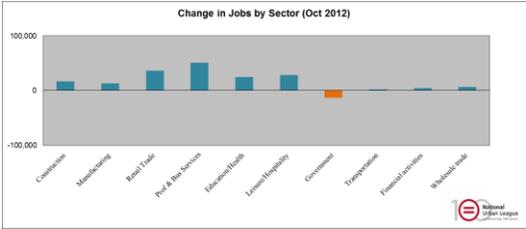


# OCTOBER 2012

## Monthly Employment Report

Released on November 2, 2012

- SUMMARY**
- **171,000 net jobs added in October; private sector added 184,000 jobs**
  - **Unemployment rate rose slightly to 7.9%, but the lowest in 4 years - from 7.8% in Sep**
  - **Black unemployment rate rose to 14.3% - from 13.4%**



**National Jobs Snapshot - 171,000 Net Jobs Created**

In October 2012, +171,000 net jobs were created - this was higher than the +148,000 in Sep. The private sector had +184,000 net job gains – higher than the +128,000 in Sep. Government (-13,000) was the only major sector with net job losses.

The unemployment rate in October 2012 rose slightly to 7.9% (from 7.8% in Sep) and the participation rate also rose slightly to 63.8% (from 63.6% in Sep).

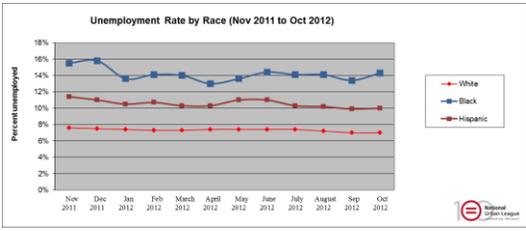
Except for government as noted earlier, all other major sectors had net job gains. The sector with the most gains was professional/business services (+51,000), followed by retail trade (+36,400), leisure/hospitality (+28,000), education/health (+25,000), construction (+17,000), manufacturing (+13,000), wholesale trade (+6,500), financial services (+4,000) and transportation (+2,200).

In Oct 2012, long-term unemployed (unemployed for longer than 27 weeks) rose by +178,000 and the long-term unemployment rate rose slightly to 40.6%. The long term unemployment rate in Sep 2012 (seasonally unadjusted) for Blacks was 46% and for Whites it was 39.5% - rates for Oct 2012 are not yet available.

People working part-time for economic reasons fell by -269,000 to 8.3 million. If you add this group and marginally attached workers to the officially unemployed, the under-employment rate in Oct 2012 was 14.6% (from Sep 2012 at 14.7%). The underemployment rate (seasonally unadjusted) for Blacks in Sep 2012 was 22.8% and for Whites it was 11.7% compared to 25.3% and 12.6% respectively in Sep 2011 (rates for Oct 2012 are not yet available).

**Snapshot of the Black Labor Force - Unemployment Rate Rose to 14.3%**

Black unemployment rate rose to 14.3% in Oct 2012 and the participation rate rose to 62.4% (from 61.2% in Sep). In Oct 2012, the White unemployment rate was unchanged at 7% and Hispanic rate rose to 10% (from 9.9% in Sep). Black to White unemployment ratio was 2.04.



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 17.8% (from 20% in Oct 2011) and for Black college graduates 6.6% (up from 5.5% in Oct 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.

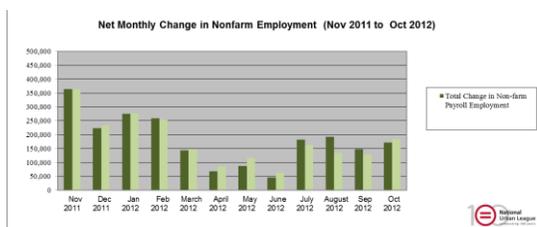
	Unemployment Rate by Gender (+20 Years) - Oct 2012	
	Unemp. Rate	Labor Force Participation Rate
Black Men	14.1%	67.7%
White Men	6.6%	73.6%
Black Women	12.4%	63.9%
White Women	6.3%	58.5%

	Unemployment Rate by Age (Seasonally Unadj.) - Oct 2012		
	New Workers: 20 - 24 Years	Mid-Level Workers: 35-44 Years	Older Workers: 55 - 64 Years
Black	23.6%	10.9%	9.1%
White	10.4%	5.3%	4.9%

	Unemployment Rate by Education (Seasonally Unadj.) - Oct 2012			
	Less than High School	High School Graduates	Associate Degree	Bachelor's Degree and Higher
Black	17.8%	13.6%	10.2%	6.6%
White	10.5%	6.7%	4.9%	3.3%

## Job Gains Have Picked Up Since June 2012

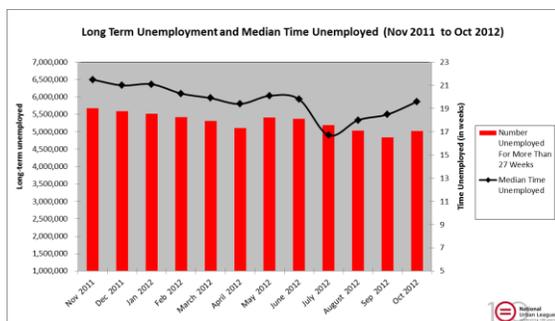
The +171,000 net job gains in Oct 2012 and the adjusted +148,000 job gains in Sep 2012 continues a trend of improving job creation compared to the 2<sup>nd</sup> Quarter, 2012 when net job gains averaged about +66,000. Manufacturing had job gains in Oct 2012 after two consecutive months of job losses (-13,000 in Aug 2012 and -14,000 in Sep 2012). There were job losses in government after three consecutive months of job gains. Construction (with -2 million job losses since the recession started) and manufacturing (with -1.8 million job losses since the recession started) account for 86% of all job losses since the recession which means that the still high unemployment rate is largely driven by losses in those two sectors.



## Decline in Long-Term Unemployment Rate Stalled

The uptick in the long-term unemployment rate to 40.6% in Oct 2012 reversed the slow downward trend that began in May 2012. Even as the recovery continues to take hold, long-term unemployment will be a major challenge for the next Administration. By comparison, when the recession started in Dec 2007, the long-term unemployment rate 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 Increased for 3<sup>rd</sup> Consecutive Month

In Oct 2012, the median time unemployed rose to 19.6 weeks (from 18.5 weeks) – this is the third consecutive monthly increase. 2.4 million workers were marginally attached to the labor force (not seasonally adjusted) – this was a decline of -84,000 from Sep 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, 813,000 were discouraged workers (people not looking for work because they believed no jobs were available for them).

## Real Hourly Wages Fell For the 2<sup>nd</sup> Month

In Oct 2012, average hourly wages of nonsupervisory and production workers in the private nonfarm sector fell slightly to \$19.79 (from \$19.80 in Sep., adjusted) and average weekly earnings also fell to \$664.94 (from \$667.26 in Sep, adjusted). Average weekly hours were slightly down at 33.6 hours/week (from 33.7 hours/week in Sep). In the 12 months from Oct 2011 to Oct 2012, average hourly and weekly earnings both rose by 1.3% and 1%, respectively. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 2% in the 12 months to Sep 2012 (inflation is not yet available for 12 months to Oct 2012) – given this inflation rate, real hourly wages fell by -0.4% and real weekly wages fell by -0.1%.



## State Unemployment Situation for Sep 2012

In state unemployment data for Sep 2012 (Oct 2012 is not available yet) payroll employment increased in 35 states and the District of Columbia and decreased in 15 states. 41 states and the District of Columbia had unemployment rate decreases, six states had rate increases and three states had no change. The largest gains in payroll employment occurred in Texas (+21,000), followed by Pennsylvania (+17,800). Michigan (-13,000), followed by Ohio (-12,800) and Oregon (-7,900) had the most job losses. Nevada had the highest unemployment rate at 11.8%. North Dakota had the lowest rate at 3%.