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## Employment Gains/Losses by Industry Sector

Payroll employment growth in Miami-Dade County, after posting gains of 8,000 jobs between May and July, lost 8,200 jobs in August (after accounting for regular seasonal variations). Total payroll job count was up by a modest 1,300 jobs from August of last year. Private sector job growth continues to account for all the net gains in employment. August represented the 38<sup>th</sup> consecutive monthly gain while total government jobs declined for the 39<sup>th</sup> consecutive month. Private sector employment added 7,600 jobs (+1%) year-over-year with 8,600 service sector jobs (+1%) offset by a loss of 800 construction jobs (-2.7%) and 200 manufacturing jobs (-0.4%). Private sector job growth was led by retail trade up 4,200 jobs (+3.2%), leisure and hospitality with 2,900 additional jobs (+2.9%), wholesale trade with 2,800 jobs (+3.9%), and financial activities with 2,200 jobs (+3.1%). Government sector payrolls after seasonal adjustment shed 1,900 jobs (-1.4%) from July to August and were down 6,300 jobs (-4.6%) from August of last year.

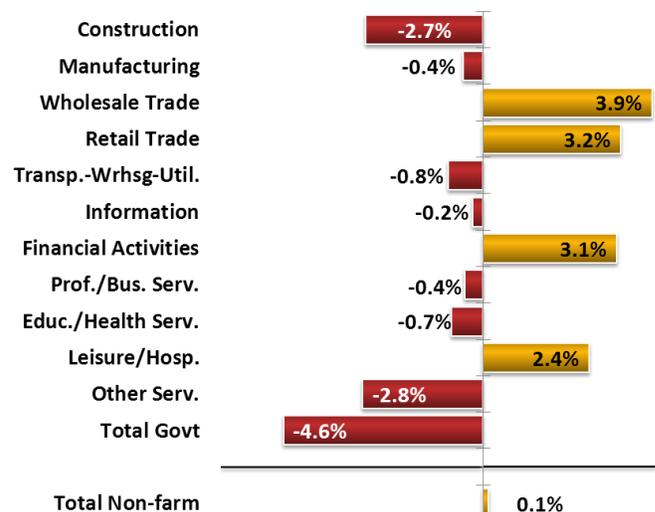
There has been some discussion in the media recently regarding the possibility of companies cutting back large numbers of employees to part-time status in anticipation of the Affordable Care Act mandate requiring businesses with at least 50 employees to provide health insurance to employees working 30 hours or more per week. It was announced in July, however, that this mandate will be delayed by one year, and therefore unlikely that staffing decisions will be significantly affected by the mandate in the near future.

Prior to July average weekly hours for all private sector employees in Miami-Dade County had been trending slightly down since the start of 2013. Average weekly hours were 34.8 in August, down modestly from 35.0 hours in August of last year, but up from 34.6 hours in July. The decline in average weekly hours was relatively small and not sufficient to draw clear inferences from the data.

### Highlights

- Total nonfarm payrolls increased only 1,300 jobs (+0.1%) in August from a year earlier after seasonal adjustment. The private sector gained 7,600 jobs (+1%) while the government sector dropped 6,300 jobs (-4.6%) compared to last August. The biggest gainers included wholesale trade (+3.9%), retail trade (+3.2%), financial activities (+3.1%) and leisure and hospitality (+2.4%).
- The unemployment rate dropped 30 basis points from July to August reaching 7.9% after seasonal adjustment. The decline in the unemployment rate resulted from a -0.4% reduction in employed residents offset by a -0.8% fall in the labor force.
- There were 7,100 initial reemployment assistance claims in August after seasonal adjustment, down -14.7% from July and 20.3% from August of last year.

### Employment Summary (SA) August 2012 to August 2013



Data Source: U.S. Bureau of Labor Statistics, RER Eco. Analysis & Policy.

Note: Historical data was adjusted with an update of seasonal adjustment factors (7/13).

### Why Adjust for Seasonality in Employment Series?

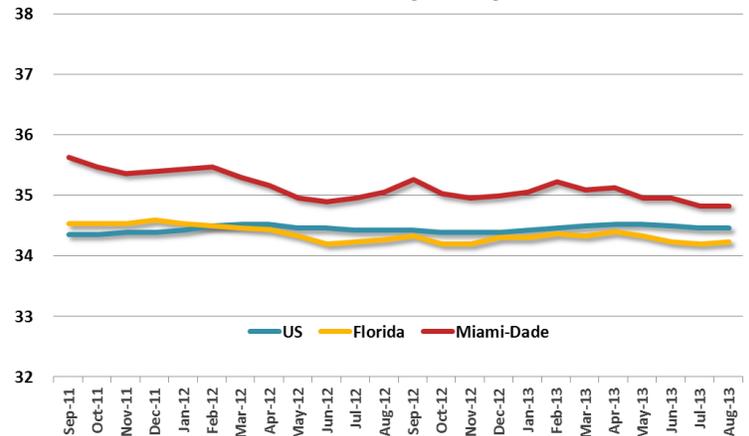
The significance of month-to-month variations in payroll employment cannot be determined without consideration of typical seasonal variations. Payroll jobs estimates without adjusting for seasonal variations showed the private sector losing 2,700 jobs, with most of that decline explained by reductions in *leisure and hospitality*. A drop in employment in this sector is regularly observed with the typical August lull in tourism. On the local government side, the start of the school year always ushers in an August surge in hiring, and last month the increase in local government jobs, without accounting for seasonal variations, entirely offset the reported decline in private sector jobs. The reported estimate of total employment, without adjusting for recurring seasonal variations, could mistakenly suggest an improvement in the labor market in August, when it only resulted from typical seasonality and not a true sign of improvement.

### Labor Force & Unemployment

The seasonally adjusted unemployment rate for Miami-Dade County fell to 7.9% in August from 8.2% in July and 9.0% in August of last year. Both the labor force and the number of residents employed, however, have continued to decline. Since February, the labor force has declined by 53,400 workers while employed residents decreased by 24,100. The relatively larger decline in labor force is, therefore, responsible for the decline in the unemployment rate over the past six months, and not the result of more robust job growth.

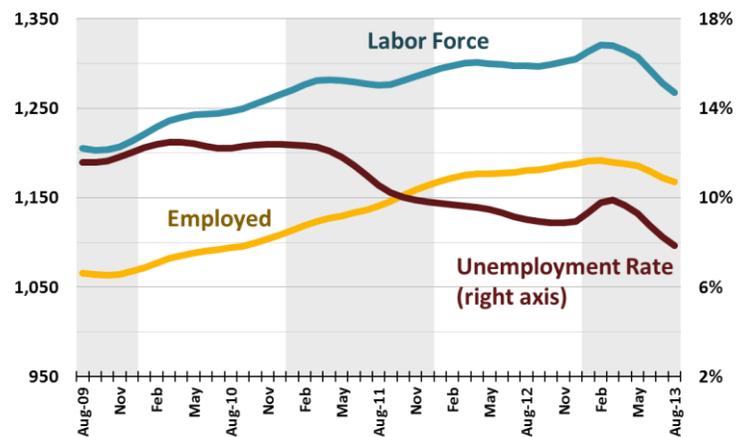
Why has the labor force declined so rapidly since February? Last month we examined recent trends in “discouraged workers” as defined by the Census Bureau and using data from the Current Population Survey. The statistics showed that only a small percentage of Miami-Dade’s 15 and older, non-retired population who left the labor force over the prior 12 months were classified

### Average weekly hours (Private Employees) 3 Month moving Average



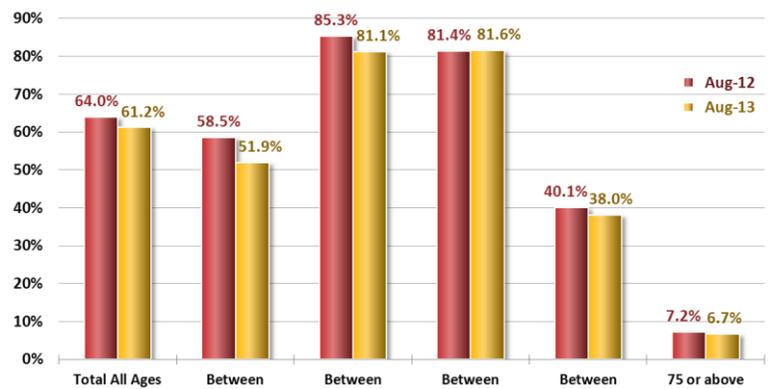
Data Source: US Bureau of Labor Statistics; RER Economic Analysis & Policy.

### Labor Force, Employment & Unemployment (In Thousands, Seasonally Adjusted)



Data Source: Bureau of Labor Statistics

### Labor Force Participation Rate by Age Group



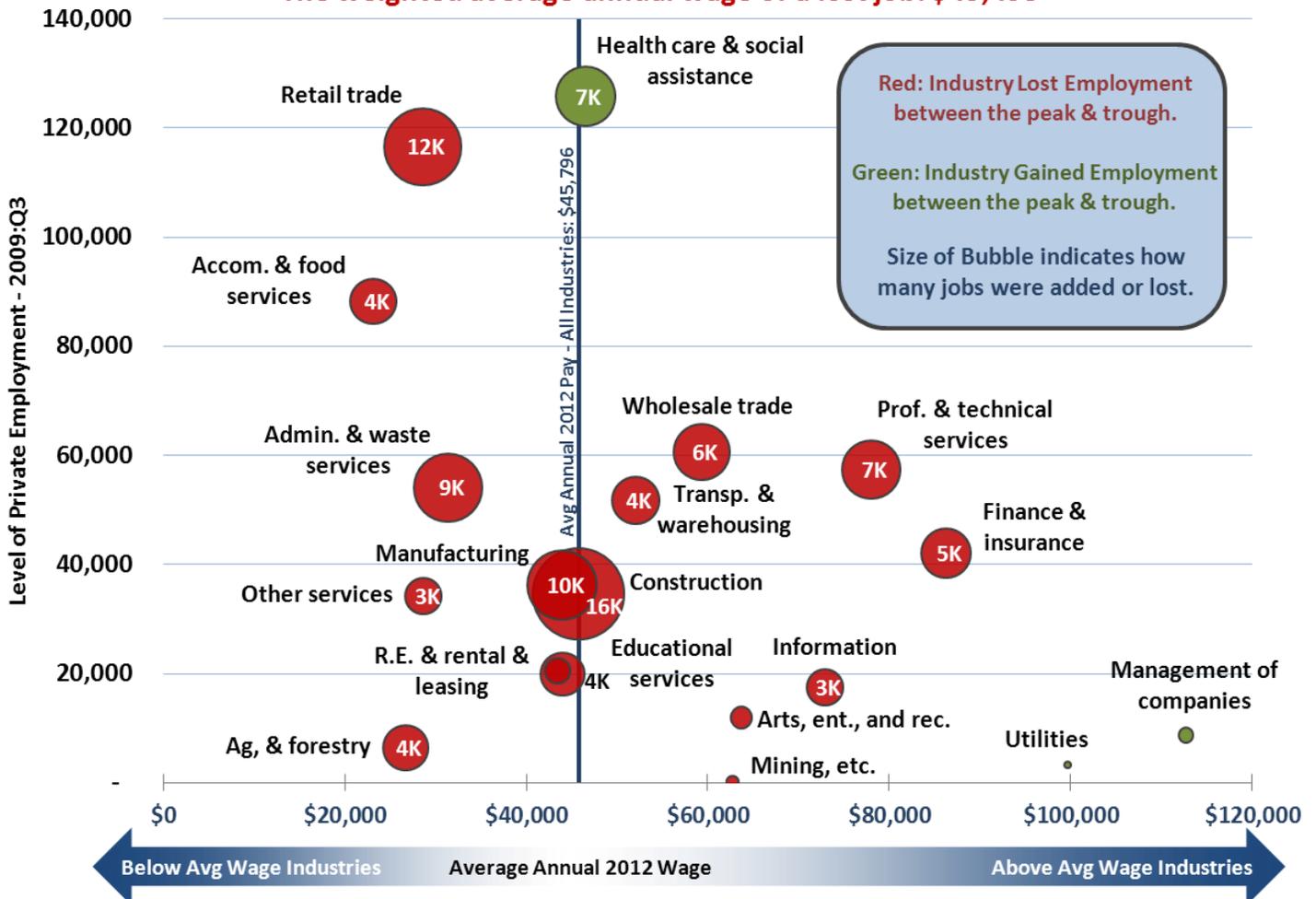
Data Source: US Census Bureau Current Population Survey; RER Economic Analysis & Policy.

as “discouraged.” Most of those not employed and not looking for work indicated they were in school or staying home taking care of the family. An examination of the changes in the retiree population also shows that workers are not choosing to retire early in larger numbers. Miami-Dade’s retired population within the ages of 45 to 59 actually fell, while the labor force declined. The labor force participation rate (i.e. the percentage of 45-59 year olds in the labor force as a share of the population within that age range) actually increased over the last year.

The largest decline in labor force participation rates came among 15 to 29 year olds (-6.7%) and 30 to 44 year olds (-4.2%). Data from the Current Population Survey shows that the decline in participation rates among younger workers accounts for most of the decline in the labor force over the past year. This drop in the labor force is also consistent with the increase in the number of working age people not in the labor force and instead going to school or caring for the household. The quality of new jobs available and the perceived value of alternatives to work may be having a greater impact on local participation rates.

### Employment Change: Pre-recession Peak to Trough

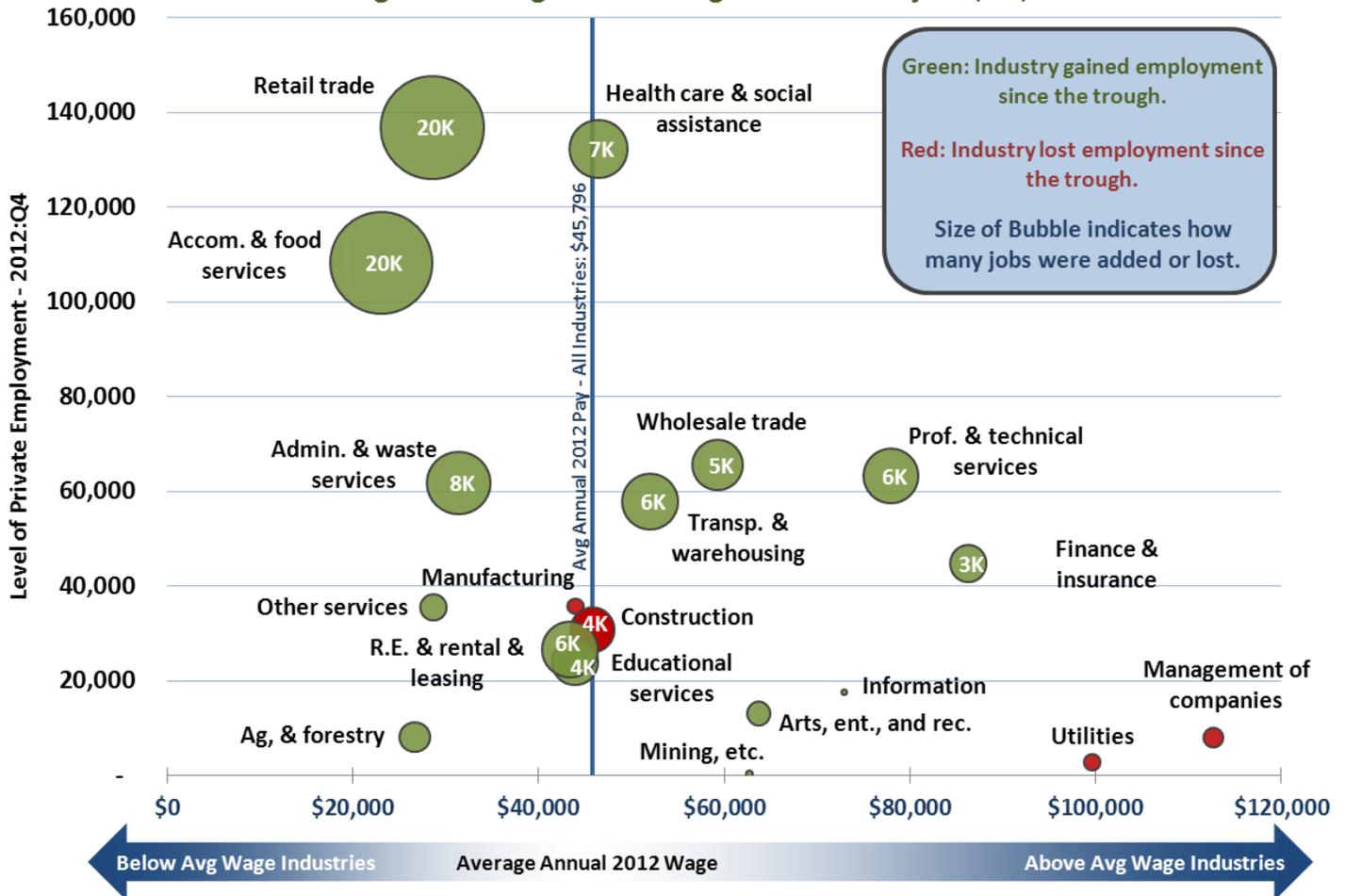
The weighted average annual wage of a lost job: \$45,493



Note: The pre-recession peak occurred in the first quarter of 2008. The recession trough occurred in the third quarter of 2009.  
 Data Source: BLS Quarterly Census of Employment and Wages; Miami-Dade RER, Economic Analysis and Policy.

### Employment Change: Trough to Most Recent Quarter

The weighted average annual wage of a created job: \$37,906



Note: The recession trough occurred in the third quarter of 2009 and the most recent available data is for the fourth quarter of 2012.  
 Data Source: BLS Quarterly Census of Employment and Wages; Miami-Dade RER, Economic Analysis and Policy.

The purchasing power of average wages has continued to fall in the months before and during the sharp decline in the labor force. A relatively large number of jobs lost during the recession occurred in industries that typically paid average salaries or higher. The average annual wage for the jobs lost from 2008 through the first 3 quarters of 2009 was \$45,500. (See chart page 3.) The jobs added during the recovery from the 4<sup>th</sup> quarter of 2009 through the end of 2012 paid an average salary of \$37,900 – a difference of nearly 17 percent. The large gap in the average wage of jobs lost in the recession and the new jobs available in the

recovery favors the decision to either remain in or return to school or even providing care to young children or elderly parents, rather than accepting a relatively low paying job.

Miami-Dade lost approximately 84,000 private sector jobs from the pre-recession peak to the official end of the recession. Nearly 30% of the jobs lost in the recession paid average annual wages of \$50,000 or higher in industry sectors such as professional and technical services, finance and insurance, information, transportation and wholesale trade.

After 38 months of economic growth, the Miami-Dade economy has recovered just over 84,000 private sector jobs, with 40,000 of those jobs in retail trade and accommodation and food services. (See Chart page 4.) Another 8,000 were in administrative and waste services. Nearly 60 percent of the jobs gained during the recovery are in industry sectors paying average annual salaries of \$35,000 or less, while just 24 percent of the jobs gained are found in industry sectors paying average salaries of \$50,000 or more.

The difference between the jobs lost in the recession and the employment positions available in the recovery are putting pressure on middle class households, even as the economy approaches pre-recession employment levels.

### Reemployment Assistance Claims

Reemployment assistance (formerly “unemployment insurance”) claims dropped over 20% from last August with 7,112 new claims after seasonal adjustment. This represents about 6.0 claims per 1,000 workers in the labor force. This represents a nearly 15% decrease from July’s 8,333 claims. In comparison, Broward County saw 5.0 claims per thousand workers in August. Palm Beach experienced 5.7 claims per thousand workers, and the rest of Florida also experienced 5.7 claims per thousand workers in August.

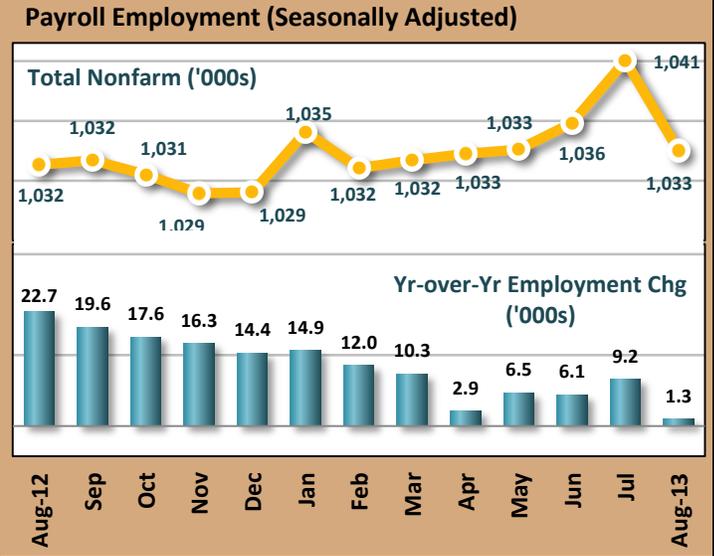
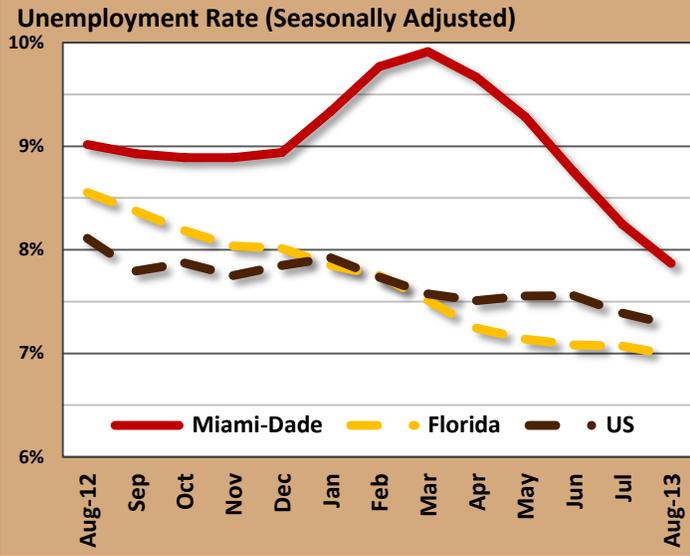
### *A Quick Note on the Federal Government Shutdown*

There are 20,000 federal civilian workers in Miami-Dade County and 33,000 workers in the tri-county metropolitan area. While federal workers will receive salaries for the days furloughed or working at jobs deemed exempt when the government shutdown ends, each week of the shutdown represents approximately \$31 million deferred income in Miami-Dade and \$46 million in South Florida. The deferred income will reduce local consumer spending in the short run, depending on the extent of household savings and the length of the shutdown. The economic impacts of the shutdown will rise the longer it is in effect and eventually spread to federal contractors, school districts, and programs serving needy families.

The private sector will be affected as well from services that have been suspended such as:

- The Economic Development Administration grants are not being processed disaster recovery work has stopped.
- Small Business Administration's loan programs, 504's and 7a's, are no longer being processed or funds distributed, effectively locking-up important access to small business capital.
- Nation's parks and federal attractions, including the Everglades, Biscayne National, Dry Tortugas, and Big Cypress National Parks are closed and expected to impacting local tourism.
- Federal Housing Administration mortgage loans, which affect 30% of home sales, are going unprocessed during the shutdown, hampering the still-recovering housing industry.

# Miami-Dade County Labor Market



## Miami-Dade Labor Force & Unemployment

	Aug-13 (p)	% Chg from Jul-13	% Chg from Aug-12
Labor Force	1,267,289	-0.8%	-2.3%
Employment	1,167,554	-0.4%	-1.1%
Unemployment	99,735	-5.3%	-14.7%
Unempl. Claims	7,112	-14.7%	-20.3%
<b>Unempl. Rate (%)</b>	<b>7.9%</b>	<b>8.2%</b>	<b>9.0%</b>

Data Source: FL Dept. of Economic Opportunity (Seasonally Adjusted).

## National Indicators of "Hidden" Unemployment

Numbers in Thous.	Aug-13 (p)	% Chg from Jul-13 (r)	% Chg from Aug-12
Involuntarily P/T	7,911	-4.1%	-1.5%
Discouraged Workers*	866	-12.3%	2.6%
<b>Involuntarily P/T as a % of Nonfarm Empl.</b>	<b>5.5%</b>	<b>5.7%</b>	<b>5.7%</b>
<b>Unempl. Rate Incl. Discouraged Wrkrs*</b>	<b>7.8%</b>	<b>8.0%</b>	<b>8.6%</b>

Data Source: Bureau of Labor Statistics; \* Not Seasonally Adjusted

## National Demographics of Unemployment Rate

	Aug-13 (p)	Jul-13 (r)	Aug-12
Overall	7.3%	7.4%	8.1%
White	6.4%	6.6%	7.2%
Black or African Amer.	13.0%	12.6%	14.1%
Hispanic or Latino	9.3%	9.4%	10.2%
Male	7.1%	7.0%	7.6%
Female	6.3%	6.5%	7.3%
Teens (16-19)	22.7%	23.7%	24.6%
Less than HS Diploma	11.3%	11.0%	12.0%
HS, No College	7.6%	7.6%	8.8%
Some College	6.1%	6.0%	6.6%
Bachelor's or Higher	3.5%	3.8%	4.1%

Data Source: Bureau of Labor Statistics.

## Miami-Dade Nonfarm Payroll Employment ('000s)

	Aug-13 (p)	% Chg from Jul-13 (r)	% Chg from Aug-12
<b>Total Nonfarm</b>	<b>1,033.2</b>	<b>-0.8%</b>	<b>0.1%</b>
<b>Private</b>	<b>901.0</b>	<b>-0.7%</b>	<b>0.9%</b>
<b>Goods Prod.</b>	<b>66.4</b>	<b>-1.4%</b>	<b>-1.5%</b>
Construction	30.6	-2.4%	-2.7%
Manufacturing	35.8	-0.6%	-0.4%
<b>Private Service</b>	<b>834.3</b>	<b>-0.6%</b>	<b>1.0%</b>
Wholesale Trade	75.7	2.0%	3.9%
Retail Trade	138.4	-0.5%	3.2%
Transp.-Wrsg-Util.	62.1	-0.6%	-0.8%
Information	17.8	-1.1%	-0.2%
Financial Activities	73.1	0.0%	3.1%
Prof./Bus. Serv.	137.2	-1.1%	-0.4%
Educ./Health Serv.	161.4	-1.3%	-0.7%
Leisure/Hosp.	123.2	-1.7%	2.4%
Other Serv.	45.5	0.4%	-2.8%
<b>Total Govt</b>	<b>132.2</b>	<b>-1.4%</b>	<b>-4.6%</b>

Data Source: FL Dept. of Economic Opportunity. (Seasonally Adjusted by OEDIT)

## Average Private Weekly Hours & Earnings

	Aug-13 (p)	Jul-13 (r)	Aug-12
U.S. Hours	34.5	34.4	34.4
U.S. Earnings	\$829.73	\$825.60	\$809.43
Miami-Dade Hours	34.8	34.6	35.0
Miami-Dade Earnings	\$783.00	\$776.08	\$778.75

Data Source: Bureau of Labor Statistics.

**Note: Numbers are seasonally adjusted unless otherwise indicated. (p): preliminary (r): revised**

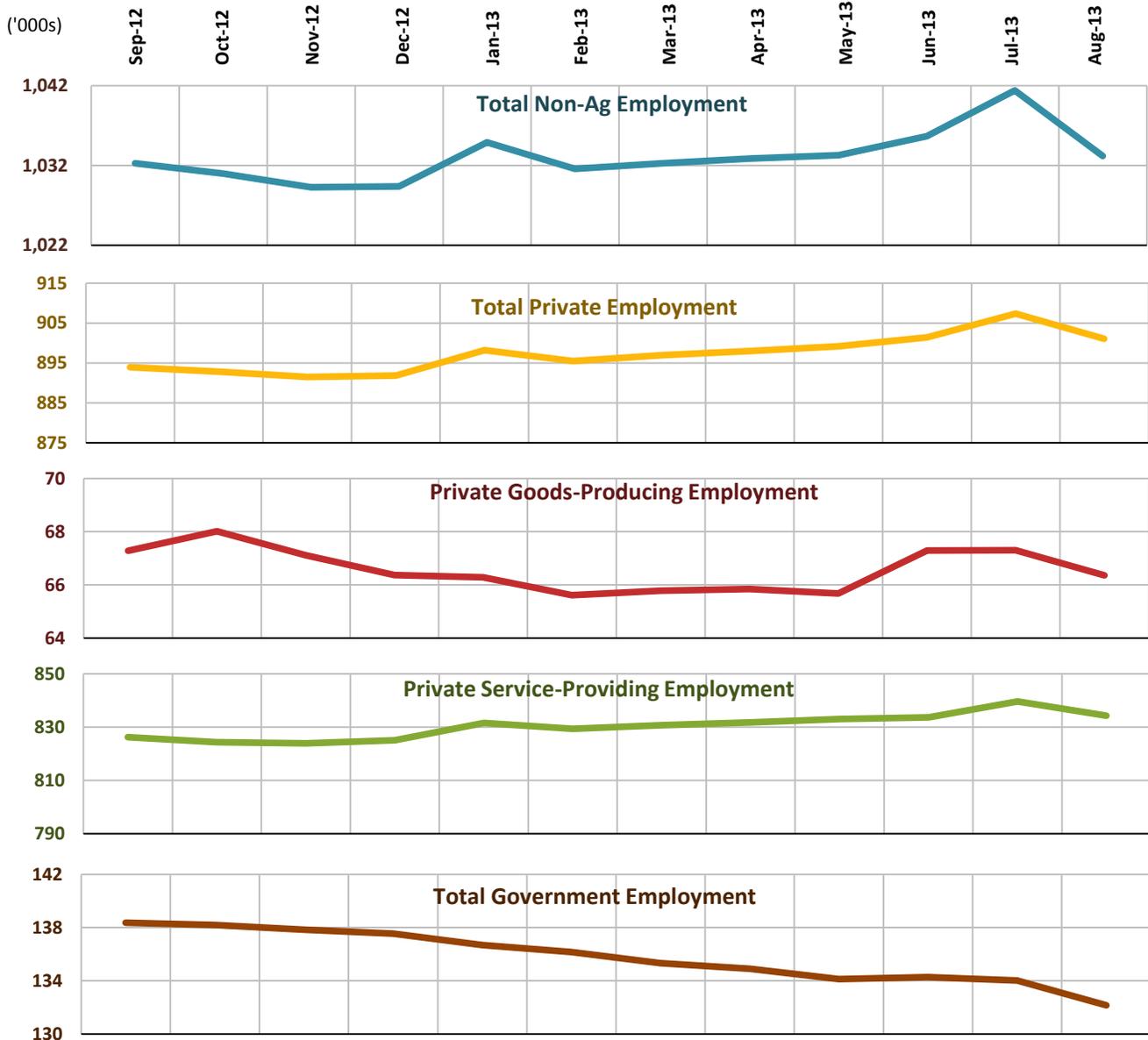
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**PAYROLL EMPLOYMENT SUMMARY (Seasonally Adjusted)**

Source: FL Dept. of Economic Opportunity,  
RER Economic Analysis & Policy

	Thousands of Employees						Aug-12	Chg from		% Chg from	
	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13		Jul-13	Aug-12	Jul-13	Aug-12
<b>Total Non-agricultural Employ</b>	<b>1,033.2</b>	<b>1,041.4</b>	<b>1,035.7</b>	<b>1,033.3</b>	<b>1,032.9</b>	<b>1,032.3</b>	<b>1,031.9</b>	<b>-8.20</b>	<b>1.30</b>	<b>-0.8%</b>	<b>0.1%</b>
<b>Total Private Employment</b>	<b>901.0</b>	<b>907.4</b>	<b>901.4</b>	<b>899.2</b>	<b>898.0</b>	<b>897.0</b>	<b>893.4</b>	<b>-6.34</b>	<b>7.61</b>	<b>-0.7%</b>	<b>0.9%</b>
<b>Private Goods Producing</b>	<b>66.4</b>	<b>67.3</b>	<b>67.3</b>	<b>65.7</b>	<b>65.8</b>	<b>65.8</b>	<b>67.4</b>	<b>-0.95</b>	<b>-1.00</b>	<b>-1.4%</b>	<b>-1.5%</b>
Construction	30.6	31.3	31.3	30.5	31.1	31.2	31.4	-0.74	-0.84	-2.4%	-2.7%
Manufacturing	35.8	36.0	36.0	35.2	34.7	34.6	35.9	-0.21	-0.16	-0.6%	-0.4%
<b>Private Service Providing</b>	<b>834.3</b>	<b>839.7</b>	<b>833.7</b>	<b>833.1</b>	<b>831.7</b>	<b>830.8</b>	<b>825.7</b>	<b>-5.39</b>	<b>8.62</b>	<b>-0.6%</b>	<b>1.0%</b>
Wholesale Trade	75.7	74.2	74.3	75.3	75.5	74.6	72.8	1.51	2.82	2.0%	3.9%
Retail Trade	138.4	139.1	138.1	137.5	137.7	136.7	134.2	-0.67	4.23	-0.5%	3.2%
Transp-Whsg-Utilities	62.1	62.5	62.6	62.1	62.1	62.8	62.6	-0.35	-0.50	-0.6%	-0.8%
Information	17.8	18.0	18.0	17.8	17.8	17.7	17.8	-0.20	-0.04	-1.1%	-0.2%
Financial Activities	73.1	73.1	73.1	71.7	72.5	72.0	70.9	-0.01	2.17	0.0%	3.1%
Prof & Bus Services	137.2	138.7	138.8	137.9	136.7	137.1	137.7	-1.50	-0.56	-1.1%	-0.4%
Ed & Health Services	161.4	163.6	160.0	162.3	162.3	162.6	162.5	-2.21	-1.17	-1.3%	-0.7%
Leisure & Hospitality	123.2	125.4	124.3	123.9	122.6	122.2	120.3	-2.15	2.94	-1.7%	2.4%
Other Services	45.5	45.3	44.5	44.5	44.6	45.1	46.7	0.18	-1.29	0.4%	-2.8%
<b>Total Government</b>	<b>132.2</b>	<b>134.0</b>	<b>134.3</b>	<b>134.1</b>	<b>134.9</b>	<b>135.3</b>	<b>138.5</b>	<b>-1.86</b>	<b>-6.31</b>	<b>-1.4%</b>	<b>-4.6%</b>



**PAYROLL EMPLOYMENT SUMMARY (Not Seasonally Adjusted)**

	Thousands of Employees						Aug-12	% Chg from	
	Aug-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13		Jul-13	Aug-12
<b>Total Nonagricultural Employment</b>	1,027.1	1,020.1	1,023.2	1,037.9	1,034.6	1,037.7	1,024.2	0.7%	0.3%
<b>Total Private</b>	894.8	897.5	899.0	901.7	897.5	900.2	885.8	-0.3%	1.0%
<b>Goods Producing</b>	67.0	67.5	67.9	65.9	65.7	66.1	67.9	-0.7%	-1.3%
<b>Natural Resources and Mining</b>	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0%	0.0%
<b>Construction</b>	30.6	31.1	31.3	30.3	30.9	31.2	31.4	-1.6%	-2.5%
Specialty Trade Contractors	19.4	19.3	19.1	18.7	18.7	18.7	19.1	0.5%	1.6%
<b>Manufacturing</b>	36.0	36.0	36.2	35.2	34.4	34.5	36.1	0.0%	-0.3%
Durable Goods	19.9	19.8	19.9	19.6	19.1	19.1	20.2	0.5%	-1.5%
Nondurable Goods	16.1	16.2	16.3	15.6	15.3	15.4	15.9	-0.6%	1.3%
<b>Service Providing</b>	960.1	952.6	955.3	972.0	968.9	971.6	956.3	0.8%	0.4%
<b>Private Service Providing</b>	827.8	830.0	831.1	835.8	831.8	834.1	817.9	-0.3%	1.2%
<b>Trade, Transportation, and Utilities</b>	274.2	273.0	273.5	274.3	273.5	273.3	267.3	0.4%	2.6%
<b>Wholesale Trade</b>	75.4	73.7	74.3	75.9	75.6	74.9	72.5	2.3%	4.0%
<b>Retail Trade</b>	137.2	137.3	136.8	136.5	135.9	135.3	132.8	-0.1%	3.3%
Motor Vehicle and Parts Dealers	14.6	14.7	14.6	14.6	14.5	14.4	13.7	-0.7%	6.6%
Food and Beverage Stores	25.8	25.7	26.0	25.7	25.6	25.7	24.6	0.4%	4.9%
Health and Personal Care Stores	12.5	12.5	12.4	12.6	12.6	12.3	12.4	0.0%	0.8%
General Merchandise Stores	24.1	24.1	23.9	23.8	24.1	23.9	23.1	0.0%	4.3%
<b>Transportation, Warehousing, and Utilities</b>	61.6	62.0	62.4	61.9	62.0	63.1	62.0	-0.6%	-0.6%
Air Transportation	13.7	13.6	13.8	13.6	13.6	13.6	15.0	0.7%	-8.7%
<b>Information</b>	17.9	17.9	17.9	17.8	17.7	17.8	17.9	0.0%	0.0%
Telecommunications	6.2	6.3	6.2	6.1	6.1	6.1	6.0	-1.6%	3.3%
Wired Telecommunications Carriers	3.6	3.8	3.8	3.6	3.5	3.4	3.5	-5.3%	2.9%
<b>Financial Activities</b>	73.1	72.9	72.9	71.7	72.2	72.0	70.8	0.3%	3.2%
<b>Finance and Insurance</b>	46.9	47.0	46.6	45.6	45.9	45.4	47.1	-0.2%	-0.4%
Credit Intermediation and Related Activities	22.1	22.1	22.0	21.6	21.6	21.5	21.7	0.0%	1.8%
Depository Credit Intermediation	15.2	15.3	15.2	15.2	15.1	15.1	15.2	-0.7%	0.0%
Insurance Carriers and Related Activities	17.2	17.1	17.1	16.9	17.0	16.9	17.1	0.6%	0.6%
<b>Professional and Business Services</b>	136.0	136.8	138.0	138.1	137.0	138.1	136.3	-0.6%	-0.2%
<b>Professional and Technical Services</b>	64.8	64.7	64.3	65.0	64.6	64.9	65.2	0.2%	-0.6%
<b>Management of Companies and Enterprises</b>	8.3	8.2	8.2	8.3	8.2	8.2	8.3	1.2%	0.0%
<b>Administrative and Waste Services</b>	62.9	63.9	65.5	64.8	64.2	65.0	62.8	-1.6%	0.2%
<b>Education and Health Services</b>	159.5	160.6	159.9	163.8	162.8	163.4	160.4	-0.7%	-0.6%
Ambulatory Health Care Services	57.5	56.5	56.5	56.4	54.7	56.6	55.9	1.8%	2.9%
Hospitals	43.4	43.7	43.4	43.5	43.3	43.4	44.0	-0.7%	-1.4%
<b>Leisure and Hospitality</b>	121.8	123.6	124.2	125.3	123.8	124.2	118.7	-1.5%	2.6%
<b>Accommodation and Food Services</b>	109.6	109.9	111.1	111.9	112.0	112.4	105.9	-0.3%	3.5%
Accommodation	28.0	28.2	28.3	28.4	28.8	28.9	27.8	-0.7%	0.7%
Food Services and Drinking Places	81.6	81.7	82.8	83.5	83.2	83.5	78.1	-0.1%	4.5%
<b>Other Services</b>	45.3	45.2	44.7	44.8	44.8	45.3	46.5	0.2%	-2.6%
<b>Total Government</b>	132.3	122.6	124.2	136.2	137.1	137.5	138.4	7.9%	-4.4%
Federal	19.4	19.7	19.6	19.6	19.6	19.6	19.8	-1.5%	-2.0%
State	16.3	16.9	16.9	17.4	17.8	18.3	16.8	-3.6%	-3.0%
Local	96.6	86.0	87.7	99.2	99.7	99.6	101.8	12.3%	-5.1%

Data Source: Florida Dept. of Economic Opportunity.