

> Key Economy and Labor Market Indicators

**943k jobs gained in July**

Hiring is averaging 832K new jobs the last 3 months as the economy continues its strong recovery from the pandemic.

**61.7% labor force participation rate**

Modest improvement from June. 3.3M fewer people are working or looking for work than before the pandemic (it was 63.3% in Feb 2020). Hiring remains more difficult in a shallower labor

**5.4% June's overall unemployment rate**

Actalent labor categories have far lower unemployment levels. Four-year college degreed workers have a 3.1% unemployment rate and overall unemployment levels fell significantly from June.

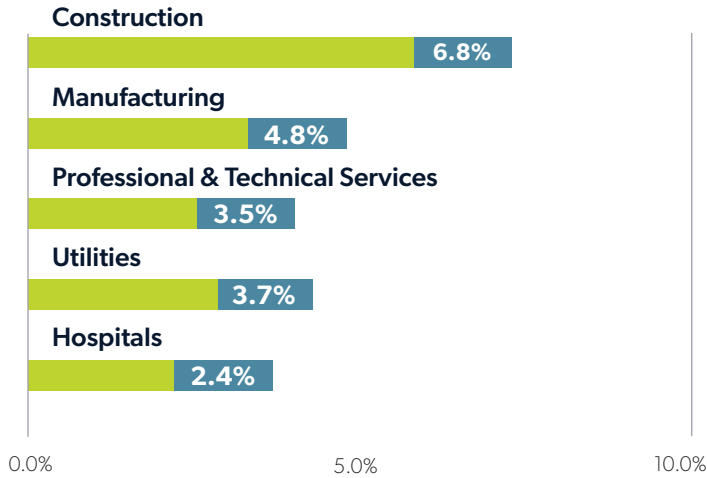
- More workers are quitting for a better opportunity. 3.86M workers quit jobs in June, a **7%** increase from May and just shy of April's record 4M quits. *A record-breaking 69% of separations (layoffs or quits) were workers quitting.*
- The talent drought is evident comparing the ratio of unemployed 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 0.4 unemployed workers per job opening over the last 3 months (May-July), continuing a trend of fewer unemployed in these areas.*
- Enhanced unemployment benefits were terminated by 26 states. *This has not yet eased hiring difficulties for lower-paid entry-level positions like Medical Assistant, Lab Techs, and Pharmacy Techs.*
- Capital expenditures (spending by businesses on automation, technology and equipment) are higher than pre-pandemic levels already, a strong sign of business confidence in future growth. *This adds to near-record levels of order backlogs and hiring needs that will keep manufacturers and technology companies busy for months to come. The \$1 Trillion bipartisan infrastructure deal will lift orders as well.*

> Industry Employment Trends

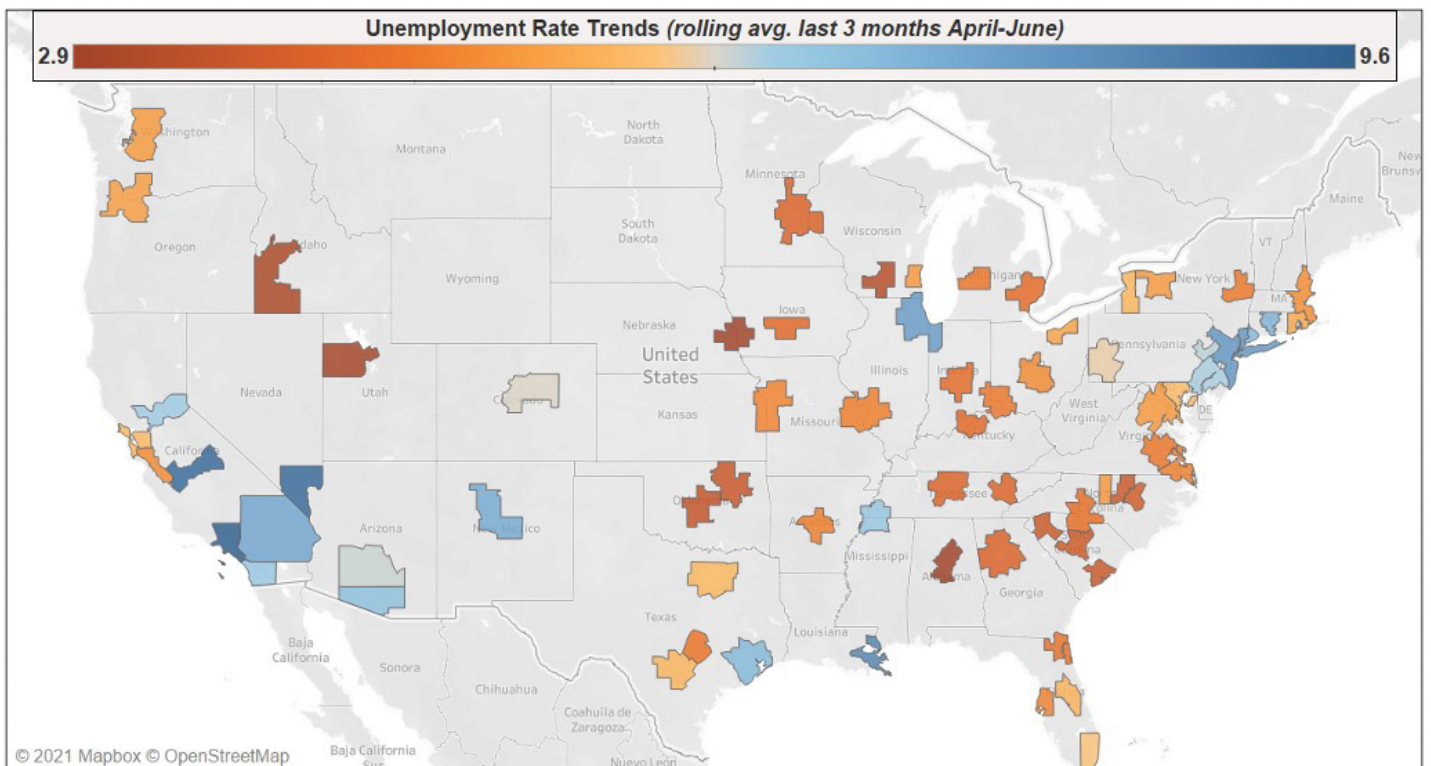
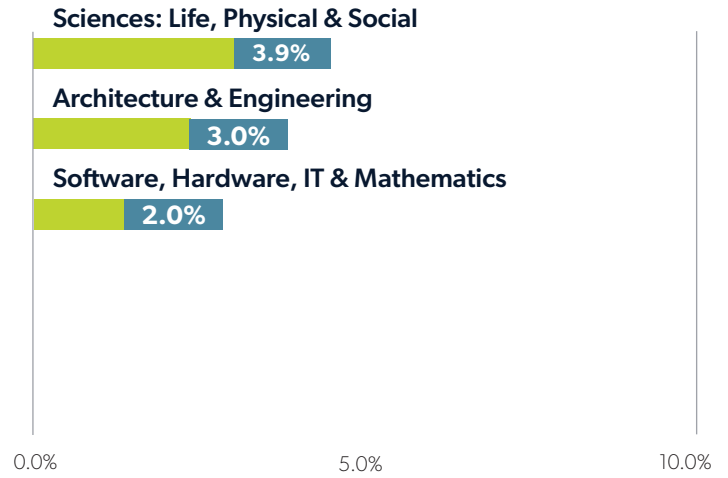
Industry	Monthly Job Change + YoY Difference	Trends Impacting Hiring?
Overall Economy	943K (5.2%)	Robust hiring and expanding economic activity was matched by strong consumer and business spending patterns that are creating a 'coiled spring' effect of delayed orders that promises to keep manufacturers producing to catchup on record backlogs for months to come despite persistent supply chain shortages. Return to office plans are being disrupted by the Delta variant wave as other companies prioritize long-term workforce flexibility plans. Job-switchers continue to enjoy a pay premium as the end of 'sheltering-in-job' continues.
Manufacturing (Mfrg)	27K (2.7%)	Manufacturing sectors with the largest post-pandemic production increases are <b>Aerospace</b> (it was in a recession prior to the pandemic), <b>Computer &amp; Electronic Products, Apparel, and Chemicals</b> . Progress in resolving the semiconductor shortage is unclear as effects spread beyond Automotive and into many other industries, creating new shortages, production shortfalls and raising costs that impact businesses and consumers.
Automotive Mfrg	800 (0.0%)	The semiconductor crisis continues to negatively impact many automakers, but many are planning and hiring talent for future production of hybrid and electric vehicle models, battery production facilities, and new facilities tallied at a minimum of <b>\$300B</b> in spending between now and 2025.
Healthcare	36.8K (1.9%)	Pre-Delta wave, hospitals were reporting July was the busiest yet in 2021 for procedures. The Delta variant is forcing many providers in hard-hit states to postpone elective procedures during the wave. Nursing shortages are being exacerbated by the wave.
Scientific R&D Services	5.7K (9.0%)	Analysis of a rolling 3-month average of interventional clinical trials showed a 6% growth trend, suggesting continuing healthy demand for clinical trial services and talent. The <b>Life Sciences</b> industry overall saw \$70B in investment in 2020 in the U.S. with another \$90B forecast in new facilities and company expansions in 2021.
Construction	11K (3.1%)	<b>Heavy &amp; Civil Engineering Construction</b> lost 2.1K jobs as non-Residential continues to face increasing material costs and delivery delays and lingering timidity. Many companies are renovating or modifying their existing structures, providing a growth area for the industry.
Architectural & Engineering Services	4.6K (5.4%)	June's ABI Index, a 9-12-month leading indicator of nonresidential construction, showed improving conditions for firms. Like most industries, the Architectural & Engineering Services industry is finding hiring difficult. 59% of firms surveyed indicated that they are having problems filling open architectural staff positions, and 80% of large firms with annual billings of \$5 million or more say it has been difficult to hire.

# > Unemployment Analysis

## UNEMPLOYMENT by Industry



## UNEMPLOYMENT by Labor Category



### Highest Unemployment Markets

MSA	
Los Angeles-Long Beach-Anaheim, CA	9.6
Fresno, CA	9.2
Las Vegas-Henderson-Paradise, NV	9.2
New Orleans-Metairie, LA	8.4
New York-Newark-Jersey City, NY/NJ	7.9

### Lowest Unemployment Markets

MSA	
Omaha-Council Bluffs, NE/IA	2.9
Birmingham-Hoover, AL	2.9
Salt Lake City, UT	3.0
Boise City, ID	3.1
Madison, WI	3.3

### Top Unemployment Declines

MSA	
Buffalo-Cheektowaga, NY	-0.5
Providence-Warwick, RI/MA	-0.5
Bridgeport-Stamford-Norwalk, CT	-0.5
Portland-Vancouver-Hillsboro, OR/WA	-0.4
Rochester, NY	-0.4

Unemployment remains considerably lower than the national average of 5.4% for Actalent's core labor categories and for many of the industries it primarily supports.

Lower unemployment markets are more difficult for Actalent clients to navigate hiring non-degreed roles due to more intense competition.

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.

## > Skill Set Demand Trends

### SKILL SETS

#### Top Demand Change Month over Month

Skill Sets	% Change
Pharmacists	6%
Construction Managers	5%
Quality Engineers	4%
Computer Hardware Engineers	3%
Industrial Engineers	3%
Pharmacy Technicians	2%
Project Managers	2%
Medical Assistants	2%
Engineering, Electronics & Calibration Technicians	2%
Software Engineers & Developers	2%
<b>Actalent Skill Set Job Posting Demand</b>	<b>1.6M</b>

### MARKETS

#### Top Demand Change Month over Month

Markets	% Change
Atlanta-Sandy Springs-Alpharetta, GA	10%
Memphis, TN-MS-AR	10%
Boise City, ID	10%
Little Rock-North Little Rock-Conway, AR	9%
Kansas City, MO-KS	9%
Minneapolis-St. Paul-Bloomington, MN-WI	8%
Nashville-Davidson-Murfreesboro-Franklin, TN	8%
Fresno, CA	8%
Houston-The Woodlands-Sugar Land, TX	7%
St. Louis, MO-IL	6%
<b>Actalent Skill Set Job Posting Demand</b>	<b>1.6M</b>

Based on unique online job postings for July 2021 compared to June 2021 | Source: Emsi

## > Remote Work Growth

### % of Remote Job Postings in May-July 2021

Skill Sets	% remote	% remote job posting increase from May-July 2019
Clinical Research Associates	21%	355%
Software Developers & Testers	19%	315%
Test Engineers	17%	1562%
Embedded Software Engineers	14%	1708%
Architectural & Engineering Managers	11%	762%
Architects	10%	317%
Electronics Engineers	6%	264%
Mechanical Engineers	6%	340%
Industrial Engineers	6%	360%
Electrical Engineers	6%	255%

Since Summer 2019, hundreds of thousands of new remote-only positions have opened up

### How does wider adoption of remote and hybrid work impact employers in hiring?

Much of the Fortune 500 have announced hybrid-flex work policies for at least some of their workers, while a smaller group of companies have pivoted to and/or retained remote work policies.

These moves, along with data from online job postings and talent surveys, suggest many employers and talent alike face a new 'normal' where:

- Some on-site roles will be afforded flexible work options leveraging technology
- Some candidates want remote opportunities only
- Others want flexible work options such as 2 days in the office, 3 days at home
- Some want to return to office but still want to retain flex work options
- Some employers are or will insist on full return to office, attracting a smaller pool of candidates than in times past
- Traditional employee value proposition (EVP) is evolving as a result