



JULY 2012

Monthly Employment Report

Released on August 3, 2012

SUMMARY

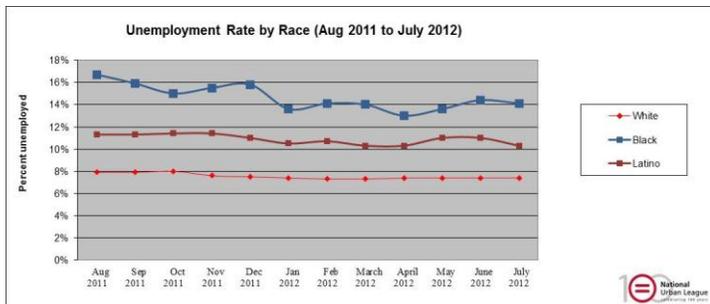
- **163,000 net total jobs added in July; private sector added 172,000 jobs**
- **Unemployment rate was largely unchanged at 8.3% - up from 8.2% in June**
- **Black unemployment rate fell to 14.1% (from 14.4% in June)**

In July 2012, 163,000 net total jobs were added and the private sector added 172,000 net total jobs. Only government (-9,000) and construction (-1,000) lost jobs. The unemployment rate was largely unchanged at 8.3% (from 8.2% in June) and the participation rate was also largely unchanged at 63.7% (from 63.8% in June).

Black unemployment rate fell to 14.1% (from 14.4% in June) and the participation rate fell slightly to 61.4% (from 62%) – since January 2012, the black unemployment rate has oscillated around 14%:

- Unemployment rate for adult black men rose to 14.8% (from 14.2%) and fell for adult black women to 11.5% (from 12.7%)
- Number of adult black men in the labor force fell by -54,000 and the number of adult black women in the labor force fell by -138,000
- Teen unemployment was largely unchanged at 23.8% (from 23.7%) and black teen rate fell to 36.6% (from 39.3%).

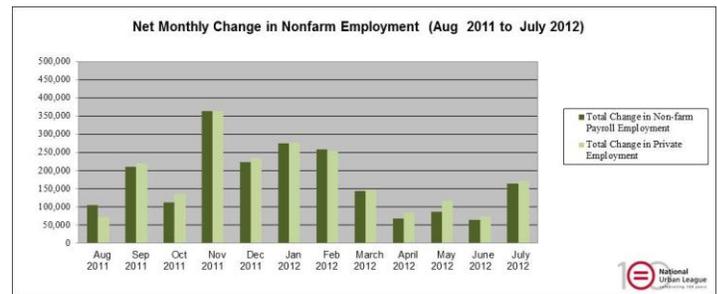
White unemployment rate was unchanged at 7.4% and the Latino rate fell to 10.3% (from 11%).



	July, 2011		June, 2012		July, 2012	
	Unemp	LFP	Unemp	LFP	Unemp	LFP
Black Men, 20+	17.0%	67.7%	14.2%	68.4%	14.8%	67.8%
White men, 20+	7.9%	73.8%	7.0%	73.6%	6.9%	73.4%
Black women, 20+	13.4%	61.1%	12.7%	63.0%	11.5%	62.0%
White women, 20+	7.0%	59.4%	6.6%	58.8%	6.8%	58.6%
Black teens, 16-19	39.2%	22.9%	39.3%	27.8%	36.6%	29.2%
White teens, 16-19	23.0%	36.8%	20.9%	37.5%	21.5%	37.4%

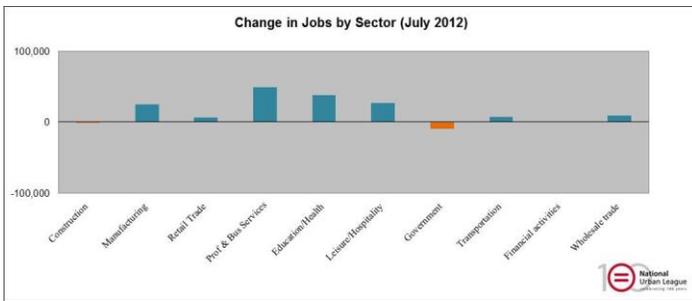
Job Growth Above 100,000 for the First Time Since April 2012

In July, net total job creation was +163,000 – in June 2012, it was +64,000 (adjusted). The private sector added +172,000 jobs in July, compared to +73,000 jobs (adjusted) in June. This is the first time since April 2012 that job growth has been above +100,000. The two sectors that continue to show weakness are government (-9,000) and construction (-1,000). Construction has lost a staggering -2 million jobs since the recession started (followed by manufacturing with -1.8 million job losses) -- government has lost -441,000 in that same time. This shows that the stubbornly high unemployment rate is overwhelmingly driven by the continuing weaknesses in construction and manufacturing, accounting for 84% of all private job losses.



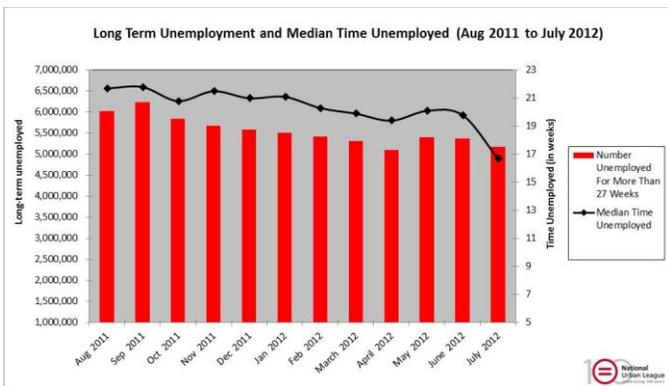
All Major Sectors, Except Government and Construction Added Jobs

In July, the sector with the most job growth was professional & business services (+49,000) followed by education/health (+38,000), leisure/hospitality (27,000), manufacturing (+25,000), wholesale trade (+9,200), transportation (+6,900), retail trade (+6,700) and financial activities (-1,000).



Long-Term Unemployment Rate Remains High

In July, the total unemployed was 12.8 million – this is about 5 million more people unemployed than was the case at the start of the recession in Dec 2007. The number of long-term unemployed fell by -185,000 to 5.2 million and the long-term unemployment rate fell to 40.7% (from 41.9%). Since May 2012, the long term unemployment rate has fallen but is well above the rate that existed before the recession started – when the recession started in Dec 2007, it was 17.5%. As we have noted earlier, the stubbornly high long-term unemployment rate clearly indicates that there is a core group of unemployed who seem not to be affected by any improvement in the labor market driven by aggregate demand. For this group, the current pace of GDP growth has not generated employment opportunities, thus retraining and other targeted services to this community like those provided by Urban League affiliates will be critical. The number of people working part-time for economic reasons rose by 36,000 to 8.3 million – this suggests that the pattern of employers increasing payrolls through part-time work is continuing. If you count this group, marginally attached workers, and the officially unemployed, the under-employment rate for July was 15%.

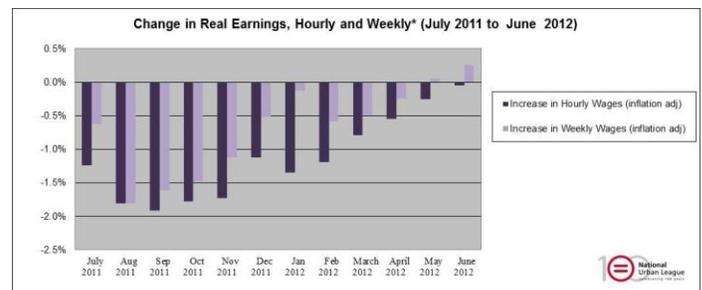


Median Time Unemployed Has Fallen

In July, the median time unemployed fell to 16.7 weeks (from 19.8 weeks). Further, 2.5 million workers were marginally attached to the labor force (not seasonally adjusted) – this is down -256,000 from the year before. 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, 852,000 were discouraged workers (people not looking for work because they believed no jobs were available for them).

Real Hourly Wages Fell for 14th Consecutive Month

In July, average hourly wages of nonsupervisory and production workers in the private nonfarm sector rose slightly to \$19.77 (from \$19.75 adjusted) and average weekly earnings rose to \$666.25 (from \$665.58, adjusted). Average weekly hours were unchanged at 33.7 hours/week. In the 12 months from July 2011 to July 2012, average hourly and weekly earnings both rose by 1.4% and 1.7%, respectively. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 1.7% from June 2011 to June 2012 (inflation is not yet available for 12 months to July 2012) -- because of this inflation rate, real hourly wages fell by -0.1% and real weekly wages rose by 0.2%, respectively for that time period.



State Unemployment Situation for June 2012

In state unemployment data for June 2012 (July 2012 is not available yet) payroll employment increased in 29 states and the District of Columbia and fell in 21 states. 27 states had unemployment rate increases and 11 states and the District of Columbia had rate decreases. The largest gains in payroll employment occurred in California (+38,300), Ohio (+18,400), followed by North Carolina (+16,900). The states with the most job losses were Wisconsin (-13,200) and Tennessee (-12,100). Nevada had the highest unemployment rate at 11.6%. North Dakota had the lowest rate at 2.9%.