

LEGAL WORKPLACE ECONOMY

April 2011

Jobs Report Summary

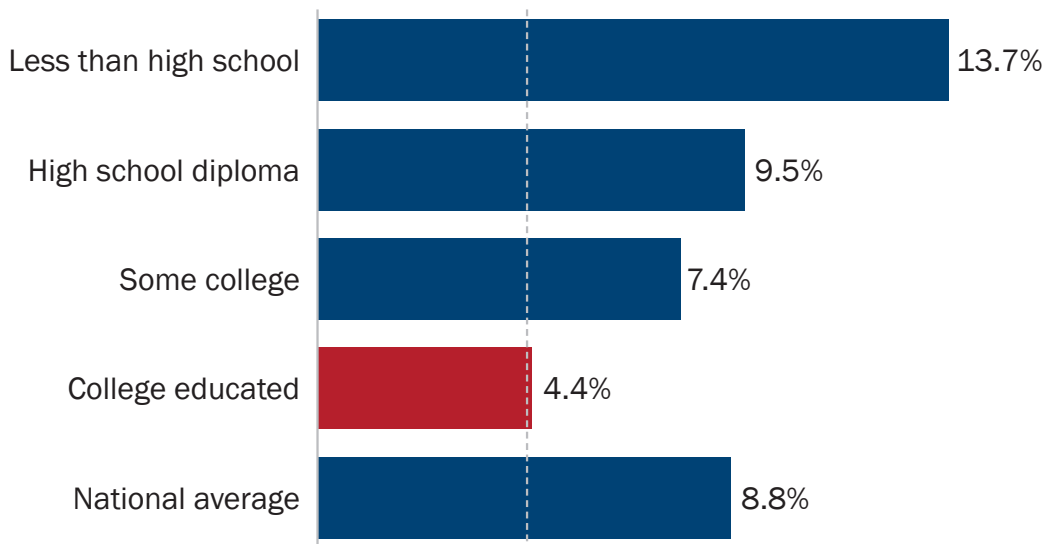
Based on the BLS Report with March 2011 data

Another month, Another gain

The phrase “job gains, yet again” is something we could get used to hearing. The private sector added more than 200,000 jobs for the second month in a row following the March 2011 report from the Bureau of Labor Statistics. There have not been two straight months of private sector job gains over 200,000 since 2006, over a year before the recession began. Additionally, March’s gain marked the seventh consecutive month of job additions and even more positive news is the declining unemployment rate which is now at 8.8%, the lowest level in just under two years. This decline in unemployment (from 9.8% to 8.8%) in four months has been the sharpest drop since 1983.

A total of 216,000 jobs were gained in March 2011 with the private sector gaining 230,000 jobs and the public sector losing 14,000 jobs. The additions surpassed forecasters’ expectations. Among the sectors that contributed the highest counts of jobs to the economy in March were healthcare, professional and business services, manufacturing, temporary, retail and leisure and hospitality.

Education continues to be the job search differentiator:



Source: Labor Department

The revisions included in the March report added optimism to the picture as an additional 5,000 jobs were revised into the January statistics and an additional 2,000 jobs were revised in the February data. The hiring patterns of Q1 2011 are meeting the expectations of many forecasters which predicted hiring to pick up significantly as new fiscal budgets opened up in order to add talent. The pace of the progress is still slower than optimal capacity and this is important to remember as cautious spending is still “the name of the game” in today’s business environment. The economy will need to add over 300,000 jobs a month consistently to continue to decrease the unemployment rate with a growing population. As 7.5 million jobs were lost during the recession, getting unemployment to pre-recession levels will take years, even with gains similar to this month’s.

Not just for healthcare workers, job gains in a host of industries:

- **Manufacturing:** March was another good month for the sector, adding 17,000 jobs. This marks the fifth straight month the sector has seen additions. Gains were seen in the durable goods industries. Employment in durable goods manufacturing has risen by 243,000 since its most recent low in December 2009. Manufacturing and construction jobs could be affected by the Japan earthquake as materials and supply chain processes could be interrupted. Events over time will dictate if and how these effects will be seen in the U.S. market.
- **Healthcare:** The strongest sector of the recession remains healthcare, adding 36,600 in the past month. In the last year, healthcare has added 283,000 jobs, or an average of 24,000 jobs per month. There are now over 14 million Americans employed in the healthcare industry which includes, but is not limited to, hospitals and doctors offices. Nearly 6.1 million jobs exist now in ambulatory services and nearly 3.2 million jobs exist in nursing home and other care facilities. Nursing and residential care facilities alone added 8,800 jobs in March.
- **Leisure and hospitality:** Food services and drinking establishments contributed 27,000 jobs to the total 37,000 jobs added within the sector in March. Active hiring within this sector is closely related to consumer confidence and spending. In February, consumers earned and spent more money than the previous month. If consumer spending continues to rise, hiring could pick up even further for the sector.
- **Professional and business services:** This sector added the highest number of jobs in March with 78,000 added, the strongest gain since 2005. As professional and business services add jobs, education will become a more salient differentiator for job seekers. Many of the jobs added in March require college degrees. According to BLS data, 521,000 Americans with a college degree or higher were hired since the start of 2011, whereas the job growth rate for applicants with only a high school diploma has fallen. The overall unemployment rate for college graduates is 4.4%, reiterating the importance for all candidates to focus on skill building and diversification.
- **Temporary:** Temporary job growth was strong for yet another month in March adding over 28,000 jobs. Throughout the recession, temporary job growth has been the leading indicator for permanent job growth. As we’ve seen the sector slowly rise, full time hiring is beginning to follow. The depth of the types of temporary jobs added this month indicates how the demand is widening to professional positions including engineering, accounting and professional services. The gains today could mean even more in the future as they indicate companies will look to convert more temporary talent to full time in order to keep them on board to meet their labor needs.

In the Future:

The outlook looks good. Just how good? Today's current events could have great impact on the U.S. economy and job market. The unrest in the Middle East has already begun impacting oil prices which could slow the economic recovery. The effects of Japan's devastating earthquake have had an impact on stock markets but also leave much undetermined about how the aftermath will impact the global economy moving forward as far as supply chain and other processes. Many economists predict rising food and oil prices will impact consumer spending which will slow the employment picture's progress. This should remind Americans yet again, to exercise caution when making decisions dependent on the economy.

Moving forward, education will become a more important differentiator for job seekers as more and more companies look to add specialized workers. Recent temporary job growth indicates more robust full time hiring could be on the horizon with permanent hiring beginning to show more and more. Temporary positions have grown in the fields of information technology, engineering and accounting. Thus, in the near future we can look to these sectors in particular to pick up hiring. In the greater future, job seekers should look to build skills that are transferable to these industries.

Of Interest**Trying to Recruit Gen Y Lawyers? Focus on Innovation and Lifestyle Rather than Tradition**

Source: www.abajournal.com

Recruiting and retaining the Generation Y lawyer (up to 30 years old) is taking on a whole new path. No longer can you solely focus on the tradition and history of a firm to attract new attorneys. Appealing to this younger generation by means of lifestyle, work-life balance benefits, innovation, and training while keeping in mind possible parental opinions are in the employers' best interests.

According to Virginia Essandoh, Ballard Spahr Diversity Director, communication and feedback are also significant to the Gen Y lawyer, and employers should be cautious as any negative remarks can lead to a drop in motivation levels.

Who Ya Gonna Call? This Firm Has an Answer for Harried In-House Lawyers

Source: www.law.com

General counsel often find themselves in search of advice or other opinions on an issue, and unfortunately most are uncertain of where to turn or what the cost could be. Reed Smith has stepped up to the plate and collected four of its seasoned attorneys who will do just that – consult and advise the in-house counsel of clients using their firm – free of charge. The expertise of this quartet is unsurpassed and often the group collectively discusses a topic, providing the information-seekers a compilation of four experts' advice in one.

Occasionally, these discussions transmit into a billable project for the firm, however they simply enjoy sharing their network of expertise with general counsel helping them to make quick strategic decisions.