



Actalent

Labor Market & Economy Report

November 2023

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



199K

Jobs Gained in November

Employment increased by 199K jobs in November – strong growth compared to last month's 150K but not too strong.



62.8%

Labor Force Participation Rate

The Labor force participation rate increased 0.1% to 62.8% in November. Outside of the slight decline in October, the LFPR has been essentially unchanged since August.



3.7%

Unemployment Rate

The unemployment rate declined from 3.9% to 3.7% in November, the lowest rate in four months but above its half-century low of 3.4% observed earlier this year. The number of unemployed workers is still relatively low.



3.6M

October Quits

3.6M workers quit in October, down from historic records of 4.5M seen in Nov. 2021 and Apr. 2022. Layoffs and discharges were very little changed at 1.6M.

October 2023 Market Trends

A closer look at
unemployment by industry
and labor category



Overall Unemployment Rate

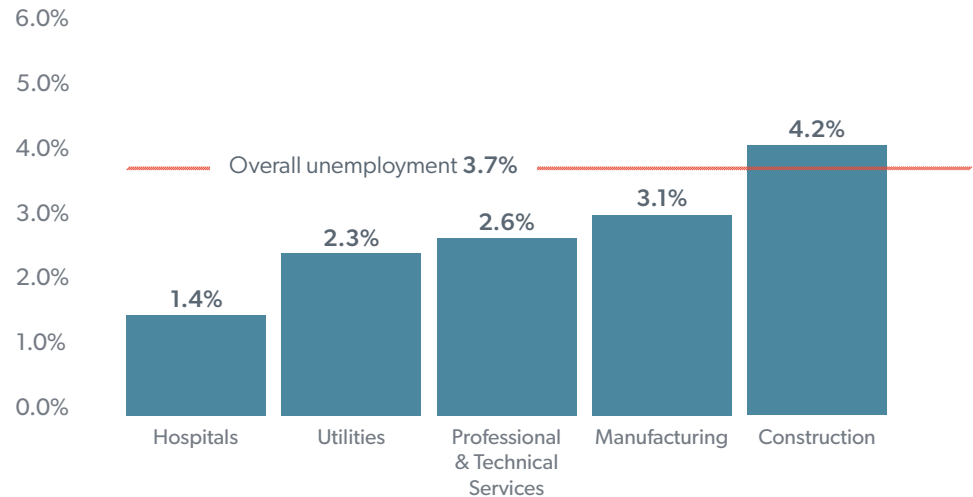


Unemployment Rate for Degreed
Workers

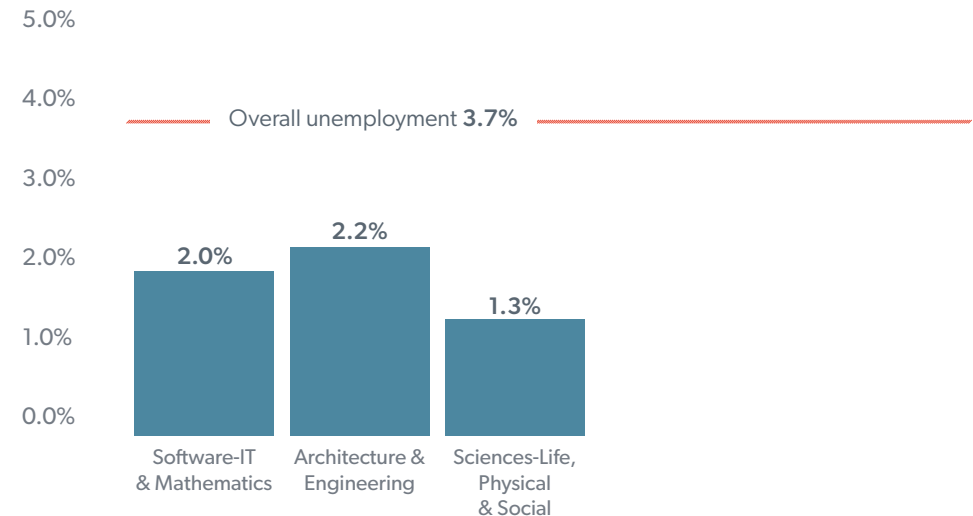


Ratio of unemployed workers
(SW-HW-IT & Mathematics,
Architecture & Engineering,
Sciences) available per job
opening.

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

Employment increased by 199K jobs in November – strong growth compared to last month’s 150K but not too strong. Still, job openings fell to 8.7M in October (this data lags a month behind), signaling a potential slowdown in hiring toward the end of the year. Job gains were once again led by healthcare and government, as well as the manufacturing sector, which gained workers back from the October’s UAW strike. The slower pace of hiring and a slightly higher unemployment rate (compared to the half-century-low observed earlier this year) suggest that the labor market continues to “cool” going into 2024.

+199K
MoM

+1.8%
YoY

UTILITIES

UN Climate Chief Simon Stiell has urged for serious financial progress in order for climate goals to be met, but Wall Street Journal has warned that many developers can’t financially support clean energy projects they initially agreed to back when rates were lower. ClearView Energy Partners “estimates about 30% of state-contracted offshore wind capacity has been canceled, and another 25% may be rebid,” due to economic headwinds. Wind and solar projects have surged in 2023, but analysts are concerned that limited grid capacity and interconnection backlogs could prevent many earlier-stage projects from ever being built. Meanwhile, Longroad Energy is building Sun Streams, a cluster of solar farms expected to provide electricity for ~300,000 homes in Arizona by 2025.

+100
MoM

+0.9%
YoY

CONSTRUCTION

In their latest earnings statement, MasTec attributed 2023 delays in clean energy projects to challenges including supply chain issues and tax equity funding uncertainty, which many construction firms have struggled with this year. Dodge Construction Network and Fails Management Institute (FMI) expressed cautious optimism for the year ahead in their recently released 2024 construction outlooks. Both outlooks forecast very strong growth for the manufacturing and nonbuilding segments, with Dodge estimating 2024-2025 will be “the best years for growth in infrastructure.” Dodge demonstrates confidence in the likelihood of a recovering residential segment in mid-2024 and forecasts 14% growth for multifamily housing, while FMI forecasts a 6.6% decline in multifamily.

+2K
MoM

+2.6%
YoY

ARCHITECTURE & ENGINEERING

The A&E industry has added a net 489,000 jobs so far in 2023, but most of those gains have been from Engineering Services. The AIA Architectural Billings Index for October (latest data available) reported further deceleration in architecture: billings, inquiries into new projects, and the value of newly signed design contracts all declined. These indicators point to weakness in both current and future work in the pipeline for architectural firms. Among the firms surveyed by the AIA, “the only firms expecting an increase in revenue in 2024 are large firms with annual billings of \$5 million or more...and firms with an institutional specialization.”

+5.9K
MoM

+3.3%
YoY

Industry Trends, continued

AEROSPACE & DEFENSE

Supply chain bottlenecks and production disruptions have led Boeing to delay its 737 production ramp-up by two months. Lockheed Martin opened its \$16.5M missile defense lab at its Huntsville, AL campus on November 14, where the company “plans to conduct development, testing, and system integration” for the U.S. Missile Defense Agency’s Next Generation Interceptor. Pratt & Whitney is expected to begin receiving contracts to upgrade F-35 engines in 2024, which they estimate could be about a \$2.4B project. Congress is set to begin negotiations on a compromise defense policy bill (the 2024 National Defense Authorization Act) in early December.



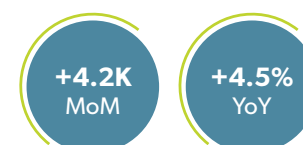
HEALTHCARE

Steady hiring in the healthcare sector has bolstered overall employment over the last few months while other sectors have experienced mixed hiring conditions. The sector provides essential services that can rarely be delayed, no matter how the economy is performing. Despite healthcare workers only accounting for roughly 11% of the U.S. workforce, healthcare employment growth has accounted for about 24% of total employment gains over the last year, according to BLS data. Lightcast data estimates that there were over 10,000 job postings each for phlebotomists and nurse case managers and over 50,000 postings for medical assistants and pharmacy technicians in November.



SCIENTIFIC R&D

Recent attention brought to Novo Nordisk’s type 2 diabetes and weight loss drugs, Ozempic and Wegovy, has sped up innovation within the weight-management medicine market, which Morgan Stanley has estimated could reach \$77B by 2030. The FDA approved Eli Lilly’s Zepbound for adults with obesity in November. Roche announced its acquisition of experimental weight loss drug company Carmot, and AstraZeneca has entered into an exclusive license agreement with Eccogene to develop an oral treatment for obesity. In November, Casgevy was approved in the U.K., making it the first gene-editing CRISPR technology in the world to be approved. The U.S. FDA approved Casgevy December 8.



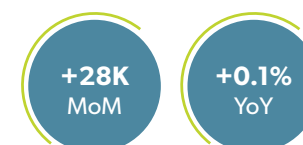
AUTOMOTIVE

The auto industry gained 30,000 jobs in November, largely from UAW workers returning from their strike. Almost 4,000 dealerships across the U.S. signed a letter urging President Biden to reconsider the pace of the EV transition, which the dealerships claim would allow time for improvement of EV batteries, affordability, charging infrastructure, and consumer readiness/adoption. Ford is restarting construction for its EV battery plant in Marshall, MI, but is scaling down the plant due to slower EV adoption than anticipated, and it now expects the project to create 1,700 jobs instead of the 2,500 previously announced. An accident involving a Cruise robotaxi is slowing GM’s progress on autonomous vehicles: Cruise has recalled 950 driverless vehicles and is pausing production of its Origin robotaxis indefinitely.



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

The manufacturing sector gained 28,000 jobs in November, thanks to the significant gain in jobs within auto manufacturing. The ISM and S&P Global manufacturing indices reported persistent weakness in November due to slow demand and low stock levels. Still, overall manufacturing layoffs have declined two months in a row, and Manufacturers’ New Orders for Nondefense Capital Goods Excluding Aircraft remain well above pre-pandemic levels. Amkor Technology announced a \$2B semiconductor packaging plan in Arizona, creating about 2,000 jobs. Tyson Foods is closing two more plants on top of several other plant closures and layoffs this year due to slower demand and pricing challenges.



Wages in the United States

How they've changed.

+3.1%



Consumer Price Index

Inflation increased 3.1% for the 12 months ending November, slightly below October's 3.2%. Inflation has been gradually declining since reaching a 40-year high in June 2022, but the pace of its decline has slowed in recent months.

+4.0%



Wage Increases

Wage growth stuck to its slow but steady decline that it's been following since June. This slowdown is important, as it puts less pressure on inflation. Wage growth is still positive, though, which is good news for workers.

+0.8%



"Real" Earnings

Real average hourly earnings increased 0.8% between November 2022 and November 2023. In other words, workers are making slightly more than they were making last year after adjusting their wages for inflation.

References

Read more about trends in Engineering & Sciences

UTILITIES: [COP28 is about action, not politics and point scoring...](#); [Why No One Wants to Pay for the Green Transition](#); [IRA likely spurred growth in smaller solar markets, but grid expansion isn't keeping pace: S&P](#); [Now for Some Good News About Climate](#)

CONSTRUCTION: [MasTec Announces Third Quarter 2023 Financial Results and Updates Guidance for the Year](#); [2024 FORECAST: Non-building, Manufacturing to Lead the Way](#)

ARCHITECTURE & ENGINEERING: [ABI October 2023: Business conditions continue to soften at architecture firms](#)

AEROSPACE & DEFENSE: [Exclusive: Boeing signals two-month delay to 737 production ramp-up, sources say](#); [Lockheed Martin Opens 25,000-Square Foot, \\$16.5M Missile Defense Lab](#); [Pratt to start receiving F-35 engine upgrade contracts in early 2024](#); [What to watch as Congress negotiates final defense policy bill](#)

HEALTHCARE: [Hot Healthcare Hiring Bolsters Cooling U.S. Labor Market](#); [Lightcast job posting data](#)

SCIENTIFIC R&D: [Obesity Drugs Boost Pharma's Growth Outlook](#); [FDA Approves New Medication for Chronic Weight Management](#); [Roche enters into a definitive merger agreement...](#); [AstraZeneca licenses novel agent for the treatment...](#); [CRISPR Therapy Gets U.K. Approval, the First in the World](#); [FDA Approves First Gene Therapies to Treat Patients with Sickle Cell Disease](#)

AUTOMOTIVE: [Nearly 4,000 dealerships urge Biden to 'slow down' on EV push](#); [Ford scales down EV battery plant in Michigan](#); [GM's Cruise to recall 950 driverless cars after accident involving pedestrian](#); [Cruise scales back ambitions to single city](#); [GM says Origin robotaxi won't be produced in 2024](#)

C&IP: [Manufacturing down again in November amid low orders: PMI](#); [Layoffs and discharges by industry \(BLS\)](#); [Manufacturers' New Orders: Non-defense Capital Goods Excluding Aircraft](#); [Amkor announces \\$2 billion semiconductor facility in Peoria](#); [Tyson to shutter 2 more processing plants as earnings woes mount](#)