accounting for 84% of all private job losses.



Long-Term Unemployment Rate Slowly Falls

The fall in the long term unemployed rate in August 2012 as noted earlier continued a trend seen since May 2012. It is at the lowest level since December 2009 but, is well above the rate before the recession started – when the recession started in Dec 2007, it was 17.5%.

The stubbornly high long-term unemployment rate indicates that there is a core group of unemployed who are not affected by improvements in the labor market. As noted earlier, given the continuing weaknesses in construction and manufacturing, it is likely that this group is concentrated in those two sectors. This suggests that retraining and other targeted services like those provided by Urban League affiliates will be critical.



Median Time Unemployed Slightly Increased

In August 2012, the median time unemployed rose to 18 weeks (from 16.7 weeks). 2.6 million workers were marginally attached to the labor force (not seasonally adjusted) – there was no change since July. This population represents those who had looked for a job sometime in the last 12 months, but not in the last month and therefore were not counted in the unemployment rate. Of these, 844,000 were discouraged workers (people not looking for work because they believed no jobs were available for them).

Real Hourly Wages Rose for the First Time Since January 2011

In August 2012, average hourly wages of nonsupervisory and production workers in the private nonfarm sector fell slightly to \$19.75 (from \$19.76 in July, adjusted) and average weekly earnings fell to \$665.58 (from \$665.91 in July, adjusted). Average weekly hours were unchanged at 33.7 hours/week. In the 12 months from August 2011 to August 2012, average hourly and weekly earnings both rose by 1.4% and 2%, respectively. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 1.4% in the 12 months to July 2012 (inflation is not yet available for 12 months to Aug 2012) – given this inflation rate, real hourly wages and real weekly wages both rose by 0.3%.



State Unemployment Situation for July 2012

In state unemployment data for July 2012 (August 2012 is not available yet) payroll employment increased in 30 states and the District of Columbia and fell in 20 states. 44 states had unemployment rate increases and 2 states and the District of Columbia had rate decreases. The largest gains in payroll employment occurred in California (+25,200) followed by Michigan (+21,800) and Virginia (+21,300). The states with the most job losses were New Jersey (-12,000) followed by Missouri (-7,700). Nevada had the highest unemployment rate at 12%. North Dakota had the lowest rate at 3%.