

> Key Economy and Labor Market Indicators

678K jobs gained in February

The private sector added 654K jobs in February, up 5.2% YoY. Public jobs increased by 24K month-over-month, and 1.8% YoY. Notable gains were seen in professional and business services, health care, and construction.

62.3% labor force participation rate

The labor force participation rate barely ticked up (+0.1%) month-over-month and remains below the pre-pandemic rate of 63.4%. As we reach two years since the pandemic began, the U.S. needs to not only recover its pre-pandemic numbers, but exceed them.

3.8% Overall unemployment rate

The unemployment rate fell from 4.0% to 3.8% month-over-month, possibly relief from Omicron effects in January. Unemployment rates for Actalent labor categories remain low. Degreed workers have a 2.2% unemployment rate.

4.3M workers quit their jobs in January, continuing a slightly downward trend from a record high in November, but still a high number.

- The quits rate was 2.8%, only slightly lower than the record-high 3.0%

Layoffs and discharges remain at low levels, and quits still make up a high proportion of total separations (layoffs and quits)

The talent drought is evident comparing the ratio of unemployed workers to job openings in Actalent’s core labor categories.

- Software-Hardware-IT & Mathematics, Architecture & Engineering and Life, Physical, and Social Sciences all have under 0.3 unemployed workers per job opening over the last three months (December-February), continuing a trend of fewer unemployed in these areas.

Global tensions have sparked discussions about possible increases of re/near-shoring of previously globalized activities, as well as accelerated green initiative activity in response to short oil supply.

Average hourly earnings were very little changed, but the unemployment rate has reached expert-defined levels of full employment, suggesting that wages could tick even higher in the future.

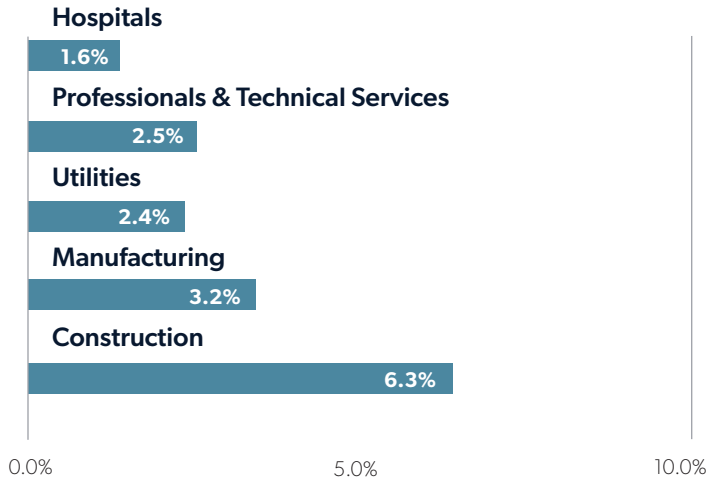
> Industry Employment Trends

Industry	Monthly Job Change + YoY Difference	Trends Impacting Hiring?
Overall Economy	+678K (4.6%)	Job growth soared despite fears of negative impact from global tensions. As American companies invest in their own battery, semiconductor chip, and other manufacturing facilities, construction, manufacturing, engineering, and automotive companies will all be impacted. This intertwining of industry impacts is increasing competition of employers across all industries as they fight for an already short supply of electrical, industrial, and quality engineers and engineering technicians.
Manufacturing	+36K (3.2%)	Manufacturing indexes reported the 21st consecutive month of growth. Production was steady, but supply chain disruptions and turnover/backfilling challenges persist as high quits and early retirements continue. Employment grew in February, albeit at a slower pace. Backlogs of orders are at historically high levels, suggesting impacts from staffing and supplier issues. Increased digitalization, autonomous, quality, and supply chain improvement efforts will likely increase demand for Actalent engineering skillsets.
Automotive Manufacturing	-18K (0.9%)	Transportation equipment manufacturing grew again, but the microchip shortage continues to dampen auto production. Within Auto Manufacturing, demand grew month-over-month by 15% for Software Developers/QA personnel, and by 7% for Electrical Engineers, undoubtedly a result of connectivity, electrification, and autonomous trends in this sector. OEMs continue to announce EV plans, including Toyota, who announced collaboration with EVgo to provide convenient charging stations for their electric SUV customers.
Healthcare	+63.5K (1.4%)	Since the onset of the pandemic (Mar. 2020-Feb. 2022), demand for Phlebotomists has increased by a hefty 95%. Medical Assistant demand has risen 42% in the same timeframe. But quits in this sector are still at rates not seen before the pandemic. Past reports have highlighted the burnout and stress in this industry, so it is imperative that employers offer competitive wages and listen to employee needs in order to retain their staff.
Scientific R&D Services	+8.3K (7.5%)	CLT job postings increased 5% between January and February alone, with nearly 84K postings from 7K competing employers. There have already been 7K newly registered studies since the start of 2022, indicating strong demand for scientific R&D skillsets. The problem? About only one of two CLT postings was filled over the last 12 months. Sci R&D is up 12% from Nov 2021-Jan 2022 compared to the 3 months pre-pandemic – this is significant, considering that many Actalent-relevant industries are still negative or little changed since the pandemic.
Construction	+60K (4.2%)	Construction activity in response to heightened demand for multifamily housing held steady, but shortages of- and rising costs for- materials and labor continued to slow projects down. Construction spending for manufacturing sites of computers, electronics, and electrical components and equipment surged by 30% in January, foreshadowing increased technology production and, consequently, demand for related skillsets.
Architectural & Engineering Services	+4.4K (6.1%)	Environmental Engineers and Technicians as well as Health & Safety Engineers all grew in demand month-over-month, suggesting increased activity associated with these skillsets. As increased spending occurs for construction of manufacturing sites and other real estate, more environmental site assessments will likely follow; thus, U&C producers should pay close attention to announcements impacting their business.

> Unemployment Analysis

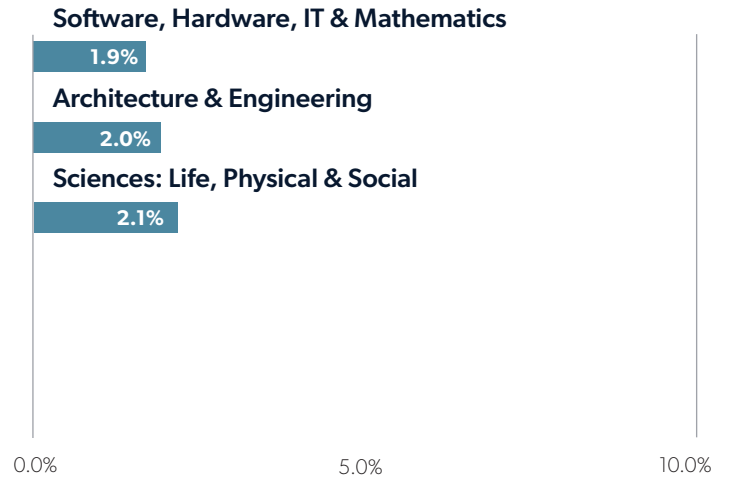
UNEMPLOYMENT

by Industry (Dec-Feb rolling unemployment average)



UNEMPLOYMENT

by Labor Category (Dec-Feb rolling unemployment average)



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labor category or industry.