



LABOR MARKET ANALYSIS

Retrospective Jobs Report

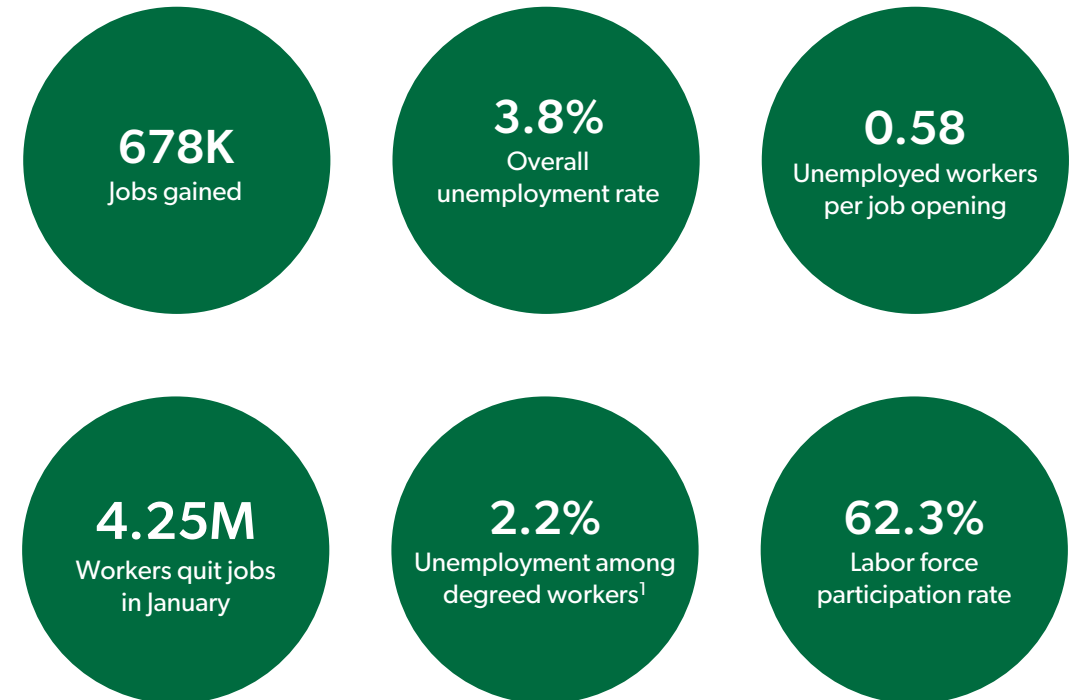
February 2022

ASTON CARTER®

Labor Market Analysis

February showed surprisingly impressive job growth with 200,000 additional jobs being added within the private sector since January, bringing the total number new jobs added to the market last month to 678,000. However, despite the rapid increase in available new jobs, the overall candidate pool remained tight with unemployment falling 0.2% from January and the labor force participation remaining largely unchanged with a participation rate of 62.3%.” Quit rates also remained elevated with 4.25 million workers leaving their positions in January (22% higher than pre-pandemic levels) as many employees are continuing to seek opportunities for higher wages and/or career advancement, while others sought alternative jobs due to childcare issues, or simply because they were unhappy with inflexible working conditions.

February Market Trends at a Glance



Industry Trends

Consumer Services

Despite hopes that the restaurant and retail industries would improve due to immense levels of hiring demand, many employees are quitting jobs due to lack of hours by overstaffing policies enacted by many companies. Wages in February show a 5.1%2 wage growth year-over-year — an impressive increase — however due to the rise of inflation outpacing the worker wage increase, they were unable to keep pace with the 7.5% increase in consumer prices.

Professional & Business Services

Economic activity in the services sector grew in February, thus a 21-consecutive-month span of increase per The Institute for Supply Management (ISM) Services PMI®.3 With rising digitalization initiatives happening during the pandemic, demand for services in compliance and security have increased as more companies are seeking to revamp strategic projects.4 Management consulting and headquarters / back-office jobs added 21,700 jobs (4% growth year-over-year) as digitalization continues and regulatory requirements change.

Manufacturing

Global supply chains face more tumult with Russian invasion-related disruptions5 in palladium, nickel, oil, gas and other materials. Forty-two percent of supply chain professionals plan to use automation equipment in the next three years with 25% investing in AI spurred by shortages and disruptions.6 Manufacturing has seen increasing demand for HR specialists having 10,800 jobs postings over the last 30 days, increasing by 20% from the month prior.

Finance & Insurance

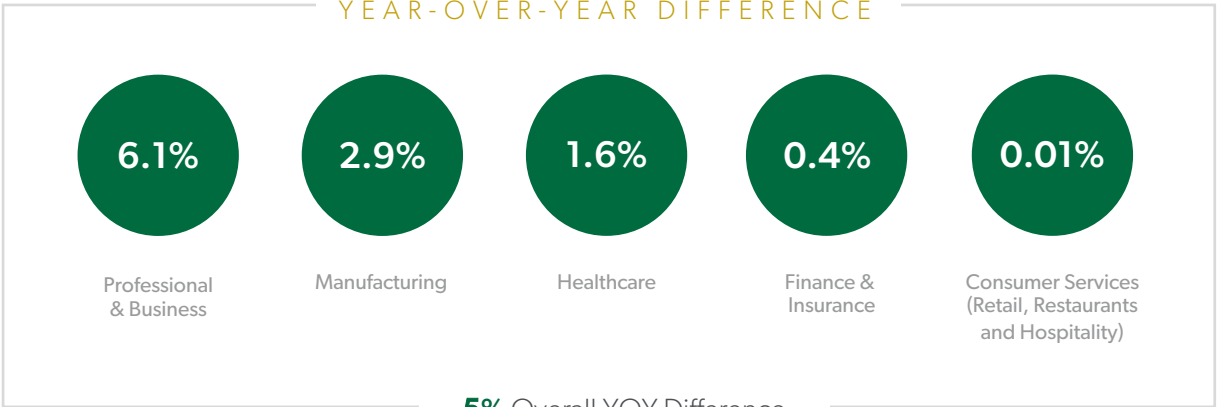
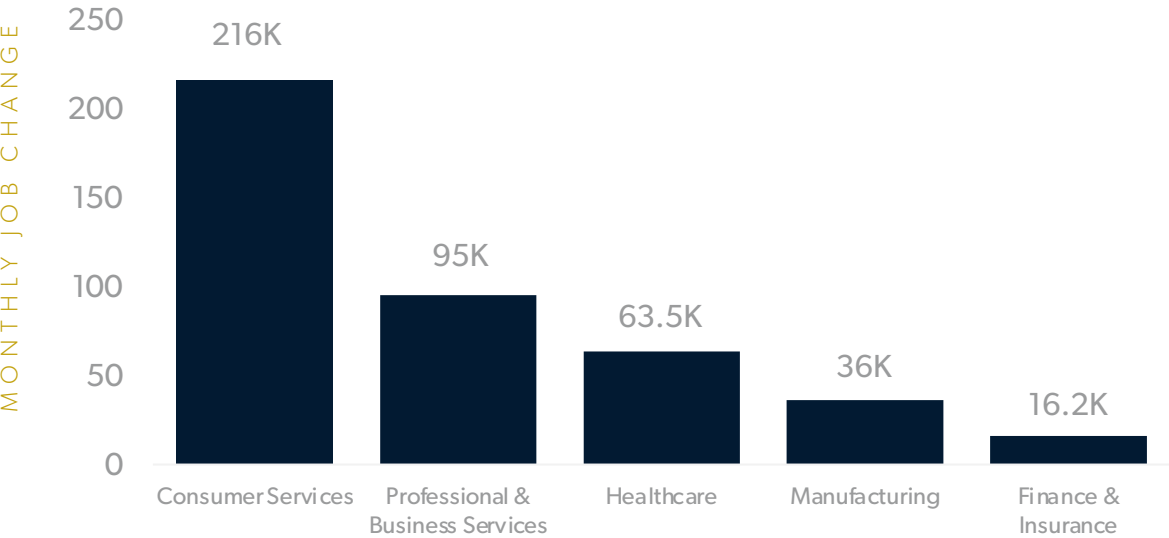
Despite record M&A deals in 2021, soaring inflation and the war in Ukraine may discourage M&A deals for the second half of 2022.7 New federal regulations and the unprecedented financial sanctions against Russia may increase governance, risk and compliance needs. Mortgage rates are also rising, leading some companies shifting mortgage processing roles to other functions and adding to the housing market’s uncertainty on supply and demand.

Healthcare

The industry continued its pandemic recovery as more companies shifted out of crisis mode to tackle pre-existing or new problems. Due to the need staff call centers focused on helping address patient questions surrounding insurance changes, Medicaid renewals have been extended to 14 months after the end of the PHE (April 15). Customer service representative job postings for healthcare companies increased by 7%, and similarly medical secretaries and administrative assistants saw a 7% increase in demand.

Job Gains/Losses by Industry

Source: U.S. Bureau of Labor Statistics



Highest Demand Growth Markets

Accounting & Finance

Job openings grew 3%, especially for financial examiners, bookkeepers and accountants. The business and financial labor category has also started showing improvement — including accountants, auditors and financial analysts — which has less than 1 unemployed workers per job opening.

Customer Support

Demand grew slightly with an increase of 1.8%. Job posting demand for customer service representatives are 30% higher than the three months leading up to the pandemic.

Operations & Administrative

Job openings grew by 3% due to a sharp increase in February. The highest growth in demand was for occupations including payroll/timekeeping clerks, training and development professionals, and purchasing managers.

(Based on unique online job postings with a three-month rolling average)

Highest Demand Growth Markets

Accounting & Finance

Fayetteville-Springdale-Rogers, AR
Colorado Springs, CO
Jacksonville, FL
Trenton-Princeton, NJ
Columbia, SC
Memphis, TN-MS-AR
Green Bay, WI

Customer Support

San Diego-Chula Vista-Carlsbad, CA
Miami-Fort Lauderdale-Pompano Beach, FL
St. Louis, MO-IL
Kansas City, MO-KS
Dallas-Fort Worth-Arlington, TX
Houston-The Woodlands-Sugar Land, TX

Operations & Administrative

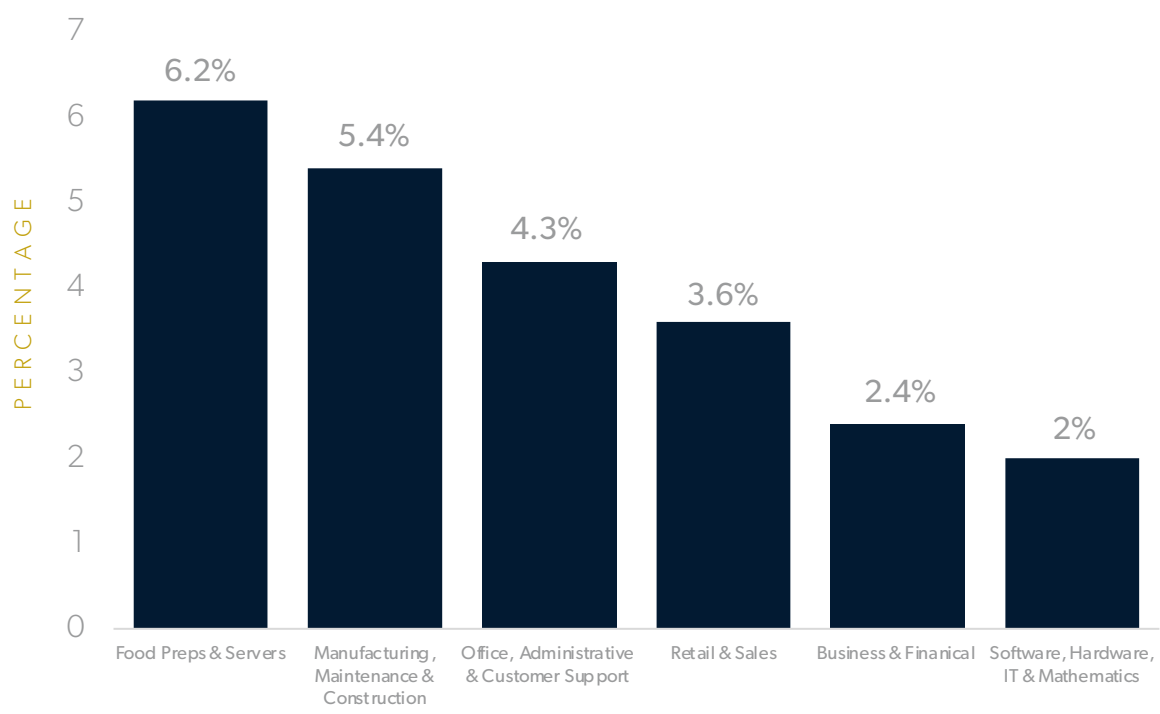
Little Rock-North Little Rock-Conway, AR
Dover, DE
Macon-Bibb County, GA
Topeka, KS
Hickory-Lenoir-Morganton, NC
Brownsville-Harlingen, TX

Unemployment Analysis

Alongside heightened demand for available talent, low unemployment rates for accounting and finance (i.e., business and financial) workers and average unemployment for office, administrative and customer support professionals continue, resulting in challenging hiring conditions for many employers.

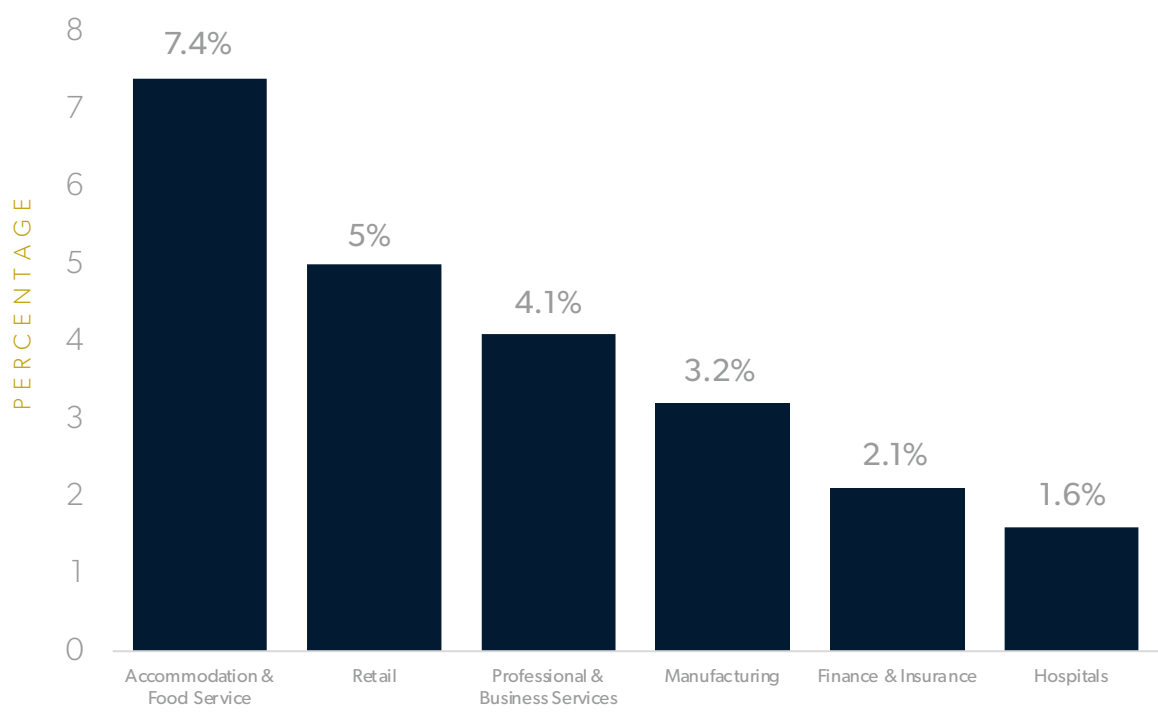
Unemployment by Labor Category*

Source: U.S. Bureau of Labor Statistics



Unemployment by Industry*

Source: U.S. Bureau of Labor Statistics



*Numbers are based on YOY (January-December 2021)

Highest Unemployment Markets and Unemployment Rates

California **8.0%**
Fresno

Nevada **7.4%**
Las Vegas, Henderson, Paradise

California **6.8%**
Ontario, Riverside, San Bernardino

Illinois, Indiana, Wisconsin **5.8%**
Chicago, Elgin, Naperville

California **7.8%**
Anaheim, Los Angeles, Long Beach

New York, New Jersey **6.9%**
Jersey City, Newark, New York City

Louisiana **6.0%**
Metairie, New Orleans

Pennsylvania, New Jersey, Delaware **5.8%**
Camden, Philadelphia, Wilmington

Lowest Unemployment Markets and Unemployment Rates

Utah **1.9%**
Salt Lake City

Oklahoma **2.2%**
Oklahoma City

Wisconsin **2.3%**
Madison

Georgia **2.7%**
Alpharetta, Atlanta, Sandy Springs

Iowa, Nebraska **1.9%**
Council Bluffs, Omaha

Idaho **2.3%**
Boise City

Oklahoma **2.4%**
Tulsa

Alabama **2.8%**
Birmingham, Hoover

Top Unemployment Declines and Percentage Change

Arizona **-0.9%**
Tucson

Louisiana **-0.8%**
Metairie, New Orleans

Illinois **-0.8%**
Chicago, Elgin, Naperville

Nevada **-0.9%**
Las Vegas, Henderson, Paradise

Arizona **-0.8%**
Chandler, Mesa, Phoenix

New Mexico **-0.8%**
Albuquerque

A woman with curly hair is smiling in a meeting room. The background is a wall covered with many sticky notes. Other people are visible in the background, but they are out of focus.

Conclusion

While unemployed workers per opening remains near an all-time low, some hiring pressures may be alleviated in the coming months as conditions related to past employment-impacting challenges continue to improve. Stronger than expected job growth showed the Omicron variant's impacts on the labor market is waning, a likely indicator that more workers will start rejoining the labor force and improving challenging hiring conditions.⁸ Childcare jobs have slowly been returning (adding 7,900 jobs in February) and the number of workers out sick was cut in half compared to the previous month. Rising inflation of consumer goods — like rent, food and gas — may be pulling people back into the labor market as financial cushions are diminished. Amidst worker shortages and difficulty navigating a more competitive market, employers are likely to continue to rely more than ever on staffing solutions partners, as contingent labor employment rose 35,000 in February and the temp penetration rate (2.1%) hit an all-time high.

References

¹"Unemployment Rates for Persons 25 Years and Older by Educational Attainment", U.S. Bureau of Labor Statistics.

²"United States Average Hourly Earnings MoM", Trading Economics.

³"February 2022 Services ISM® Report On Business®", Institute for Supply Management.

⁴"Technology Service Providers Enter a Golden Age", Tech Target.

⁵"Hundreds of Ships Trapped by Ukraine War, Endangering Sailors and Global Trade", The Wall Street Journal.

⁶"Here to stay: Supply chains gear up for investments in AI", Supply Chain Dive.

⁷"Fast Pace of Real Estate M&A Activity Seen Cooling This Year", The Wall Street Journal.

⁸"Job Market May Break Out Post-Omicron", Marketplace.

About Aston Carter

Established in 1997, Aston Carter is a leading staffing and consulting firm, providing high-caliber talent and premium services to more than 7,000 companies across North America. Spanning four continents and more than 200 offices, we extend our clients' capabilities by seeking solvers and delivering solutions to address today's workforce challenges. For organizations looking for innovative solutions shaped by critical-thinking professionals, visit AstonCarter.com. Aston Carter is a company within Allegis Group, a global leader in talent solutions.

7317 Parkway Drive S., Hanover, MD 21076 | AstonCarter.com

©2022 Aston Carter, Inc. All rights reserved.