



# Labor Market & Economy Report

October 2024

## 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



12K

### Jobs Gained in October

U.S. employment increased by 12,000 jobs in October. This data is subject to revisions due to disruptions to data collection caused by weather events. Employment continued to trend up in healthcare, government and construction.



62.6%

### Labor Force Participation Rate

The labor force participation rate fell from 62.7% to 62.6%. Thus, the percentage of the population working or looking for work slightly declined.



4.1%

### Unemployment Rate

The unemployment rate was unchanged at 4.1% between September and October.



1.8M

### August Layoffs

Layoffs increased to 1.8 million in September from 1.7 million in August (revised up from 1.6 million in last month's report). Quits were little changed at 3.1 million. Note that quits and layoffs data lag one month behind other employment data.

# October 2024 Market Trends

A closer look at  
unemployment by industry  
and labor category



Overall Unemployment Rate

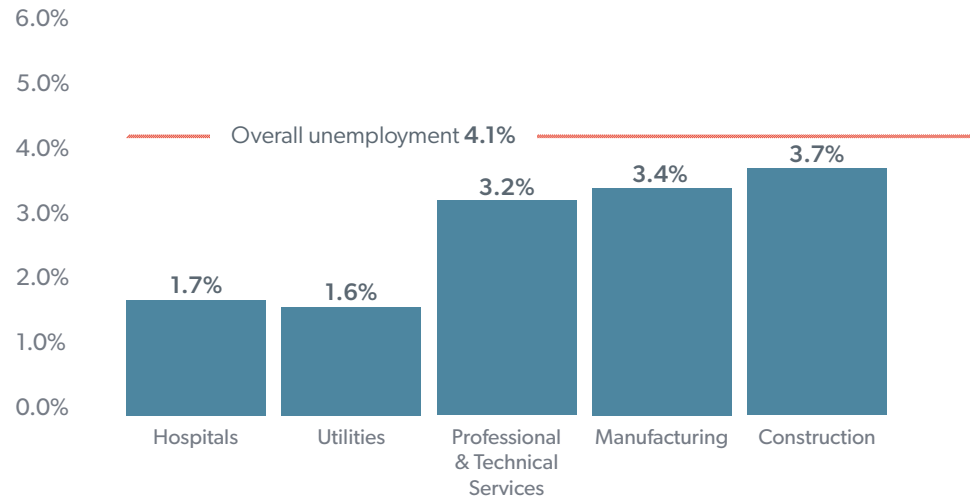


Unemployment Rate for Degreed  
Workers

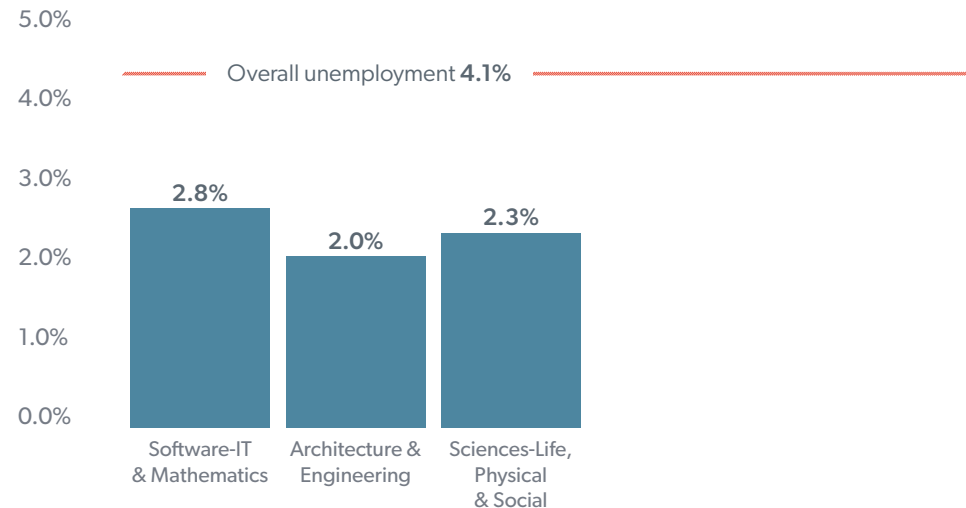


Ratio of unemployed workers  
(Software-IT & Mathematics,  
Architecture & Engineering,  
Sciences) available per job  
opening.

## 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

In October, the U.S. economy added 12,000 jobs, with employment gains primarily concentrated in healthcare, government and construction. Due to disruptions to the survey data caused by hurricanes last month, there is a high likelihood that October data will be revised in the coming months. Employment changes were revised down from +159,000 to +78,000 for August and from +254,000 to +223,000 for September, indicating weaker job gains than initially reported. The Federal Reserve lowered interest rates by 25 basis points at their November meeting, marking two consecutive rate cuts in 2024, which should slowly benefit companies who have been restricted by tight monetary policy.



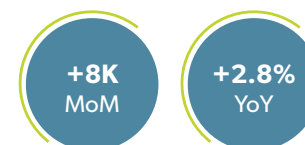
## UTILITIES

Despite high tax incentives for solar installations, Wood Mackenzie claims that roughly "53 GW of solar projects were delayed in 2024 because of a combination of labor shortages and long equipment procurement lead times." According to the Executive Vice President of EDP Renewables, shortages are being seen particularly "in project management roles, engineers, technicians, installers, electricians, system designers and operations managers." To mitigate the risks associated with labor shortages, the International Energy Agency has called for accessible and inclusive formal training and employment pathways into energy efficiency, as well as collaboration between policymakers, employers and other industry stakeholders.



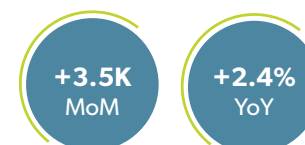
## CONSTRUCTION

Despite the significant impacts of hurricanes in the Southeast, the construction sector still added 8,000 jobs in October. Construction spending increased in September (latest data available) for most public infrastructure segments but declined for several private nonresidential segments. The Associated Builders and Contractors reported improvement in contractor backlogs in September (latest data available), which the association attributed to optimism related to interest rate cuts and lower materials prices. Large project wins in October included a \$1.1 billion New York water tunnel contract awarded to Tutor Perini, an \$800 million D.C. arena upgrade contract awarded to Clark Construction Group and an \$838 million New York reservoir project contract awarded to Skanska and joint venture partner ECCO III Enterprises.



## ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index for September (latest data available) reported a further decline in architectural billings, but firms reported having an average backlog of 6.4 months, indicating existing work in the pipeline even if new work has declined. Recent interest rate cuts should benefit firms whose customers have delayed investments due to high rates, although immediate relief is unlikely. While the architectural services industry was down by 9,600 jobs in Q3 2024 compared to Q3 2023, the engineering and drafting services industry was up by 131,400 jobs. Sustainability, clean energy and infrastructure projects continue to drive business at engineering services companies.



MoM = Month over month  
YoY = Year over year

## Industry Trends, continued

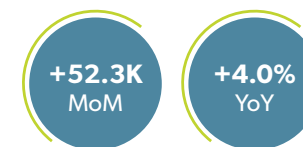
### AEROSPACE & DEFENSE

Since employment data for aerospace manufacturing lags a month behind, the strike that impacted the overall manufacturing sector (see Consumer and Industrial Products) will likely not be noticeable in A&D employment data until next month's report. Airbus announced plans to cut up to 2,500 jobs from its Defense and Space division by mid-2026 due to losses in its satellites business. Boeing announced plans to reduce its headcount by 10% to financially align the company. Senior Plc and Spirit AeroSystems Holdings also announced furloughs and permanent workforce cuts in response to current industry conditions. L3Harris, Leidos, Northrop Grumman and Sikorsky are among defense companies currently supporting the U.S. military through the development, engineering and provision of autonomous capabilities.



### HEALTHCARE

The healthcare sector, which significantly contributed to U.S. employment gains in the years following the pandemic, is now experiencing a notable slowdown in job openings and hiring rates from the peaks recorded in 2022 and 2023. Following a period of intense "catch-up hiring," many healthcare systems still need workers but are now slowing their hiring efforts or even reducing their workforces as part of broader cost-cutting measures. Economists anticipate that the healthcare sector will continue to drive U.S. employment gains, but Bloomberg notes that the sector's hiring slowdown "is making the broader labor market look increasingly shaky."



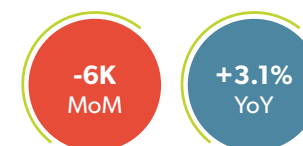
### SCIENTIFIC R&D

Pharmaceutical companies continue to create job opportunities through large investments in manufacturing facilities. Eli Lilly announced a new \$4.5 billion Medicine Foundry in Lebanon, IN, which is expected to create 400 full-time jobs for engineers, scientists, operations personnel and lab technicians as it combines research and advanced manufacturing to develop medicines for clinical trials. GSK is investing up to \$800 million to "bring state-of-the-art drug substance manufacturing and additional drug product manufacturing capabilities" and 200 new jobs to its site in Marietta, PA. Novo Nordisk is partnering with 10 start-ups in India to use AI for tasks such as "summarizing documents, extracting insights and checking for editing errors," which has enabled the company's medical writers to save time on document quality checks.



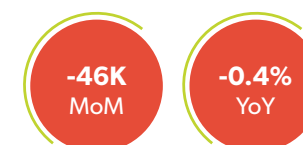
### AUTOMOTIVE

Third-quarter earnings reports revealed mixed financial conditions among major automakers, with some benefitting from EV sales growth and others struggling with high overhead costs and increased competition in the China market. Due to lower-than-expected demand for its electric pickup, Ford plans to pause production of its F-150 Lightning from mid-November through early January. The Michigan plant that makes the F-150 Lightning employs roughly 730 people, and workers affected by the pause will have the choice to work at a nearby Ford plant or qualify for unemployment benefits. Toyota plans to increase production of its hybrid 2025 Sienna minivan by 20% to meet strong demand for the model.



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

Manufacturing employment declined by 46,000 jobs in October, reflecting strike activity in the transportation equipment manufacturing industry. Manufacturing indexes pointed to persistent weakness in the sector, and multiple sources have cited uncertainty surrounding the U.S. presidential election and federal monetary policy direction as reasons for subdued capital investments by manufacturing customers. The International Federation of Robotics has reduced its forecasts for global robot installations in 2024 and 2025 from 5% and 6% to 0% and 3%, respectively, stating that global economic uncertainty has impacted the automation industry. Hurricane Milton impacted several manufacturing plants along Florida's West Coast, highlighting the risk of concentrating too many manufacturing operations in one region.



MoM = Month over month  
YoY = Year over year

# Wages in the United States

How they've changed

+2.6%



## Consumer Price Index

The consumer price index, a measure of inflation, increased by 2.6% for the 12 months ending October, slightly above September's reading of 2.4%. The Federal Reserve lowered interest rates by 25 basis points at their November meeting, addressing that inflation is moving in the right direction but remains somewhat elevated. The Fed noted that they are not on a preset course with interest rates, and they will determine future adjustments by carefully assessing "incoming data, the evolving outlook, and the balance of risks."

+4.0%



## Wage Increases

Average hourly earnings increased by 4.0% for the 12 months ending October, the same increase recorded in September.

+1.4%



## "Real" Earnings

Real average hourly earnings increased 1.4% from October 2023 to October 2024. In other words, despite average hourly earnings increasing by 4.0% year-over-year, workers may only feel as if they're making about 1.4% more, on average, due to the effects of inflation.

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# References

## Read more about trends in Engineering & Sciences

**UTILITIES:** [US solar, storage growth clipped by labor shortages](#); [IEA Developing a Global Energy Efficiency Workforce in the Buildings Sector](#)

**CONSTRUCTION:** [Construction Industry Adds 8,000 Jobs in October...](#); [ABC's Construction Backlog Indicator Rebounds in September...](#); [Monthly Construction Spending, September 2024](#); [October 2024 wins: Contractors report their latest awards](#)

**ARCHITECTURE & ENGINEERING:** [ABI September 2024: Architecture firm billings remain soft](#); [Burns & McDonnell Selected to Provide EPC Services for Critical Substation Project...](#); [AECOM selected as Lead Designer for North Houston Highway Improvement Project](#)

**AEROSPACE & DEFENSE:** [Airbus to cut up to 2,500 jobs in defence and space](#); [Boeing CEO Message to Employees on Positioning for the Future](#); [Brooke Sutherland: Rolling Manufacturing Recessions \(includes Senior Plc & Spirit workforce reductions\)](#); [L3Harris Introduces New Autonomous Ground Vehicle](#); [U.S. Navy awards Leidos \\$248 million contract to provide autonomous systems design and engineering](#); [Northrop Grumman: Enabling Off-the-Shelf Autonomous Naval Warfare](#); [DARPA Taps Sikorsky to Add Autonomy to U.S. Army-Owned Black Hawk Helicopter](#)

**HEALTHCARE:** [US Job Market's Key Driver at Risk as Health-Care Hiring Slows](#); [Healthcare and social assistance job openings data](#); [Healthcare and social assistance hiring rate](#)

**SCIENTIFIC R&D:** [Lilly announces new \\$4.5 billion site - the Lilly Medicine Foundry](#); [GSK invests up to \\$800 million in Pennsylvania site](#); [Wegovy maker Novo Nordisk bets big on talent, AI partnerships in India](#)

**AUTOMOTIVE:** [Stellantis US sales tank in Q3 while Ford, Tesla charge ahead](#); [Volkswagen Group's nine-month results impacted by higher fixed costs and restructuring provisions](#); [GM earnings report shows signs of 'long-awaited turnaround'](#); [Honda Fiscal First Half Year Ended September 30, 2024](#); [Ford to idle F-150 Lightning EV plant in mid-November for rest of year](#); [Toyota plans 20% increase in 2025 Sienna minivan production](#)

**C&IP:** [BLS explanation of manufacturing employment decline](#); [October 2024 Manufacturing ISM® Report On Business®](#); [S&P Global US Manufacturing PMI®](#); [Brooke Sutherland: Rolling Manufacturing Recession Collides With US Election Angst](#); [IFR Robot Installation Forecasts](#); [Brooke Sutherland: Robot Demand Cools...](#); [Brooke Sutherland: America's Factories Weren't Built to Endure This Many Hurricanes](#)

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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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