

> Key Economy and Labor Market Indicators

531k jobs gained in October

Private sector payrolls gained 604K jobs while local government employment fell in education. Seasonal hiring is in full swing amid a tightening labor market. Demand for science & engineering roles remains robust.

61.6% labor force participation rate

Fewer people were working or looking for work in October compared to pre-pandemic. Gains were not significant as labor force participation struggles remain strong (63.3% in Feb 2020).

4.6% overall unemployment rate

Unemployment fell from 4.8% in September. Degreed workers have a 2.4% unemployment rate. Actalent labor categories have far lower unemployment levels.

A record-breaking 4.4M workers quit jobs in September

- 71% of separations (layoffs or quits) were workers quitting
- Quits are now up 27% from pre-pandemic levels

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 0.2 unemployed workers per job opening for the last three months (August-October), continuing a trend of fewer unemployed in these areas.

Factors limiting worker availability remained strong:

- The childcare industry is missing 1 in 10 workers from pre-pandemic levels, a capacity shortage that is harming return-to-work opportunities for some working parents.

More than 3.2M Americans have retired early since the pandemic began. Not all will return to the labor force.

More companies announced starting pay raises and bonuses to attract workers while YoY pay rates rose 5.8% for non-supervisory workers.

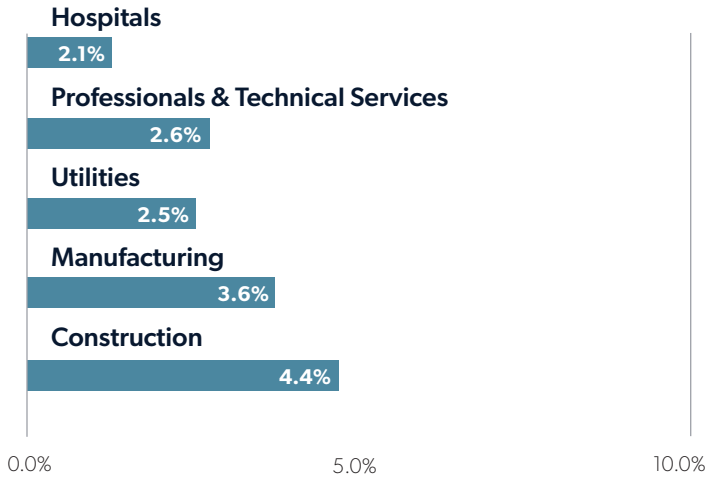
> Industry Employment Trends

Industry	Monthly Job Change + YoY Difference	Trends Impacting Hiring?
Overall Economy	531K (4.1%)	Hiring gains were robust and revisions for August-September were sharply upward, suggesting Delta had less of an impact on hiring than expected. Despite improving economic conditions and strong consumer spending, the Shortage Economy continues constraining growth for now as companies, despite very strong demand conditions, face supply chain disruptions and shortages of labor and materials while dealing with higher inflation. 65% of adult workers are now vaccinated, up from 63% in September. A new challenge to employers- as many as 1M workers are starting their own businesses, well above average rates before the pandemic.
Manufacturing (Mfrg)	60K (3.1%)	Manufacturing indexes indicated continued expansion of the manufacturing sector in October. In the midst of rising prices and backlogs of orders, demand and consumption continued to increase. Suppliers are struggling to keep up with demand as they face worsening lags and shortages of input materials on top of hiring difficulties. Continued growth is threatened by high worker turnover as employers compete with other blue-collar jobs with more attractive pay and conditions. Increased expenditure on process efficiency, energy efficiency, and EVs has increased need for workers involved with health & safety and quality assurance.
Automotive Mfrg	27.7K (5.7%)	Hiring grew despite enormous headwinds with production shutdowns and supplier shortages. Companies continued raising R&D spending levels, especially around EV production, while demand for Manufacturing, Quality, Controls and Embedded Software Engineers remained robust.
Healthcare	37.2K (0.8%)	As the Delta variant receded, hiring picked up even as Healthcare companies faced rising worker strikes, an exodus of burned-out workers, and hits to operating income from COVID-19 costs, especially Hospitals. The proposed vaccination mandate may increase the difficulty of an already challenging retention environment. Demand increased in October for Pharmacy Techs, Pharmacists, Medical and Clinical Lab Techs, and Medical Assistants as procedures recovered from the Delta variant’s worst impacts and vaccination rates prepared to increase with age 5-11 vaccinations..
Scientific R&D Services	5.2K (7.9%)	The industry continues to add headcount as business drivers expand beyond just COVID-19 mitigation and study. That said, long-term COVID-19 studies and research are growing as suffering populations grow into the millions.
Construction	44K (2.3%)	Heavy & Civil Engineering Construction gained 12.1K jobs even as non-residential construction sees increasing material costs, logistics snafus and delayed projects. American Rescue Plan funds to pay for new infrastructure such as wastewater, roads, and bridges are flowing to projects.
Architectural & Engineering Services	1.8K (5.1%)	October continued hiring gains as September’s ABI Index, a 9–12-month leading indicator of nonresidential construction, showed continued improvement in orders and deal volumes on new design projects for A&E firms, with project backlogs hitting a decade-high.

> Unemployment Analysis

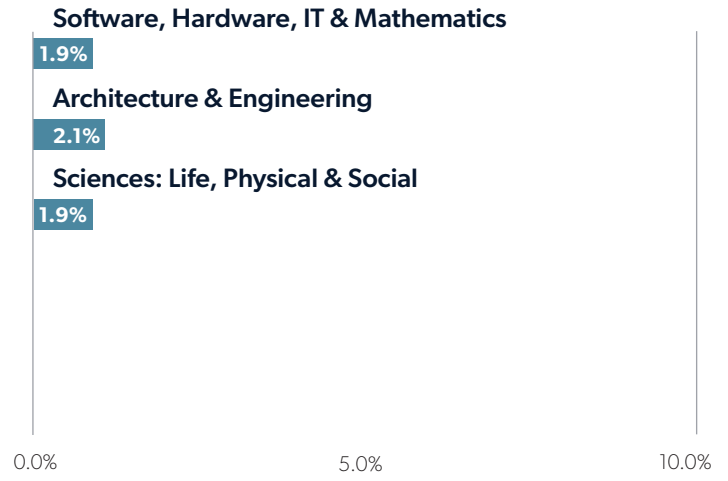
UNEMPLOYMENT

by Industry (August-October rolling unemployment average)



UNEMPLOYMENT

by Labor Category (August-October rolling unemployment average)



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.