



Virginia Healthcare Workforce Briefs

Indicators from the Bureau of Labor Statistics'
Current Employment Statistics Survey
Series 1: State & National Employment

Series 1, Issue 8

August 2012

Highlights

- ◆ According to preliminary estimates, Health Care & Social Assistance (HC&SA) employment in Virginia was flat in July, neither gaining nor losing jobs since June.
- ◆ June preliminary estimates for Virginia HC&SA employment were revised upward by 100 jobs to 393,200, turning preliminary estimates of 1,300 jobs gained in June to a gain of 1,400.
- ◆ YTD, Virginia's HC&SA sector added 6,600 jobs through July, an annualized rate of 2.94%. This matched June's YTD level but a month with no job gains lowered the annualized growth rate from 3.44%.
- ◆ July marks the third time in the last four months HC&SA job growth has hovered near zero in Virginia. The HC&SA sector accounted for just 15.9% of Virginia's YTD job growth through July, down from 51.5% in the first quarter and a revised 32.8% through June.
- ◆ YTD, Virginia accounted for 3.4% of job growth in the national HC&SA sector, down from 4.6% through the 1st quarter.

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Data in the report is seasonally adjusted, and includes employees of private firms only. Self-employed persons, including health professionals in private practice, are not included.

Data in Brief

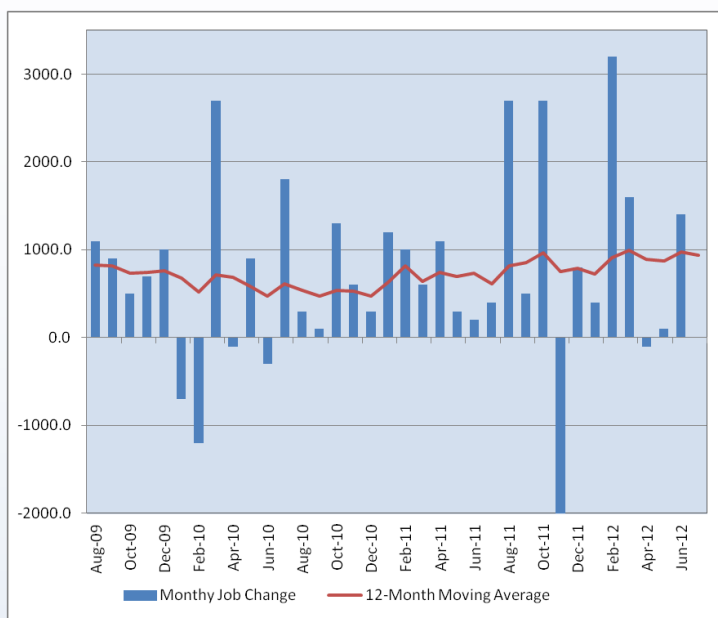
Seasonally Adjusted*	Employment, in Thousands				Growth Rate, Annualized		
	Jul 2011	Apr 2012	Jun 2012	Jul 2012	12 month	3 month	1 month
Nonfarm, Total							
Virginia	3,678.5	3,718.2	3,722.8	3,744.1 ^P	1.8%	2.8%	7.1%
National	131,407.0	132,931.0	133,082.0 ^P	133,245.0 ^P	1.4%	0.9%	1.5%
Health & Social Assistance							
Virginia	381.9	391.7	393.2	393.2 ^P	3.0%	1.5%	0.0%
National	16,658.5	16,931.4	16,974.4 ^P	16,993.5 ^P	2.0%	1.5%	1.4%
All Other Nonfarm							
Virginia	3,296.6	3,326.5	3,329.6	3,350.9 ^P	1.6%	3.0%	8.0%
National	114,748.5	115,999.6	116,107.6 ^P	116,251.5 ^P	1.3%	0.9%	1.5%

^P: Preliminary Results

*Seasonally adjusted data is adjusted by the Bureau of Labor Statistics to account for weather, holidays and other seasonal changes. Economists use seasonally adjusted data to reveal underlying trends over time. This series uses seasonally adjusted data exclusively. When comparing data in this series to other HWDC series, or publications from other sources, it is important to note whether the data reported has been seasonally adjusted.

Jobs Created

Figure 1: Monthly Change in Employment in Virginia's Health Care & Social Assistance Sector, Seasonally Adjusted.



According to preliminary data released August 17, 2012 by the US Department of Labor, Bureau of Labor Statistics, employment in Virginia's HC&SA was flat in July. July was the third month of the last four where growth hovered near zero, and the 12-month moving average has again ticked downward. June's preliminary estimates were revised upward by 100, increasing that month's already substantial gain to 1,400. Revisions generally occur due to delayed responses from smaller establishments.

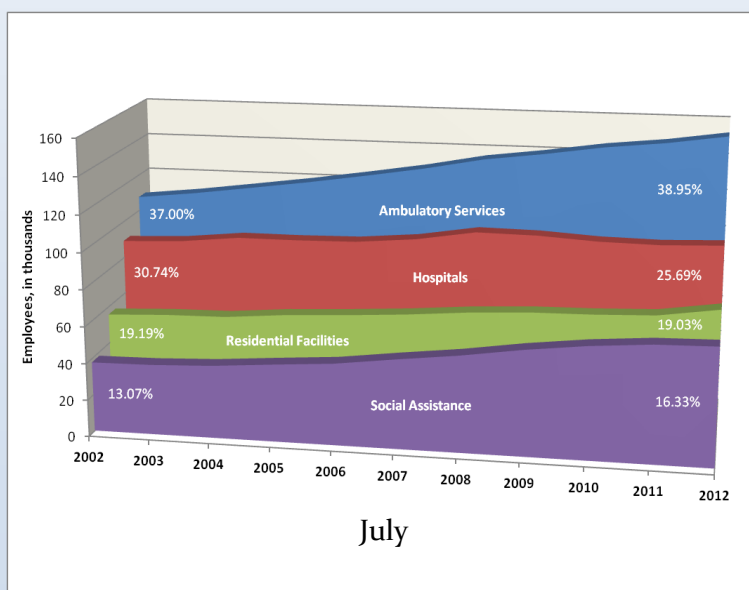
YTD growth rose to 6,600 jobs added due to the June revision. However, a flat July caused annualized YTD growth to decline to 2.94% from a revised 3.44% in June. The sector accounted for only 16% of all of Virginia's 2012 job growth through July, and 17% over the prior 12 months. Virginia's HC&SA sector added an average of 942 jobs each month over the past 12 months, compared to 617 jobs in the prior 12 month period. The 12-month MA hit a 3-year peak of 992 in March.

Industry Distribution

Ambulatory services' share of HC&SA employment rose to 38.95% in July from 38.6% in June. Social Assistance lost a 0.3% share, shrinking to 16.3% of the sector. Hospitals gained a 0.1% share, while Nursing & Residential Facilities remained flat.

Ambulatory health care services includes offices of independent practitioners, outpatient care centers, diagnostic laboratories, home health services and other ambulatory services. Hospitals include general, surgical, specialty and mental health hospitals. Nursing and residential care facilities include nursing homes, community care facilities and mental health related residential facilities. Social assistance includes individual and family services, food, housing and other relief services, vocational rehabilitation and child day care services.

Figure 2: Health Care Employment by Subsector

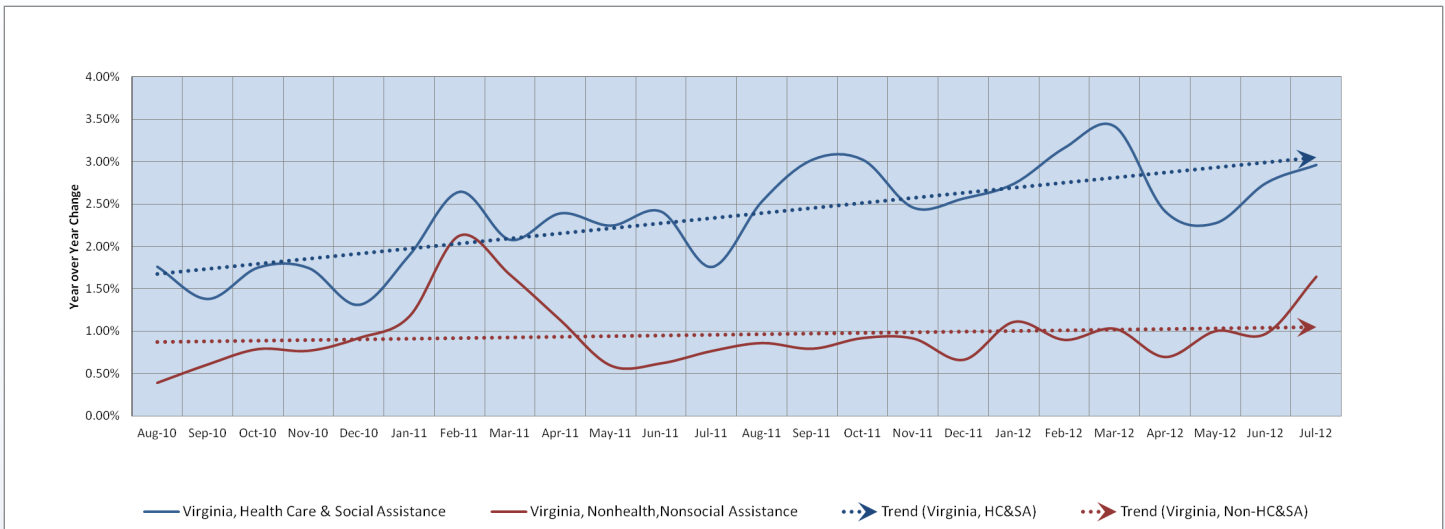


Employment Growth Rate

Perhaps the most striking feature of the July release from the Bureau of Labor Statistics is the strong jump in non-HC&SA employment of 21,300 jobs, or 8.0% annualized growth, on a seasonally adjusted basis. The majority of this growth occurred in the Educational Services and Leisure and Hospitality industries. Some economists, however, think this result may be misleading. Seasonal adjustment is a method of removing seasonal "noise" from monthly data to better reveal underlying trends. The BLS uses historical data to seasonally-adjust results from its surveys. This method may have faltered

Employment Growth Rate, con't.

Figure 3: Year-over-year Employment Growth, Not Seasonally Adjusted.

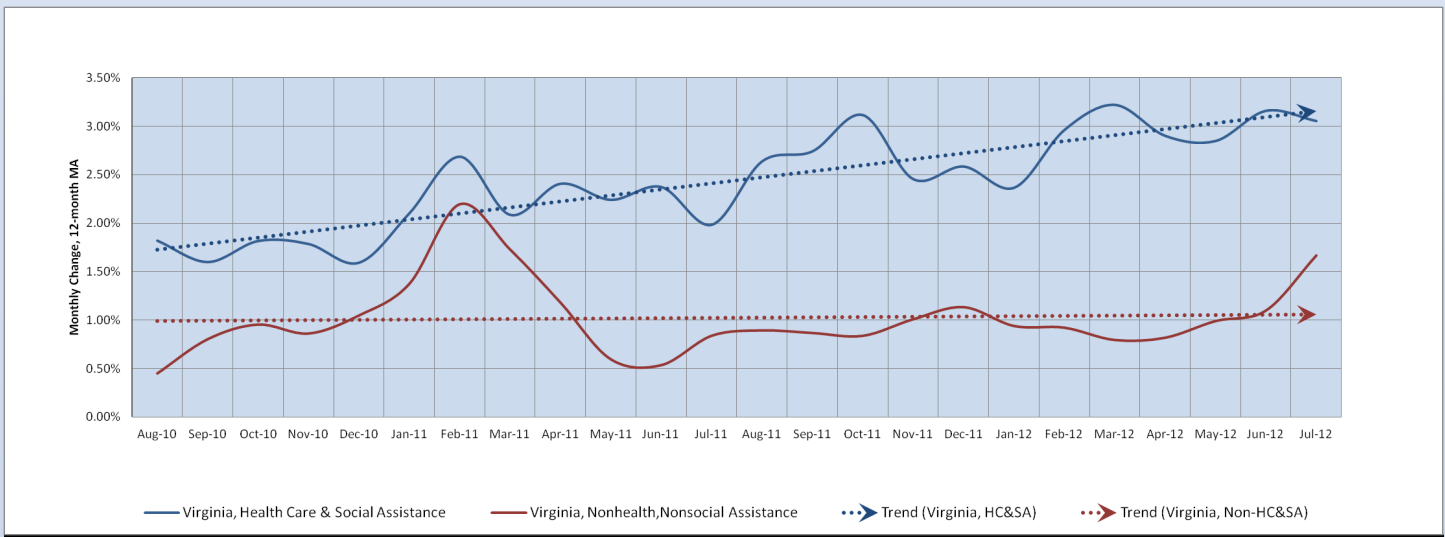


in the wake of the recent recession. According to some economists, employers facing lower utilization of their permanent workforce are not hiring temporary workers when they normally do and, just as significantly, not laying them off later, throwing off seasonal adjustments. Seasonal employment patterns are important in both Educational Services and Leisure and Hospitality industries, but are less important in HC&SA.

Another method of removing noise from the data is to examine year-over-year changes in not seasonally adjusted data, as in Figure 3. Here, we see the same jump in employment for July. A look at the data confirms a 14.6% YOY jump in employment in Educational Services, which would seem to confirm the seasonally adjusted results. The chart below shows the 12-month moving average of monthly change using seasonally adjusted data. It largely matches the YOY not seasonally adjusted data.

The seasonally adjusted figures reported by the BLS have been used for decades, and may be real-to-trend even through a long recovery. However, consumers of BLS employment data should be aware of the current debate surrounding seasonal-adjustment in the recovery economy, and how this may affect data reported in these briefs. The HWDC reports not seasonally adjusted data in its Series 2 brief, which examines regional employment.

Figure 4: 12-month Moving Average, Monthly Change in Employment, Annualized, Seasonally Adjusted .



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The Department of Health Professions Healthcare Workforce Data Center works to improve the data collection and measurement of Virginia's healthcare workforce through regular assessment of workforce supply and demand issues among the 80 professions and 350,000 practitioners licensed in Virginia by DHP.

The HWDC collects data on Virginia's licensed health professionals through surveys completed during the online license renewal and application process. Survey results and data may be accessed on our website: www.dhp.virginia.gov/hwdc/.

The HWDC also provides a series of Virginia Healthcare Workforce Briefs based on data collected by the US Department of Labor's Bureau of Labor Statistics and the US Department of Commerce' Bureau of Economic Analysis.

Virginia Healthcare Workforce Briefs:

Series 1: State & National Employment (Monthly)

Series 2: Virginia Regional Employment (Monthly)

Series 3: Income & Compensation (Quarterly)

About the Data

Data in this report is from the US Department of Labor, Bureau of Labor Statistics' Current Employment Statistics program. The CES program surveys about 140,000 businesses and government agencies monthly. Unless otherwise noted, this series uses seasonally-adjusted data that removes seasonal variations related to weather, holidays, weekends, seasons and other predictable variations. This allows us to better examine underlying trends in the labor market. Data from recent months is preliminary and subject to revision in future releases from the CES. Revisions will be reported in future editions of this series. Unless otherwise noted, the CES data presented in this series:

Includes:

- ◆ Data on employed individuals drawing a paycheck (payroll employees).
- ◆ All employees, regardless of role, occupation or hours worked.
- ◆ HC&SA employees in the private sector only.
- ◆ Persons employed by health professionals in private practice.
- ◆ Both government and private sector workers in nonfarm employment data.

Does not include:

- ◆ Self-employed workers or volunteers, including health professionals in private practice.
 - ◆ HC&SA employees in the public sector. (These are counted as government workers in monthly reports. Approximately 54,500 of Virginia's public sector workers worked in the HC&SA sector in 2010 at the federal, state and local levels).
 - ◆ Information on hours worked or the quality of employment.
 - ◆ Government workers in HC&SA level data. (Government workers, regardless of occupation and role, are classified as public sector employees).
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