

> Key Economy and Labor Market Indicators

194k jobs gained in September

Private sector payrolls increased 317K, just slightly below August's revised up 332K jobs. Demand for Science & Engineering roles remains robust.

61.6% labor force participation rate

Fewer people were working or looking for work in September compared to August and 3M fewer than before the pandemic (it was 63.3% in Feb 2020).

4.8% Overall unemployment rate

Actalent labor categories have far lower unemployment levels. Unemployment fell from 5.2% in August. Degreed workers have a 2.5% unemployment rate.

A record-breaking 4.3M workers quit jobs in August.

- A record 71% of separations (layoffs or quits) were workers quitting.
- Quits are now up 24% 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 0.3 unemployed workers per job opening over the last 3 months (July-September), continuing a trend of fewer unemployed in these areas.

While enhanced unemployment benefits expired nationwide, other factors limiting worker availability remained strong:

- 300K+ women dropped out of the labor force, likely related to the worsening childcare shortage crisis.
- Many companies continue using screening technology that automatically filters out millions of qualified candidates, delaying successful job-match for workers and employers.

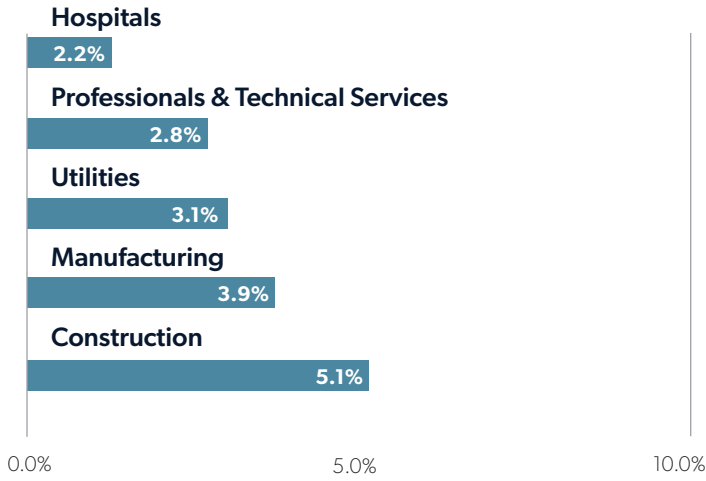
> Industry Employment Trends

| Industry | Monthly Job Change + YoY Difference | Trends Impacting Hiring? |
|--------------------------------------|-------------------------------------|---|
| Overall Economy | 194K (4.0%) | Hiring gains were encouraging in the private sector (317K) while surprise Education job losses that may be related to a seasonal data quirk held down overall job gains. The labor force shrank as 300K women departed amid ongoing impacts from Delta and childcare shortages as the unemployment rate fell to a pandemic low of 4.8%. The 'Shortage Economy' is deepening as companies and individuals navigate rising costs and insufficient capacity in many sectors. 63% of adult workers are now vaccinated, a 4% increase from September. |
| Manufacturing (Mfrg) | 26K (2.7%) | Order backlogs remain exceptionally high, pushing manufacturers towards prioritizing digitalization, process optimization and supply chain repair for months to come. New investments and expansions continue at a significant pace- from Electric Vehicle supply chain building by OEMs to new semiconductor plants to new facilities to expand production. |
| Automotive Mfrg | -6.1K (1.2%) | OEMs and suppliers are struggling to maintain production amid worsening supply chain shortages and bottlenecks. R&D and Quality Engineering focus remains on high-growth areas like Electric Vehicle models, autonomous vehicle improvement (especially radar), and infotainment. |
| Healthcare | -17.5K (.08%) | The Delta wave concentrated job losses in Nursing Homes and Hospitals while Labs, Outpatient Care, and Physicians Offices added jobs. Mounting labor shortages and rising costs, including for non-clinical lower-paid workers, are straining hospital operations and finances. Covid-19 vaccine demand rose with employer mandates and will increase in November with expected approval for children aged 5-11. 2.8M people signed up for ACA coverage with new subsidies and more are expected during Open Enrollment, increasing the number of likely healthcare services users. |
| Scientific R&D Services | 5.2K (8.6%) | The industry continues its rapid growth trajectory as progress on COVID-19 is freeing research capacity and interest in other areas. A rolling 3-month average of interventional clinical trials showed an 8% growth trend, suggesting strong demand for clinical trial services and talent. |
| Construction | 22K (2.6%) | Heavy & Civil Engineering Construction gained 3.1K jobs even as non-Residential construction continues to face increasing material costs, logistics snafus and delayed projects. Some states and municipalities are using ARP funds to pay for new infrastructure such as wastewater and roads. |
| Architectural & Engineering Services | 5.1K (5.2%) | September continued massive job gains, among the largest in A&E history. August'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. |

> Unemployment Analysis

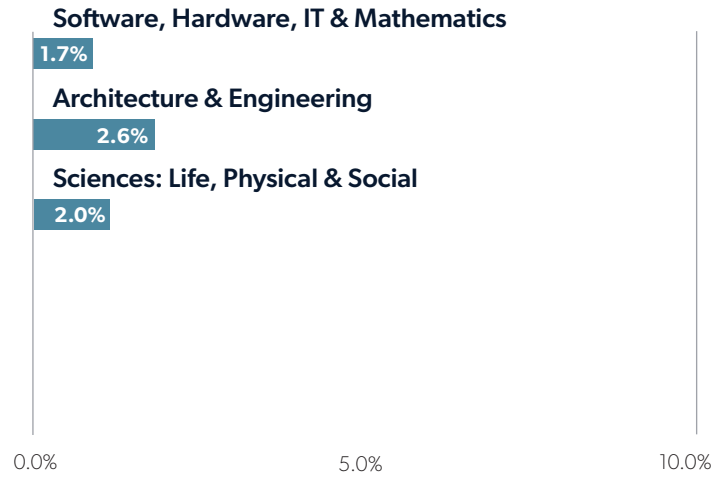
UNEMPLOYMENT

by Industry (July - September rolling unemployment average)



UNEMPLOYMENT

by Labor Category (July - September 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.