

# NOVEMBER 2012

## Monthly Employment Report

Released on December 7, 2012

### SUMMARY

- **146,000 net jobs added in November; private sector added 147,000 jobs**
- **Unemployment rate fell slightly to 7.7% from 7.9% in Oct**
- **Black unemployment rate fell to 13.2% – from 14.3% in Oct**

### National Jobs Snapshot - 146,000 Net Jobs Created

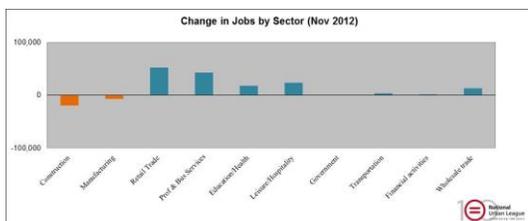
In November 2012, +146,000 net jobs were created - this was higher than the +138,000 in Oct. The private sector had +147,000 net job gains – lower than the +189,000 in Oct. Construction (-20,000), manufacturing (-7,000) and Government (-1,000) had net job losses.

The unemployment rate in November 2012 fell slightly to 7.7% (from 7.9% in Oct) and the participation rate also fell slightly to 63.6% (from 63.8% in Oct).

Except for the sectors noted earlier, other major sectors had net job gains. The sector with the most gains was retail trade (+52,600), followed by professional/business services (+43,000), leisure/hospitality (+23,000), education/health (+18,000), wholesale trade (+13,100), transportation (+3,500) and financial activities (+1,000).

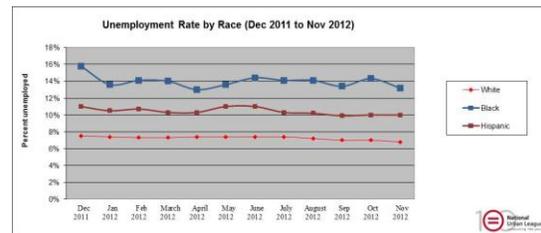
In Nov 2012, long-term unemployed (unemployed for longer than 27 weeks) fell by -236,000 and with it, the long-term unemployment rate also fell to 40.1%. The long term unemployment rate in Oct 2012 (seasonally unadjusted) for Blacks was 48% and for Whites it was 41% - rates for Nov 2012 are not yet available.

People working part-time for economic reasons fell by -168,000 to 8.2 million. If you add this group and marginally attached workers to the officially unemployed, the under-employment rate in Nov 2012 was 14.4% (from Oct 2012 at 14.6%). The underemployment rate (seasonally unadjusted) for Blacks in Oct 2012 was 22.3% and for Whites it was 11.4% compared to 22.8% and 11.9% respectively in Oct 2011 (rates for Nov 2012 are not yet available).



### Snapshot of the Black Labor Force - Unemployment Rate Fell by 1.1 Percentage Points to 13.2%

Black unemployment rate fell to 13.2% (from 14.3% in Oct 2012) and the participation rate fell to 61.3% (from 62.4% in Oct). In Nov 2012, the White unemployment rate fell to 6.8% (from 7% in Oct 2012) and Hispanic rate was unchanged at 10%. Black to White unemployment ratio was 1.94.



Large differences in unemployment rates exist among Blacks based on age, gender and education – see tables below. The unemployment rate in Oct 2012 for Black high school dropouts was 16.2% (from 22.2% in Nov 2011) and for Black college graduates, 5.9% (down from 6.8% in Nov 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) - Nov 2012	
	Unemp. Rate	Labor Force Participation Rate
Black Men	13.0%	67.1%
White Men	6.4%	73.2%
Black Women	11.4%	62.4%
White Women	6.2%	58.4%

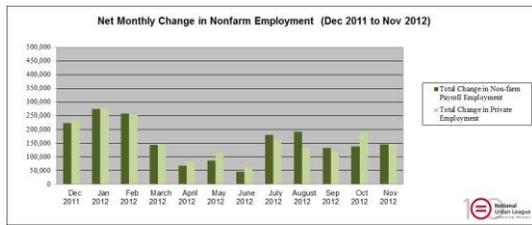
	Unemployment Rate by Age (Seasonally Unadj.) - Nov 2012		
	New Workers: 20 -- 24 Years	Mid-Level Workers: 35-44 Years	Older Workers: 55 - 64 Years
Black	21.0%	10.4%	8.1%
White	9.5%	5.3%	5.0%

	Unemployment Rate by Education (Seasonally Unadj.) - Nov 2012			
	Less than High School	High School Graduates	Associate Degree	Bachelor's Degree and Higher
Black	16.2%	14.0%	8.3%	5.9%
White	11.1%	6.7%	4.5%	3.4%

### Job Gains Have Picked Up Since June 2012

The +146,000 net job gains in Nov 2012 and the adjusted +138,000 job gains in Oct 2012 continues a trend of improving job creation compared to the 2<sup>nd</sup> Quarter, 2012 when net job gains averaged about +66,000. But, the fall in private sector job gains (from

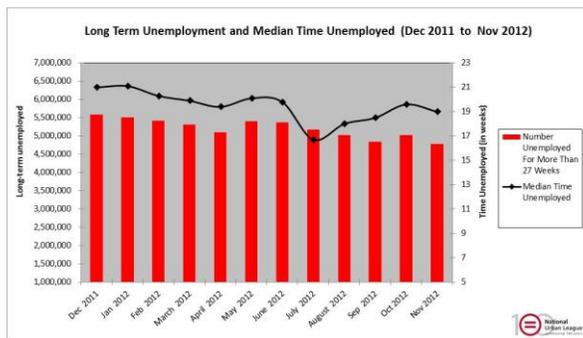
189,000 in Oct 2012 to +147,000 in Nov 2012), and in particular the net job losses in construction and manufacturing show that this is by no means a trend without underlying worries – although it is possible that these may have been caused by Hurricane Sandy. Construction (with -2 million job losses since the recession started) and manufacturing (with -1.8 million job losses since the recession started) account for 89% of all job losses since the recession which means that the weaknesses in these sectors is by far the most important drivers of unemployment. Any policies must be designed to address weaknesses in these sectors.



**Long-Term Unemployment Rate Stuck around 40%**

The long-term unemployment rate has hovered around 40% since July 2012 – this has stalled a slow downward trend that began in May 2012. Addressing persistent long-term unemployment that has never before been seen in the U.S. must be a major goal in 2013. For example, when the recession started in Dec 2007, the long-term unemployment rate was 17.5%.

As we noted, with respect to the construction and manufacturing sectors, any policies that are designed to create jobs must be designed to address the unique needs of the long term unemployed. It is also likely that, given the continuing weaknesses in construction and manufacturing, the long-term unemployed may be concentrated in those two sectors. This suggests that retraining and other targeted services like those provided by Urban League affiliates must be a critical part of the solutions. And, any fiscal stimulus to drive growth must be targeted at these two sectors.



**Since August 2012 the Median Time Unemployed Has Hovered Around 18 Weeks**

In Nov 2012, the median time unemployed fell slightly to 19 weeks (from 19.6 weeks) – in the first half of 2012 this averaged at 20 weeks and so far in the second half of 2012, it has averaged at 18 weeks. 2.5 million workers were marginally attached to the labor force (not seasonally adjusted) – this was an increase of +72,000 from Oct 2012. 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, 979,000 were discouraged workers (people not looking for work because they believed no jobs were available for them).

**Real Hourly Wages Fell For the 3<sup>rd</sup> Month**

In Nov 2012, average hourly wages of nonsupervisory and production workers in the private nonfarm sector rose slightly to \$19.84 (from \$19.81 in Oct., adjusted) and average weekly earnings also rose to \$668.61 (from \$665.62 in Oct, adjusted). Average weekly hours were slightly up at 33.7 hours/week (from 33.6 hours/week in Oct). In the 12 months from Nov 2011 to Nov 2012, average hourly and weekly earnings both rose by 1.3%. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 2.2% in the 12 months to Oct 2012 (inflation is not yet available for 12 months to Nov 2012) – given this inflation rate, real hourly wages fell by -0.8% and real weekly wages fell by -1.1% during that period.



**State Unemployment Situation for Oct 2012**

In state unemployment data for Oct 2012 (Nov 2012 is not available yet) payroll employment increased in 35 states and the District of Columbia and decreased in 15 states. 37 states and the District of Columbia had unemployment rate decreases, seven states had rate increases and six states had no change. The largest gains in payroll employment occurred in California (+45,800), followed by Texas (+36,600). Michigan (-16,500) and New Jersey (-11,700) had the most job losses. Nevada had the highest unemployment rate at 11.5%. North Dakota had the lowest rate at 3.1%.