

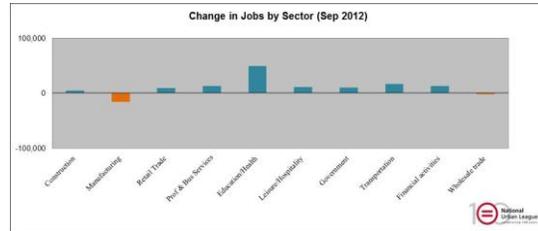
SEPTEMBER 2012

Monthly Employment Report

Released on October 5, 2012

SUMMARY

- **114,000 net jobs added in September; private sector added 104,000 jobs**
- **Unemployment rate reduced to 7.8%, the lowest in 4 years - from 8.1% in August**
- **Black unemployment rate reduced to 13.4% - from 14.1%**



National Jobs Snapshot - 114,000 Net Jobs Created

In September 2012, +114,000 net jobs were created. The private sector had +104,000 net job gains. Manufacturing (-16,000), and wholesale trade (-1,600) were the only two major sectors with net job losses. – August net job gains were revised up to +142,000.

The unemployment rate in September 2012 fell to 7.8% (from 8.1% in Aug), reflecting true employment gains as the participation rate was largely unchanged at 63.6% (from 63.5% in Aug).

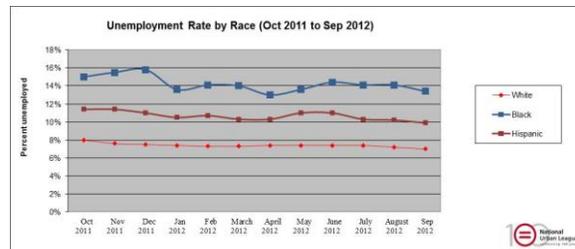
Except for manufacturing and wholesale trade, all other major sectors had net job gains. The sector with the most gains was education/health (+49,000), followed by transportation (+17,100), professional/business services (+13,000), financial activities (+13,000), leisure/hospitality (+11,000), government (+10,000), retail trade (+9,400) and construction (+5,000).

In Sep 2012, long-term unemployed (unemployed for longer than 27 weeks) fell by -189,000 and the long-term unemployment rate was unchanged at 40%. The long term unemployment rate in Aug 2012 (seasonally unadjusted) for Blacks was 46.5% and for Whites it was 36.8% - rates for Sep 2012 are not yet available.

People working part-time for economic reasons rose by +582,000 to 8.6 million. If you add this group and marginally attached workers to the officially unemployed, the under-employment rate in Sep 2012 was unchanged from Aug 2012 at 14.7%. The underemployment rate (seasonally unadjusted) for Blacks in Aug 2012 was 22.9% and for Whites it was 12.2% compared to 26.1% and 13.1% respectively in Aug 2011 (rates for Sep 2012 are not yet available).

Snapshot of the Black Labor Force - Unemployment Rate Fell to 13.4%

Black unemployment rate fell to 13.4% in Sep 2012 and the participation rate fell to 61.2% (from 61.4%). In Sep 2012, the White unemployment rate was slightly down to 7% (from 7.2% in Aug) and the Hispanic rate was down to 9.9% (from 10.2% in Aug). The ratio of Black to White unemployment was 1.91.



Large differences in unemployment rates exist among Blacks based on age, gender and education – see tables below. The unemployment rate in Sep 2012 for Black high school dropouts was 13.5% (from 22.1% in Sep 2011) and for Black college graduates 7.5% (up from 7.3% in Sep 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.

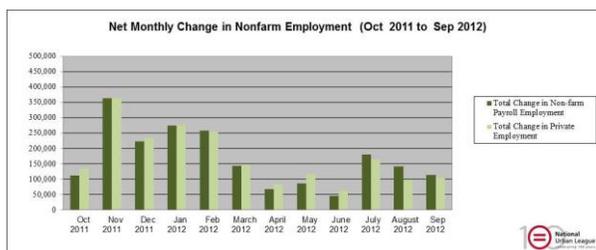
	Unemployment Rate by Gender (+20 Years) - Sep 2012	
	Unemp. Rate	Labor Force Participation Rate
Black Men	14.2%	67.0%
White Men	6.6%	73.4%
Black Women	10.9%	62.0%
White Women	6.3%	58.7%

	Unemployment Rate by Age (Seasonally Unadj.) - Sep 2012		
	New Workers: 20 - 24 Years	Mid-Level Workers: 35-44 Years	Older Workers: 55 - 64 Years
Black	20.9%	10.5%	8.2%
White	10.5%	5.6%	5.3%

	Unemployment Rate by Education (Seasonally Unadj.) - Sep 2012			
	Less than High School	High School Graduates	Associate Degree	Bachelor's Degree and Higher
Black	13.5%	14.7%	9.2%	7.5%
White	10.0%	7.2%	5.0%	3.7%

Job Gains Have Picked Up Since 2nd Quarter, 2012

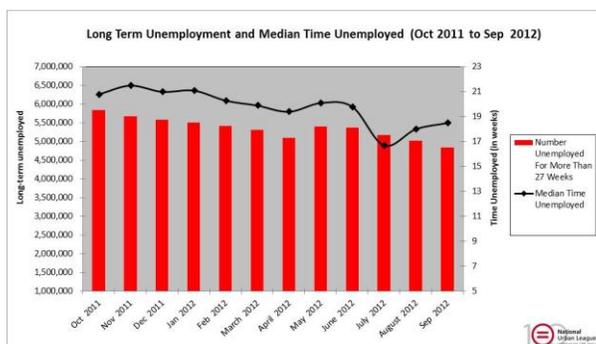
The +114,000 net job gains in Sep 2012 and the adjusted +142,000 job gains in Aug 2012 and +181,000 jobs in July 2012 continues a trend of improving job creation compared to the 2nd Quarter, 2012 when net job gains averaged about +66,000/mo. Manufacturing has had the 2nd consecutive month of job losses (-22,000 in Aug 2012 and -16,000 in Sep 2012) following 10 consecutive months of gains that began Oct 2011. Job losses in government seem to have dissipated in the last 3 months – government shed jobs for 19 of the last 24 months. Construction (with -2 million job losses since the recession started) and manufacturing (with -1.8 million job losses since the recession started) account for 82% of all job losses since the recession which means that the still high unemployment rate is largely driven by those two sectors.



Long-Term Unemployment Rate Unchanged

At 40% in Sep 2012, the long term unemployed rate has continued a trend of steady or declining rates since May 2012. It is at the lowest level since December 2009, but 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 largely concentrated in those two sectors. This suggests that retraining and other targeted services like those provided by Urban League affiliates will be critical.

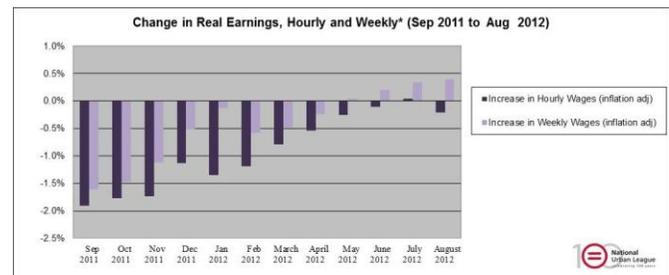


Median Time Unemployed Rises Slightly

In Sep 2012, the median time unemployed rose to 18.5 weeks (from 18 weeks). 2.5 million workers were marginally attached to the labor force (not seasonally adjusted) – this was a decline of -44,000 from Aug 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, 802,000 were discouraged workers (people not looking for work because they believed no jobs were available for them).

Real Hourly Wages Fall Again After Slight Rise in Aug 2012

In Sep 2012, average hourly wages of nonsupervisory and production workers in the private nonfarm sector rose slightly to \$19.81 (from \$19.76 in Aug, adjusted) and average weekly earnings also rose to \$667.60 (from \$665.91 in July, adjusted). Average weekly hours were unchanged at 33.7 hours/week. In the 12 months from Sep 2011 to Sep 2012, average hourly and weekly earnings both rose by 1.6% and 1.9%, respectively. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 1.7% in the 12 months to Aug 2012 (inflation is not yet available for 12 months to Sep 2012) – given this inflation rate, real hourly wages fell by -0.2% and real weekly wages rose by +0.4%.



State Unemployment Situation for Aug 2012

In state unemployment data for Aug 2012 (Sep 2012 is not available yet) payroll employment increased in 28 states and decreased in 21 states and the District of Columbia and was unchanged in Colorado. 26 states had unemployment rate increases and 12 states and the District of Columbia had rate decreases and 12 states had no change. The largest gains in payroll employment occurred in Texas (+38,200) followed by Florida (+23,200) and Missouri (+17,900). The states with the most job losses were Virginia (-12,400) followed by the District of Columbia (-11,200). Nevada had the highest unemployment rate at 12.1%. North Dakota had the lowest rate at 3%.