



Labor Market & Economy Report

September 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



Jobs Gained in September

The U.S. economy added 254,000 jobs in September, with employment gains primarily concentrated in food services and drinking places, healthcare, government, social assistance and construction.



Labor Force Participation Rate

The labor force participation rate was 62.7% for the third consecutive month. The percentage of the population working or looking for work has remained essentially unchanged.



Unemployment Rate

The unemployment rate declined for the second month in a row, from 4.2% in August to 4.1% in September.



August Layoffs

Layoffs slightly declined to 1.6M in August from 1.7M in July (revised down from 1.8M in last month's report). Quits trended down to 3.1M. Note that quits and layoffs data lag one month behind other employment data.

September 2024 Market Trends

A closer look at
unemployment by industry
and labor category



Overall Unemployment Rate

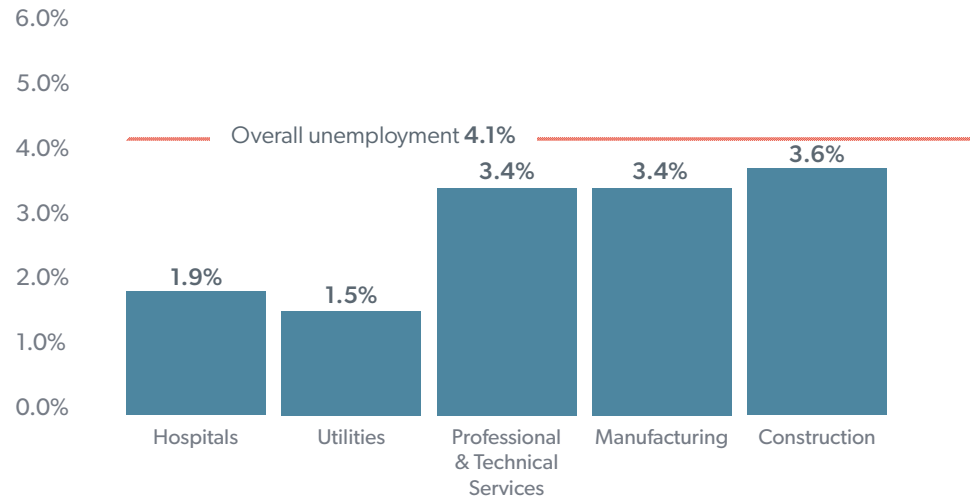


Unemployment Rate for Degreed
Workers

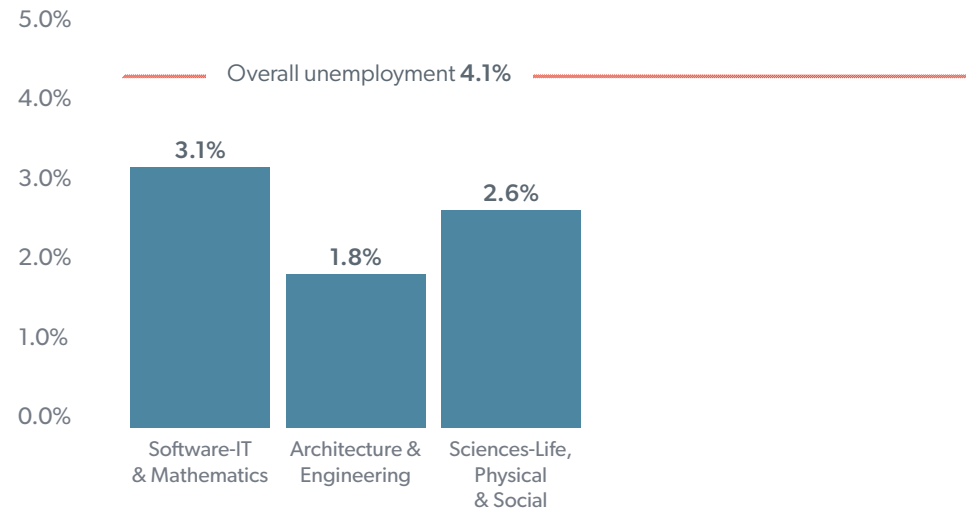


Ratio of unemployed workers
(Software-IT & Mathematics,
Architecture & Engineering,
Sciences) available per job
opening.

Unemployment rates by industry



Unemployment rates by labor category

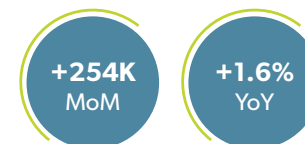


Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labor category or industry.

Industry Trends

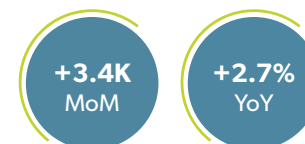
OVERALL ECONOMY

In September, the U.S. economy added 254,000 jobs, with employment gains primarily concentrated in food services and drinking places, healthcare, government, social assistance and construction. Employment gains for July and August were both revised upward, indicating a stronger labor market than initially reported. The unemployment rate has dropped from 4.3% in July to 4.1% in September, indicating a slight decline in the percentage of the labor force without a job. At their September meeting, the Federal Reserve cut interest rates for the first time in four years, providing optimism to rate-sensitive industries and companies dependent on venture capital.



UTILITIES

Lightcast data shows utilities industry job postings are up by 14% year-over-year. As electricity demand surges, battery storage systems (BESS) are becoming increasingly popular, and 31 states have capacity plans in development, with California and Texas leading the way. Transmission infrastructure, substations and utility poles were severely damaged by Hurricane Helene, and electric systems in some areas will need to be completely rebuilt, not just repaired, before power is restored. In preparation for extreme winter weather, several gas producers and grid operators "are working to weatherize their systems and improve market mechanisms to keep energy flowing."



CONSTRUCTION

In August (latest data available), overall construction spending in the public safety, manufacturing, water supply and amusement and recreation segments saw strong year-over-year growth, while spending in the commercial segment (specifically within the private sector) experienced a notable decline. The Associated Builders and Contractors stated, "while falling interest rates will eventually serve as a tailwind for the industry, it may be several quarters before privately financed segments see any substantial relief." As mentioned in the Architecture & Engineering segment, a large portion of IIJA funds remains unallocated, and the Associated General Contractors of America has noted, "there is still great potential for infrastructure and power projects, but the timing remains uncertain."



ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index for August (latest data available) reported that, according to its survey, architectural firms haven't experienced sustained growth in nearly two years. AIA revealed mixed outlooks for the second half of 2024: 34% of surveyed architectural firms expect their revenue to increase, 33% anticipate a decrease and 33% foresee no change. Over 60,000 construction projects are moving forward with IIJA funding, providing a boost to engineering services demand. Still, an estimated \$720B in IIJA funds remains unallocated. Jacobs completed the spin-off of its Critical Missions Solutions and Cyber & Intelligence businesses to simplify its company and focus on fast-growing sectors tied to infrastructure, life sciences and semiconductors.



MoM = Month over month
YoY = Year over year

Industry Trends, continued

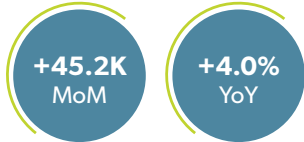
AEROSPACE & DEFENSE

In September, over 30,000 members of the International Association of Machinists and Aerospace Workers went on strike at one of the nation's largest aerospace companies. Production has been halted for certain aircraft, and the planemaker has taken several actions to safeguard the company, including implementing a hiring freeze, cutting supplier expenditures, and furloughing "non-essential contractors." RSM is advising maintenance, repair and overhaul (MRO) companies and suppliers to use digital tools and AI to anticipate demand for spare parts and MRO services as older aircraft are being expected to fly longer. Jacobs completed its spin-off of its Critical Missions Solutions and Cyber & Intelligence businesses and merger with Amentum, which is now a publicly-traded engineering and technology services company.



HEALTHCARE

Kaufman Hall has reported that hospital expenses remain elevated but are growing at a slower pace, which is encouraging for hospitals that have faced rising costs over the last couple years. The Health Infrastructure Security and Accountability Act has been proposed to create "mandatory minimum cybersecurity standards" for healthcare organizations. The FBI reported that the healthcare sector is the top target for ransomware attacks, which can cause financial losses and patient care delays for organizations like Ascension. Despite the financial impact of a recent cyberattack, Ascension still plans to invest in its imaging sites, pharmacy services and other parts of its portfolio.



SCIENTIFIC R&D

The Federal Reserve's interest rate cut is providing optimism for biotechnology companies, as high interest rates have led to fewer IPOs, slower venture financings for high-risk industries like biotech, and consequently, restructuring and layoffs among struggling industry players. Some life sciences experts claim plateauing M&A activity and other economic challenges may continue to hinder biotech growth. The BIOSECURE Act has been passed by the House to the Senate, and certain biopharma companies are already reevaluating their CDMO partners to minimize any potential disruptions. Moderna will discontinue five clinical programs and cut R&D spending by 20% as it increases investments in oncology while "pacing" spending on other vaccines and rare diseases. A Moderna spokesperson stated that the cuts will not involve layoffs.



AUTOMOTIVE

Stellantis is investing over \$406M into three Michigan plants to build electrified Ram and Jeep vehicles. Stellantis has "partnered with equipment suppliers and contractors" to retool its Sterling Heights and Warren assembly plants so that the electrified vehicles can be built on the same lines as their gas-powered counterparts. GM announced it will begin layoffs at its Fairfax, KS plant in November as it prepares to retool the plant to build EVs alongside gas-powered vehicles by late 2025. In November, GM will temporarily lay off 686 full-time workers and terminate 250 temporary workers, followed by the temporary layoff of 759 full-time workers in January 2025. While luxury brands Aston Martin, Bentley and Volvo have delayed their EV plans, Maserati plans to go all-electric by 2028, two years ahead of schedule.



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

Manufacturing indexes reported another month of contracting business conditions, and indicators for capital expenditures are showing flat year-over-year growth. CBRE has reported a surge in demand for workers with AI skills as companies across the U.S. invest heavily in the technology; however, many companies are finding that specialized AI talent is difficult to find and requires much higher pay. To address the skills gap, some companies such as Walmart and PWC have implemented AI upskilling programs for their existing workforces. Intel is establishing its foundry as an independent subsidiary, which will give the foundry greater independence and the opportunity to raise its own funding. Barron's claims the semiconductor market is "still large and growing" despite fluctuations in some companies' performance.



MoM = Month over month
YoY = Year over year

Wages in the United States

How they've changed

+2.4%



Consumer Price Index

The consumer price index, a measure of inflation, increased by 2.4% for the 12 months ending September. The slowing labor market and inflation's progress toward the Federal Reserve's goal of 2% were contributing factors that led to the Fed lowering interest rates by 50 basis points in September.

+4.0%



Wage Increases

Average hourly earnings increased by 4.0% for the 12 months ending September. This was slightly above the year-over-year increase of 3.9% recorded in August.

+1.5%



"Real" Earnings

Real average hourly earnings increased 1.5% from September 2023 to September 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 1.5% more, on average, due to the effects of inflation.

References

Read more about trends in Engineering & Sciences

UTILITIES: [California and Texas lead the way in US battery grid rollouts; 2M customers still without power after Helene...; NERC sounds alarm over winter gas supplies, potential grid impacts](#)

CONSTRUCTION: [Monthly Construction Spending, August 2024; Nonresidential Construction Spending Inches Up in August, Says ABC; Construction Spending Dips 0.1 Percent In August...](#)

ARCHITECTURE & ENGINEERING: [ABI August 2024: Architecture firm billings continue to decline; Progress Delivering on the Bipartisan Infrastructure Law; \\$720B in IIJA funds yet to be allocated; Jacobs Advances Strategic Transformation...](#)

AEROSPACE & DEFENSE: [Strike poses challenge to production targets and supply chain; Company-Wide Memo Outlining Cash Conservation Measures Amid Strike; From vintage to vital: The impact of aging aircraft in modern aviation; Jacobs Advances Strategic Transformation...; Amentum Completes Transformational Combination with Jacobs...](#)

HEALTHCARE: [National Hospital Flash Report: August 2024 Metrics; New bill seeks to mandate healthcare cybersecurity standards; Health Infrastructure Security and Accountability Act; Ascension Consolidated Financial Statements and Supplementary Information](#)

SCIENTIFIC R&D: [Can the Fed's rate cut change biotech's 'new normal'?; As Biosecure bill advances, drugmakers prepare for prospect of China pivot; Moderna cuts five programmes to save \\$1.1bn in R&D costs; Moderna to cut costs, trim pipeline in R&D revamp](#)

AUTOMOTIVE: [Stellantis investing \\$406 million in 3 Mich. Plants; GM to begin layoffs at Kansas plant in November as Malibu production ends; Hybrids coming for Aston Martin as EV rollout is delayed until 2026; Bentley begins new plug-in hybrid era; Volvo bulks up hybrid lineup as it delays electric-only switch; Maserati speeds up all-electric plans](#)

C&IP: [ISM Manufacturing PMI: September 2024; S&P Global US Manufacturing PMI®: September 2024; Manufacturers' New Orders: Nondefense Capital Goods Excluding Aircraft; Demand for Specialized Tech Talent in Artificial Intelligence Surges Across North America; Cyber Leaders Struggle to Fill AI Security Jobs; AI Upskilling: Visibility and Community-First Learning; Intel's Turnaround Is Working; Pat Gelsinger on Foundry Momentum, Progress on Plan](#)

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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.

7301 Parkway Drive S., Hanover, MD 21076

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