



## **U.S. Employment Growth– November 2012**

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## November Job Growth Better Than Expected

U.S. job growth was stronger than anticipated in November, with 146,000 new jobs added, according to the Bureau of Labor Statistics. Superstorm Sandy had almost no impact on November's jobs. The survey was conducted the week of November 5<sup>th</sup>, while many employers were still paying employees that were unable to work because of the storm. However, the unresolved fiscal cliff has affected job growth by causing businesses to be reluctant about hiring or making make capital expenditures. Reflecting a decrease in the size of the labor force, national unemployment ticked down to 7.7% during the month.

Trade, transportation, and utilities was the job growth leader for November, with 69,000 new jobs. Retail trade accounted for 52,600 of the new jobs. Clothing and accessory stores (+33,000 jobs), electronics and appliance stores (+9,100 jobs), and general merchandise stores (+9,600 jobs) experienced strong growth as an early Thanksgiving caused retailers to hire holiday help earlier than in previous years. The Conference Board's Consumer Confidence Index maintained an upward trend in November with a modest increase to 73.7 from 72.2 in October, creating optimism about a strong holiday season in spite of disappointing November same-store sales for many major retailers as a result of Superstorm Sandy and the major storm that followed a week later.

Professional and business services added 43,000 new jobs during November. About 40% of the jobs were added at temporary help agencies (+18,000 jobs). Computer systems design also stayed strong, with 7,100 new jobs.

In November, leisure and hospitality sector employment increased by 23,000. The amusement, gambling and recreation subsector was surprisingly strong, with 12,200 new jobs. Food services added about 8,600 jobs during November, while hotel sector employment stayed relatively flat. With 18,000 jobs added during November, education and health services ranks among the fastest growing employment sectors. Health care added 20,000 jobs, including 8,300 new jobs at hospitals and 7,000 new jobs at nursing and residential care facilities. The education sector continues to contract, down 3,700 jobs during November.

The construction and manufacturing sectors lost jobs during November. Construction sector employment was down by 20,000 as residential and commercial construction activity and commercial specialty trade contract work slowed. Manufacturing sector employment declined by 7,000 during November. Most of the manufacturing loss occurred in nondurable goods, like food manufacturing, where the shutdown of Hostess contributed to more than 15,000 job cuts. The chemicals sector also lost 9,100 jobs. Weak international economies and the strengthening dollar have affected international demand for U.S. products. The Institute for Supply Management's (ISM) factory index climbed to 54.7 in November from 54.2 in October. About 3,700 jobs making computers and electronic products were lost during November. On the other hand, U.S. auto production remains strong, with almost 10,000 new jobs. Superstorm Sandy boosted November car sales as people affected by the storm replaced ruined cars.

Other sectors of the economy, including finance and government, experienced little change during November.

The November jobs report was in line with Trepp's modest growth outlook expected in 2012. Employment growth has averaged 151,000 per month in 2012, which is similar to the average monthly job gain of 153,000 in 2011. Superstorm Sandy had little impact on November's numbers, but it will be an engine for future job growth as New York and New Jersey rebuild. Economic growth in 2013 will be better than 2012, but robust expansion is not expected until the fiscal cliff is resolved and until international economies strengthen significantly, which will make businesses more confident about hiring and making capital expenditures.

### **About Trepp, LLC**

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