

JULY 2022 JOBS REPORT

A Look at June's Trends

ASTON CARTER®

Labor Market Analysis

For the first time since December 1981, inflation rates increased to 8.8%, prompting important conversations regarding employee wages. While average hourly earnings grew at a rate of 0.3% last month, an increase of 5.1% year-over-year, it's not enough momentum to compete with increasing inflation. The unemployment rate remained at 3.6% for the fourth month in a row and despite recession fears, the combination of steady job growth and a historically low number of layoffs¹ show no indication of a potential downturn. While labor force participation declined, seemingly unable to get past its 62.4% high earlier this year, the number of part-time employees also declined — in part due to an increased desire for full-time work.

Just below the record set earlier this year (11.86 million), June saw 11.25 million job openings. Although the Great Resignation remains ongoing, numbers edged slightly down as 4.27 million workers quit their jobs in May compared to 4.42 million in April. Overall, however, quits remain elevated at around 24.4% higher than pre-pandemic levels, further emphasizing the need for employers to offer competitive pay and employee benefits while remaining focused on retention strategies.

June Market Trends at a Glance



Industry Trends

Consumer Services

Following an 18% increase in 2021, and a growth of 43% in 2020, ecommerce isn't slowing down and is projected to increase by 11.7%² in 2022. The hospitality industry continues to struggle with hiring as surveys showed 97% of hotel respondents reported being understaffed,³ and 49% classified themselves as "severely understaffed."

Professional & Business Services

While not as strong in comparison to previous months, economic activity in the services space grew in June for the 25th month in a row.⁴ Management consulting added 7,200 jobs and remains 11% higher than pre-pandemic levels, while company management showed exceptional growth with the addition of 12,400 jobs — still 40,000 jobs below pre-pandemic levels.

Manufacturing

In June, job growth within the manufacturing industry nearly caught up with pre-pandemic levels, just shy of 2,000 jobs (0.02%). As hiring difficulties remain pervasive in the industry, human resource roles account for four out of the top 10 most in-demand skill sets. Record-high inflation is taking a toll on manufacturers as production activity hits a two-year low⁵ while new orders decline.

Finance & Insurance

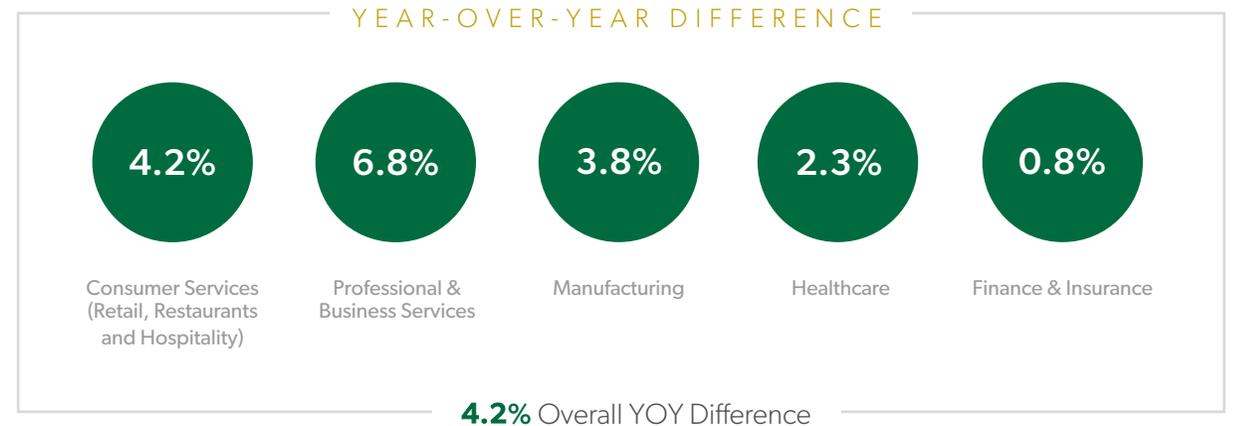
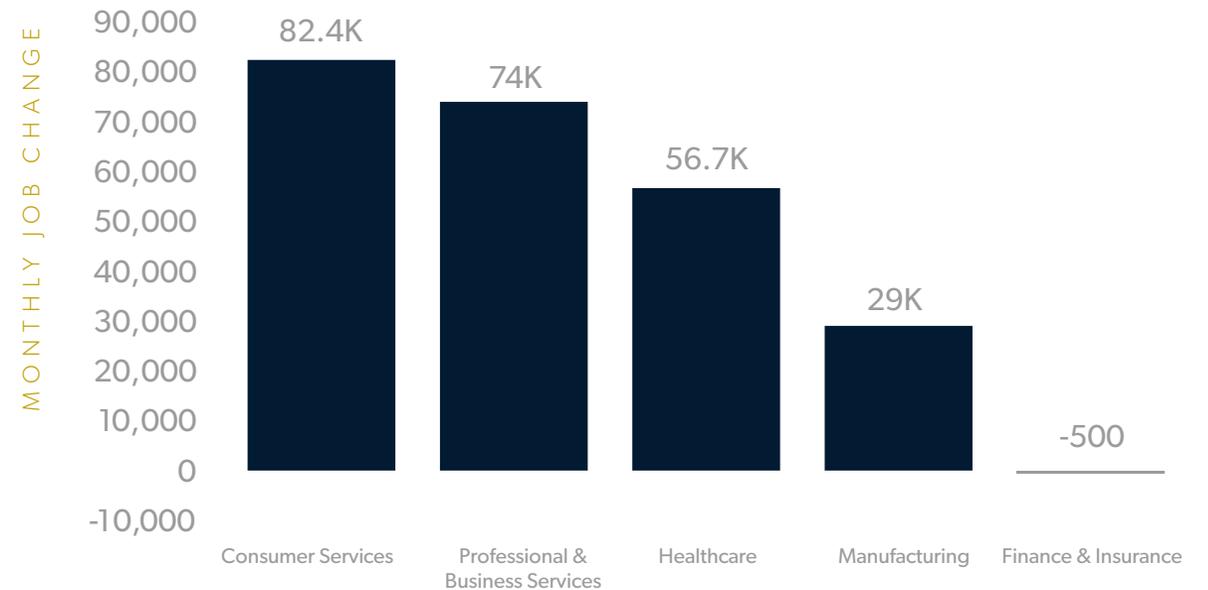
While not quite meeting 2021 levels, in the first half of 2022⁶ merger and acquisition deals beat levels reached in 2020 and 2019. At 46% below 2021 globally and up to 73% below in the U.S.,⁷ stock market volatility and tightening liquidity have similarly impacted initial public offerings. While economic uncertainty plagues investors, slightly lower borrowing costs could provide some relief for potential home buyers as recorded rates saw their largest decline since 2008.⁸

Healthcare

Not-for-profit hospitals have been struggling financially due to inflation and rising labor costs.⁹ Other healthcare companies and some startup companies are reducing their workforces¹⁰ as they face similar hardships. The talent shortage within revenue cycle management remains as 48% of chief financial officers¹¹ report they are experiencing a severe shortage with 46% saying they're behind their revenue goals.

Job Gains/Losses by Industry

Source: U.S. Bureau of Labor Statistics



Highest Demand Growth Markets

Accounting & Finance

Accounting and finance openings grew 4.4% (rolling three-month average) showing an increased demand for accountants and financial managers. The governance, risk and compliance sector grew 1% showing significant growth in market research and management analyst occupations.

Customer Support

Following a peak in March, call center customer support demand fell in June by 4.3% for the rolling three-month average. Still, call center demand remains elevated at about 27% above the three months leading up to the pandemic.

Operations & Administrative

Operations and administrative rolling three-month average grew by just 1%. The most in-demand occupations include purchasing managers, administrative services and facilities managers, along with compensation and benefits managers — signifying continued troubles in recruiting as well as supply chain constraints.

(Based on unique online job postings for December 2021 to February 2022 compared to January to March 2022)

Highest Demand Growth Markets

Accounting & Finance

Austin-Round Rock-Georgetown, TX
Houston-The Woodlands-Sugar Land, TX
Boston-Cambridge-Newton, MA-NH
Salt Lake City, UT
Kansas City, MO-KS
Indianapolis-Carmel-Anderson, IN

Customer Support

San Antonio-New Braunfels, TX
Denver-Aurora-Lakewood, CO
Charlotte-Concord-Gastonia, NC-SC
St. Louis, MO-IL
Sacramento-Roseville-Folsom, CA
Riverside-San Bernardino-Ontario, CA
San Diego-Chula Vista-Carlsbad, CA

Operations & Administrative

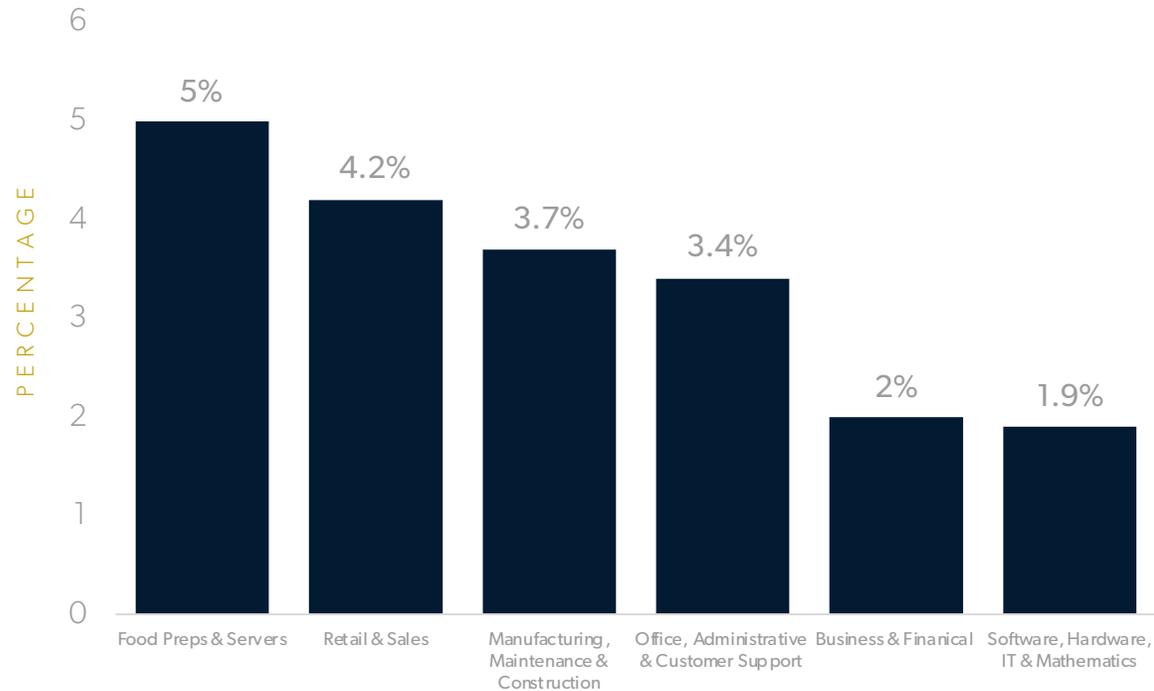
Boston-Cambridge-Newton, MA-NH
Houston-The Woodlands-Sugar Land, TX
Washington-Arlington-Alexandria, DC-VA-MD-WV
Little Rock-North Little Rock-Conway, AR
Urban Honolulu, HI
Des Moines-West Des Moines, IA

Unemployment Analysis

Across the professional services landscape, low unemployment within accounting and finance (business and financial), as well as average unemployment rates within the customer support and operations and administrative spaces, continue. With the ever-tightening labor market driving competition for skilled talent — especially for customer support and operations and administrative roles — hiring within these spaces will remain competitive across many industries.

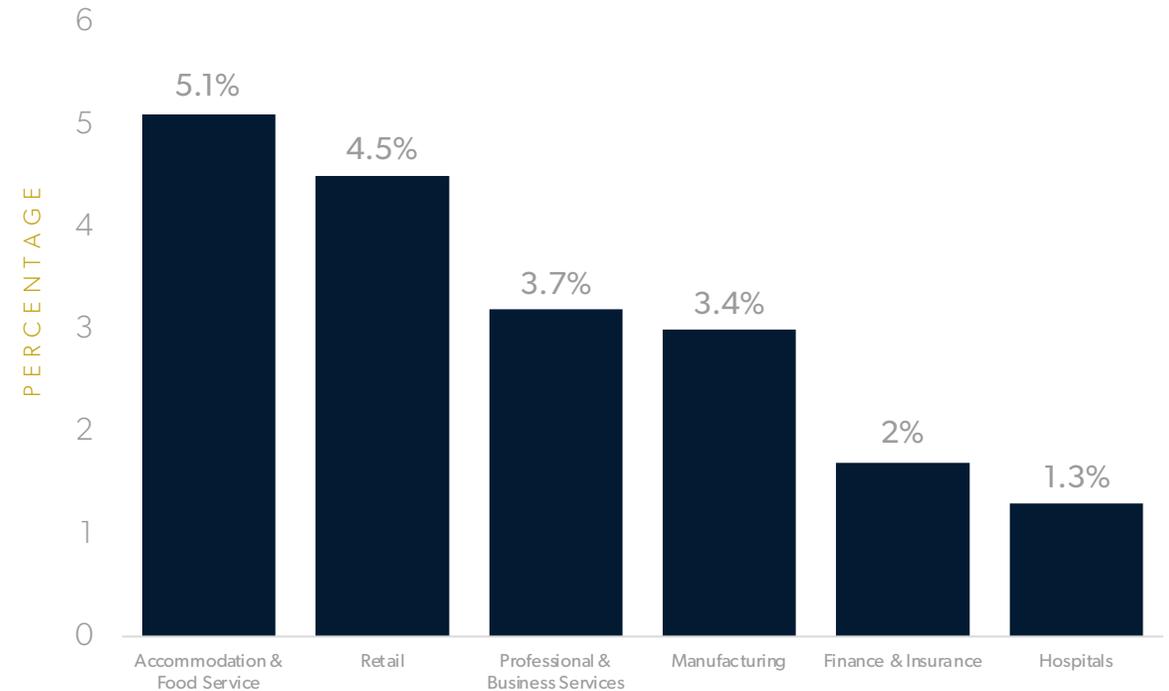
Unemployment by Labor Category*

Source: U.S. Bureau of Labor Statistics



Unemployment by Industry*

Source: U.S. Bureau of Labor Statistics



*Numbers are based on a three-month rolling average

Highest Unemployment Markets and Unemployment Rates

California 6.1%
Fresno

Nevada 5.1%
Las Vegas, Henderson, Paradise

New York, New Jersey, Pennsylvania 4.4%
New York, Newark, Jersey City

Texas 4.3%
Houston, The Woodlands, Sugar Land

Ohio 5.9%
Cleveland, Elyria

Michigan 4.6%
Detroit, Warren, Dearborn

Illinois, Indiana, Wisconsin 4.3%
Chicago, Naperville, Elgin

California 4.3%
Los Angeles, Long Beach, Anaheim

Lowest Unemployment Markets and Unemployment Rates

Minnesota, Wisconsin 1.9%
Minneapolis, St. Paul, Bloomington

Utah 2.1%
Salt Lake City

Wisconsin 2.2%
Madison

Indiana 2.3%
Indianapolis, Carmel, Anderson

Alabama 2.1%
Birmingham, Hoover

California 2.3%
San Jose, Sunnyvale, Santa Clara

Nebraska, Iowa 2.3%
Omaha, Council Bluffs

Florida 2.3%
Jacksonville

Top Unemployment Declines and Percentage Change

California -0.8%
Fresno

California -0.5%
Riverside, San Bernardino, Ontario

California -0.4%
San Diego, Chula Vista, Carlsbad

California -0.4%
San Francisco, Oakland, Berkeley

Rhode Island, Massachusetts -0.6%
Providence, Warwick

California -0.5%
Sacramento, Roseville, Folsom

New York -0.4%
Buffalo, Cheektowaga

Iowa -0.5%
Des Moines, West Des Moines

Conclusion

Wage gains in 2022 may be higher than expected as large companies plan a 4.8% average increase¹² and many offer mid-year pay increases. While wage increases are projected to grow, the actual dollar amount might be lower than it appears due to record high inflation rates.

Studies show that job switchers — those who leave their current positions in search of new career opportunities — continue to see an increase in wage growth at 2.1 percentage points higher than job stayers — those who remain in their current positions. This comparison highlights how significant retention initiatives are in creating workforce continuity and the value of offering competitive pay in an increasingly tight labor market. Although labor demand is high, labor force participation remains low and quits remain elevated. As a result, the number of available workers is extremely tight, contributing to an overall competitive job market.

References

- ¹ ["May 2022 JOLTS Report: No Signs of a Recession Here"](#), Hiring Lab.
- ² ["2022 Online Retail Forecast Report"](#), FTI Consulting.
- ³ ["Hotels bedeviled by severe staff shortages as travel demand roars back"](#), The Business Journals.
- ⁴ ["Institute for Supply Management"](#), Economic Research.
- ⁵ ["US Manufacturing Growth Weakens to Two-Year Low as Orders Slump"](#), Bloomberg.
- ⁶ ["Higher Financing Costs, Lower Valuations Crimp M&A"](#), The Wall Street Journal.
- ⁷ ["IPOs worldwide plunged 46% during first half 2022: EY"](#), CFO Dive.
- ⁸ ["Mortgage Rates Fall to 5.30%, Reflecting Recession Fears"](#), The Wall Street Journal.
- ⁹ ["NFP HOSPITALS STRUGGLE FINANCIALLY AT MIDYEAR"](#), HealthLeaders.
- ¹⁰ ["Primary care company Forward cuts 5% of workforce amid 'extremely tough' market conditions"](#), Fierce Healthcare.
- ¹¹ ["What R1 RCM learned from its midyear financial trends report"](#), Becker's Healthcare.
- ¹² ["A Lot of People Are Getting Big Pay Raises. Here's How to Get Yours."](#), The Wall Street Journal.

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