



Actalent

# Labor Market & Economy Report

## February 2024 Trends

### Sharp insights for well-rounded people.

Actalent's monthly Labor Market and Economy Report connects important dots between data and trends in engineering and sciences. The report corresponds with the monthly release of the U.S. Bureau of Labor Statistics Employment Situation, though lends further insight into specific employment trends in engineering and sciences. Specifically, readers can expect to learn about:

- + Job growth in engineering and sciences by industry
- + Unemployment trends in engineering and sciences labor categories and industries
- + Labor force participation
- + Job quits and layoffs
- + Engineering and sciences employment trends by industry
- + Wages
- + Other important news stories impacting the labor market overall and engineering and sciences specifically



275K

### Jobs Gained in February

Total nonfarm U.S. employment increased by 275,000 jobs in February. Employment gains were strongest in healthcare, government, and restaurants.



62.5%

### Labor Force Participation Rate

The labor force participation rate was 62.5% for the third month in a row. The LFPR has yet to recover to its pre-pandemic rate of 63.3%.



3.9%

### Unemployment Rate

The unemployment rate increased from 3.7% in January to 3.9% in February. This was likely due to an increase in unemployment among 16-to-24-year-olds.



1.6M

### January Layoffs

Layoffs were very little changed from December to January. Quits were also little changed at 3.4M.

# February 2024 Market Trends

A closer look at  
unemployment by industry  
and labor category



Overall Unemployment Rate

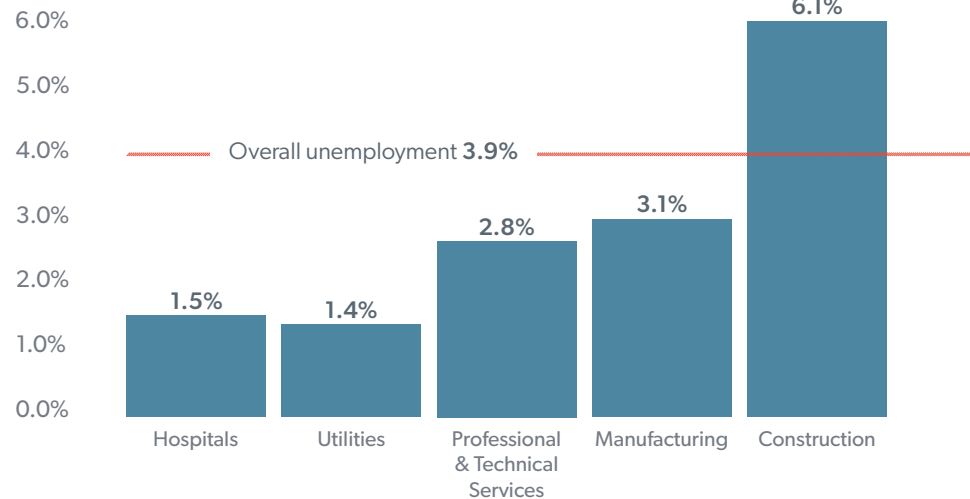


Unemployment Rate for Degreed  
Workers

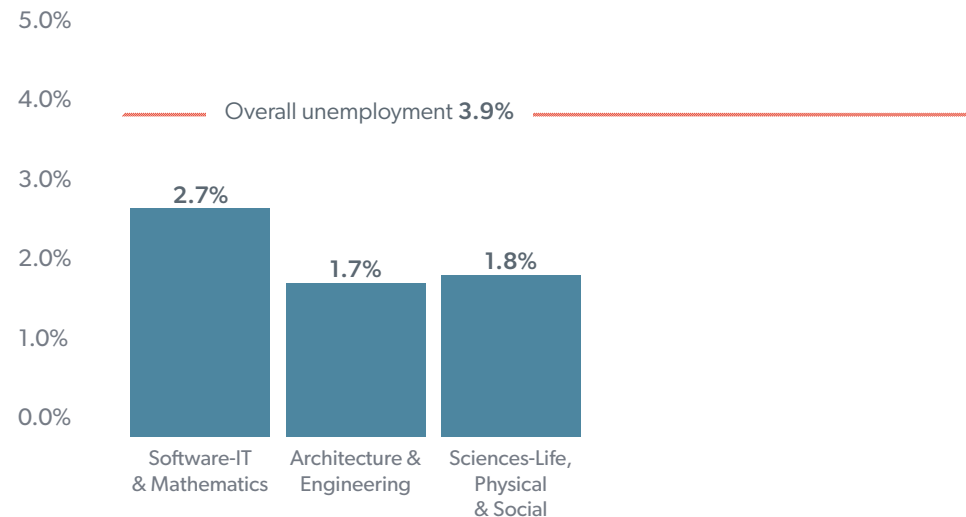


Ratio of unemployed workers  
(SW-HW-IT & Mathematics,  
Architecture & Engineering,  
Sciences) available per job  
opening.

### Unemployment rates by industry



### Unemployment rates by labor category



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.

# Industry Trends

## OVERALL ECONOMY

U.S. employment increased by 275,000 jobs in February. December 2023 and January 2024's employment gains were both revised down by a combined 167,000 jobs, indicating softer growth than initially reported. Employment gains were strongest in healthcare, government and restaurants, while sectors like manufacturing, information and professional and business services experienced smaller changes. Many companies still cite high interest rates, higher costs, tighter lending standards and economic uncertainty as reasons for slower growth and/or slower hiring.



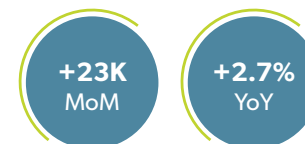
## UTILITIES

Environmental advocacy group E2 estimates that over 100,000 clean energy jobs have been announced since the Inflation Reduction Act (IRA) was signed into law, including 97,000 manufacturing jobs. E2 notes that IRA-linked manufacturing projects are heavily dominated by investments in EVs, but solar and battery projects have also received considerable investments. According to a director from the non-profit Energy Innovation, wind projects in the U.S. have been negatively impacted by limited transmission availability and rising costs across the industry supply chain. FirstEnergy introduced a \$26B capital investment plan for the next five years that will focus on transmission and distribution projects.



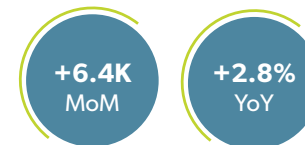
## CONSTRUCTION

The construction sector added 23,000 jobs in February, the highest gain since August. The nonresidential building, heavy and civil engineering, and specialty contractors industries all had strong employment gains. Construction spending in January (latest data available) increased year-over-year in every category but slipped 0.2% month-over-month, which was likely a result of severe weather. The Associated General Contractors of America's (AGC) chief economist stated, "high financing costs and falling rents are dragging down income-dependent sectors like warehouse and retail construction, while single-family homebuilding and manufacturing remain solid." Several major construction projects are located in remote areas with limited talent availability, so employers are offering incentives such as higher pay and monthly bonuses to try to attract workers from other cities.



## ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index for January (latest data available) reported a decline in billings, slowness in the value of newly signed contracts, and growth in inquiries into new projects, suggesting that "clients remain interested in new projects, they just are not yet prepared to commit to them." Still, business conditions aren't down across the board: AECOM reported in their fiscal Q1 2024 results that their design backlog reached a new record, "driven by a near record win rate and continued strong end market trends." The architectural, engineering and related services industry's job postings for architecture and engineering occupations have increased by 15% since December 2023 (according to Lightcast).



## Industry Trends, continued

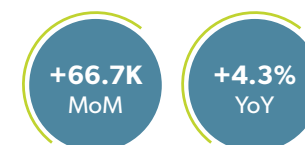
### AEROSPACE & DEFENSE

Honeywell Aerospace announced an \$84M investment to expand its Olathe, Kansas manufacturing facility. Honeywell's facility expansion will enhance the domestic supply chain for next-gen avionics and printed circuit board assemblies, and support engineering and advanced manufacturing jobs once up-and-running. AFWERX, a directorate within the Air Force Research Laboratory, announced the Innovative Capabilities Opening of Autonomy Prime, a program that will partner with the private sector to focus on the development, testing and implementation of autonomous technologies for the Air Force. Mack Defense and Navistar Defense have been selected by the Marine Corps to submit design concepts and a project plan for Phase I of the Medium Tactical Truck program.



### HEALTHCARE

Change Healthcare (owned by UnitedHealth Group) experienced a ransomware attack on February 21 that was ongoing at the end of the month. The cyberattack caused disruptions with billing, eligibility checks, patient care and more. As information and healthcare activities are increasingly digitalized, cybersecurity is becoming even more critical for protecting patient data and healthcare systems. Amazon is cutting hundreds of jobs across One Medical and Amazon Pharmacy to realign resources, although the exact number of employees and the affected roles were not disclosed to the public. Healthcare Dive emphasized that "Amazon is not on a hiring freeze and will continue to hire providers and employees for One Medical and Amazon Pharmacy."



### SCIENTIFIC R&D

The U.S. FDA approved lovance's Amtagvi, the first cell therapy for the treatment of unresectable or metastatic melanoma, marking a milestone for scientific R&D and introducing a novel treatment option for an otherwise life-threatening form of cancer. Novo Holdings announced that they will acquire Catalent and purchase three of Catalent's manufacturing sites to expand production of Novo Nordisk's Wegovy and Ozempic, demonstrating the increasing reliance of pharmaceutical manufacturers on CDMOs/CMOs for manufacturing capacity and expertise. AstraZeneca will invest \$300M in a new facility in Rockville, MD which will focus on manufacturing cell therapies for cancer clinical trials and create over 150 new jobs in the process.



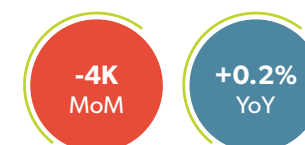
### AUTOMOTIVE

Ford began shipments of their gas-powered 2024 F-150s last month but paused shipments of all 2024 F-150 Lightning electric pickups due to "an undisclosed quality issue" (this same model has faced slowing sales and production cuts). Citing "economic and geopolitical uncertainties and pressures," EV start-up Rivian expects to produce 57,000 vehicles in 2024 (about the same as 2023) and is cutting its salaried workforce by 10%. Many auto suppliers anticipate the recent wage increases at major automakers to result in higher labor costs at the supplier level as they "seek to remain competitive for recruiting and retaining workers." Suppliers are also anticipating headwinds from the slowing EV transition, which may affect those who have invested in preparing their manufacturing processes to support the transition.



### C&IP *Manufacturing of Durable Goods, Technology, Chemicals, Food Products, etc.*

The manufacturing sector lost 4,000 jobs last month as companies continued to experience mixed levels of demand, performance and macroeconomic impacts. After significant growth over the last couple of years, the pace of manufacturing CapEx growth is flattening, although it still far exceeds pre-pandemic levels. Cisco announced plans to cut 5% of its global headcount (an estimated 4,200 workers) as part of a restructuring and realignment program to "enable further investment in key priority areas." As tech companies continue to restructure and layoff parts of their workforce, AI-related hiring has remained resilient; one study estimates AI job listings are up 42% compared to a December 2022 low point, and companies appear to be offering pay premiums to workers with AI skills.



# Wages in the United States

How they've changed

+3.2%



## Consumer Price Index

Inflation increased 3.2% for the 12 months ending February, slightly up from January's reading of 3.1%. "Core" inflation – CPI for all items less food and energy (two volatile categories) – was 3.8% for the 12 months ending February. The Federal Reserve needs to feel confident that inflation is under control before making cuts to interest rates, and a CPI of 3.2% is higher than preferred.

+4.3%



## Wage Increases

Average hourly earnings increased by 4.3% for the 12 months ending February. January's year-over-year wage growth was revised downward from 4.5% to 4.4%.

+1.1%



## "Real" Earnings

Real, inflation-adjusted, average hourly earnings increased 1.1% from February 2023 to February 2024. Growth in wages outpaced inflation in February.

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# References

## Read more about trends in Engineering & Sciences

**UTILITIES:** [E2: 100K Jobs Announced by Companies Since IRA as Business Leaders Visit DC; 14 New Projects Announced in Feb.](#); [Clean energy manufacturers invested \\$2.4B in new projects in January: E2](#); [Slowing wind installations threaten emissions progress under the IRA: report](#); [FirstEnergy Announces Fourth Quarter and Full Year 2023 Financial Results](#)

**CONSTRUCTION:** [Construction Industry Adds 23,000 Jobs In February As Solid Pickup In Nonresidential Employment Outweighs Dip In Residential Total](#); [Monthly Construction Spending, January 2024](#); [Construction Spending Dips 0.2 Percent In January With Mixed Results For The Month But Increases Year-Over-Year Among All Project Categories](#); [How to attract workers to far-flung jobsites](#)

**ARCHITECTURE & ENGINEERING:** [ABI January 2024: Business conditions remain soft at architecture firms to start the year](#); [AECOM reports first quarter fiscal 2024 results](#)

**AEROSPACE & DEFENSE:** [Honeywell to Expand Aerospace Manufacturing Site in Kansas](#); [AFWERX launches new Prime program](#); [Autonomy Prime ICO](#); [Marine Corps Selects Prototyping Participants for Medium Tactical Truck Development Program](#)

**HEALTHCARE:** [Information on the Change Healthcare Cyber Response](#); [The Change Healthcare attack: Explaining how it happened](#); [Amazon cuts hundreds of One Medical, Amazon Pharmacy jobs](#)

**SCIENTIFIC R&D:** [FDA Approves First Cellular Therapy to Treat Patients with Unresectable or Metastatic Melanoma](#); [Novo Nordisk to acquire three fill-finish sites...](#); [What Novo Nordisk's Purchase of Catalent Means for the Industry](#); [AstraZeneca expands US manufacturing footprint to accelerate ambitions in next-generation cell therapy...](#)

**AUTOMOTIVE:** [Ford's EV push slows again as F-150 Lightning shipments halted over quality issue](#); [Rivian Releases Fourth Quarter and Full Year 2023 Financial Results](#); [Suppliers, competing with UAW raises, expect higher labor costs in 2024](#); [Auto News coverage of the shifting EV transition's impact on suppliers](#)

**C&IP:** [Manufacturers' New Orders: Nondefense Capital Goods Excluding Aircraft](#); [Cisco reports second quarter earnings](#); [Tech Layoffs Continue as Cisco Plans to Cut 700 More Jobs](#); [AI Talent Is in Demand as Other Tech Job Listings Decline](#)

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### About Actalent

Actalent is a global leader in engineering and sciences services and talent solutions. We help visionary companies advance their engineering and science initiatives through access to specialized experts who drive scale, innovation and speed to market. With a network of almost 30,000 consultants and more than 4,500 clients across the U.S., Canada, Asia and Europe, Actalent serves many of the Fortune 500.

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