

Economic Highlights

Employment

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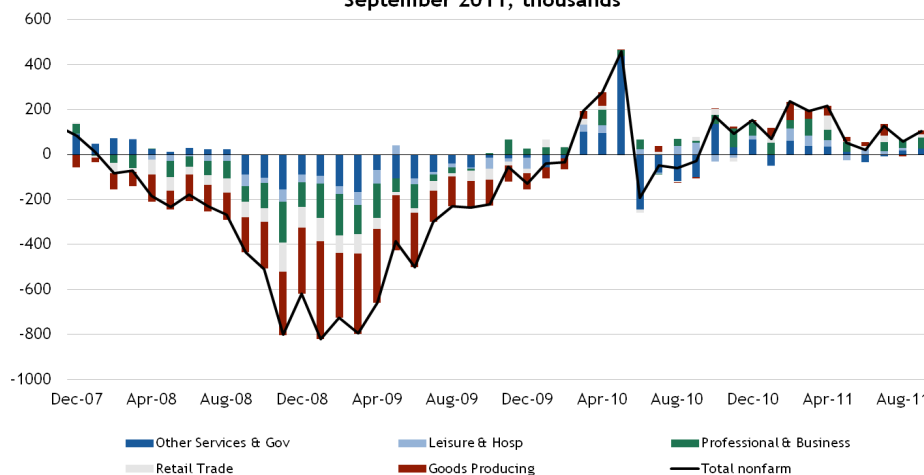
Employment

Summary

Payroll employment increased by 103,000 in September, and July and August payrolls were revised up.

August payrolls were revised up to a level of 57,000 from a preliminary estimate of zero.

Contributions to Change in Nonfarm Payroll Employment September 2011, thousands



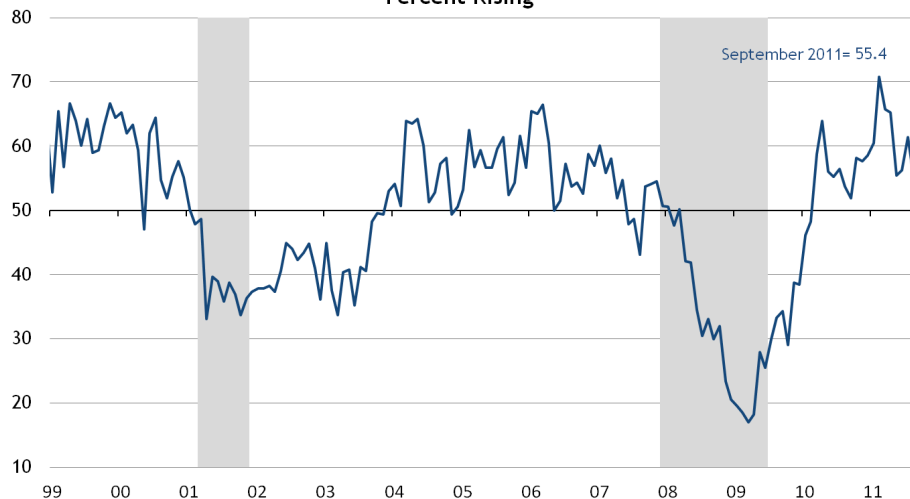
Source: U.S. Bureau of Labor Statistics

- **Nonfarm payroll employment** increased by 103,000 and **private payrolls** increased by 137,000 in September, surpassing consensus expectations of 58,000 and 90,000, respectively. July and August payrolls were revised up by a combined total of 99,000, with upward revisions to **government** payrolls accounting for most of the increase.
- **Manufacturing** payrolls decreased by 13,000 in September, declining for the second consecutive month.
- **Construction** employment increased by 26,000 over the month, the first significant increase in that sector since March 2011.
- **Education and health services** added 45,000 jobs, while **professional and business services** added 48,000; 19,000 of those jobs were in **temporary help services**.
- The **information** sector increased employment by 34,000 in September, mostly reflecting the end of the Verizon employee strike.
- **Retail trade** gained 13,600 jobs while **wholesale trade** lost 5,900 jobs in September. **Leisure and hospitality** cut payrolls by 4,000 over the month, the first decrease since May.
- **Government** payrolls continued their declining trend, decreasing by 34,000 last month.

The spread of job growth across industries continued to decline in September.

After a 5.2 percentage point increase in July, the index has declined by a cumulative 6 percentage points in the last two months.

Diffusion Index of Private Nonfarm Payrolls Percent Rising



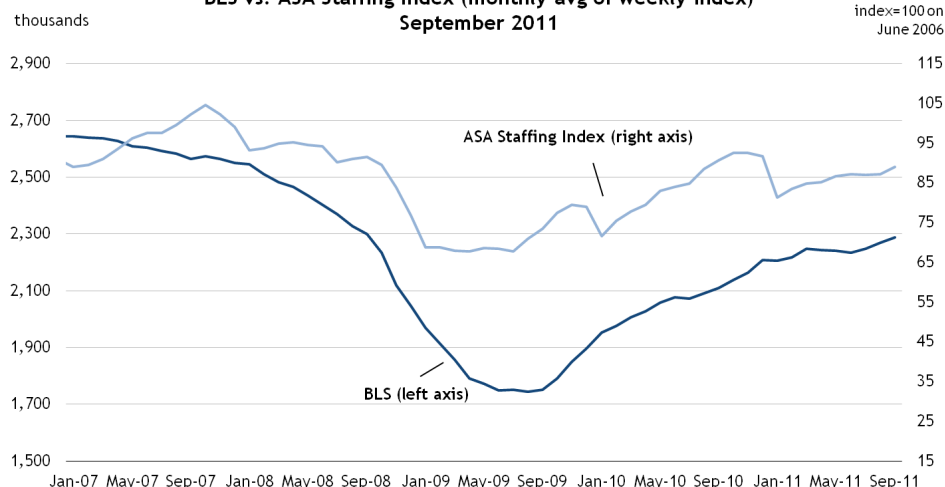
Source: U.S. Bureau of Labor Statistics

Employment

Summary

Employment in temporary help services has been increasing over the last three months.

Employment in Temporary Help Services
BLS vs. ASA Staffing Index (monthly avg of weekly index)
September 2011

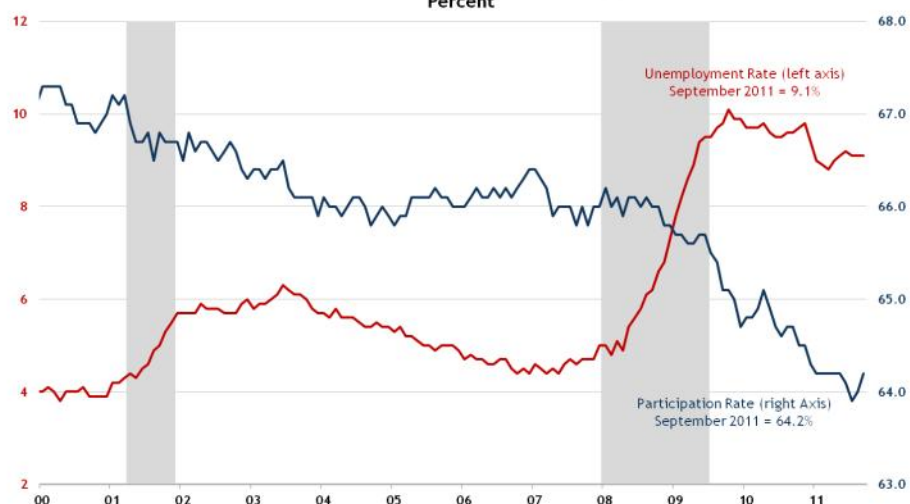


Source: Bureau of Labor Statistics (BLS), American Staffing Association

- Employment in **temporary help services**, as measured by the U.S. Bureau of Labor Statistics as well as the American Staffing Association's staffing index, has generally experienced an increase since the beginning of 2010.
- Since June 2011, temporary help services payrolls have increased by 53,200, including a gain of 19,000 in September. The ASA staffing index increased by 2 points in September.
- Changes in temporary help services payrolls have been perceived as a leading indicator of labor market performance, especially in the period following the most recent recession. One rationale for this is that given an uncertain demand outlook, companies hire temporary contractors rather than permanent employees to retain flexibility over their payrolls. As demand grows stronger, the expectation is that temporary help services employment will peak, and monthly employment increases in that industry will start subsiding as companies shift to permanent hires.

The national unemployment rate remained at 9.1 percent in September.

Unemployment and Labor Force Participation Rates
Percent



Source: U.S. Bureau of Labor Statistics

- The unemployment rate held steady at 9.1% in September and hasn't changed since July.
- The labor force participation rate increased by 0.2 percentage points, reaching a level of 64.2 percent in September. After declining for the majority of 2011, the participation rate has increased during the last two months.