

A woman in a light-colored top is standing and presenting to a group of people seated around a table in a meeting room. She is smiling and gesturing towards a whiteboard in the background. The whiteboard contains various diagrams and text, including the word 'Lack' and 'Market'. The scene is dimly lit, with the whiteboard being the primary light source.

LABOR MARKET ANALYSIS

# Retrospective Jobs Report

November 2021

**ASTON CARTER®**

## Labor Market Analysis

November payrolls fell dramatically short of Wall Street predictions, largely due to job losses across public education and local government agencies. Only 210,000 jobs were gained in the market overall, including 25,000 job losses in the private sector and 235,000 job gains across private companies. Local sector losses are not likely to improve as the government continue moving sluggishly to hire employees, and it has not increased payrates to effectively compete in the market.

Average unemployment continues to diminish, dropping to 4.2% (from 4.6% in October and 5.2% in August) as more unemployed workers returned to the job market in November. Labor force participation also improved — from 61.6% in October to 61.8% in November — yet it fell significantly short of pre-pandemic levels (i.e., 63.3% as of Feb. 2020). Workers are leaving jobs at increased levels — with a 22% rise in quits since before the pandemic.<sup>1</sup> Additionally, layoffs are near record lows, and wage growth has accelerated to 70% higher than pre-pandemic averages.<sup>2</sup>

### November Market Trends at a Glance

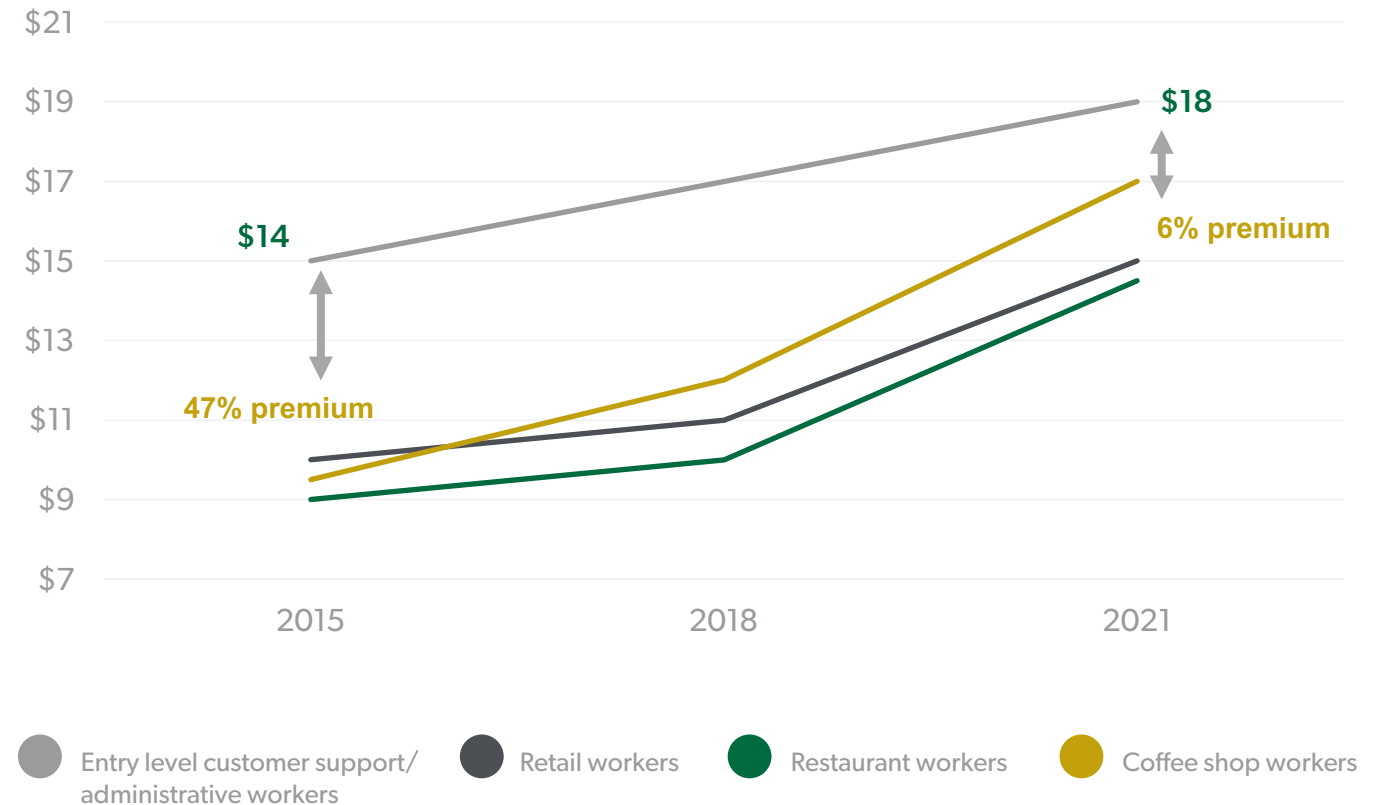


## The Rising Wage Floor

With record-breaking numbers of workers leaving jobs in 2021 (e.g., 4.2 million in October alone), companies are planning to implement the steepest pay raises in over a decade to appease attrition in 2022.<sup>4</sup> Workers are seeking jobs that will help them meet their professional goals and workplace preferences.

In response, companies are increasingly enhancing pay and benefits for new employees and offering flexible schedules and career paths. While these incentives are important in attracting talent, they also risk wage compression, which often results in tenured workers feeling undervalued for their experience and skills.

## Wage Increases by Year\*



The starting wage premium between entry-level customer support and administrative professionals, and retail, restaurant and coffee shop workers has greatly diminished, making it more competitive to hire administrative and customer support talent.

\*Wage estimates are based on public announcements by leading companies over the past six months

## Industry Trends

### Consumer Services

Holiday sales projections were optimistic, with spending up 12%, and consumers' disposable income increasing by 4.1%.<sup>5</sup> Companies are competing to meet the holiday demand as they struggle to hire enough customer support and warehouse talent. Pharmacies are experiencing labor shortages and rising burnout,<sup>6</sup> while e-commerce giant Amazon raises the bar for companies to offer flexible work options for employees, including flexible scheduling, options for workers to choose their own hours and other benefits.<sup>7</sup>

### Professional & Business Services

The Institute for Supply Management (ISM) reported record-high non-manufacturing business and order activity in November<sup>8</sup> amidst continually mounting backlogs, highlighting immense business demand. Multiple professional and business services industry segments added jobs, including management, consulting, accounting and bookkeeping services. Corporate headquarters and back offices added 25,000 jobs, despite continued delays in returning employees to the office.

### Manufacturing

Global supply chain failures and logistics shortfalls continued to negatively impact the manufacturing industry, increasing operations and administrative hiring needs in procurement and logistics. Demand for human resources and training and development employees hit record highs with nearly record-breaking worker quit rates and job openings.<sup>9</sup> Growing demand and capital investment levels signaled optimism for long-term strength and industry growth in 2022.

### Finance & Insurance

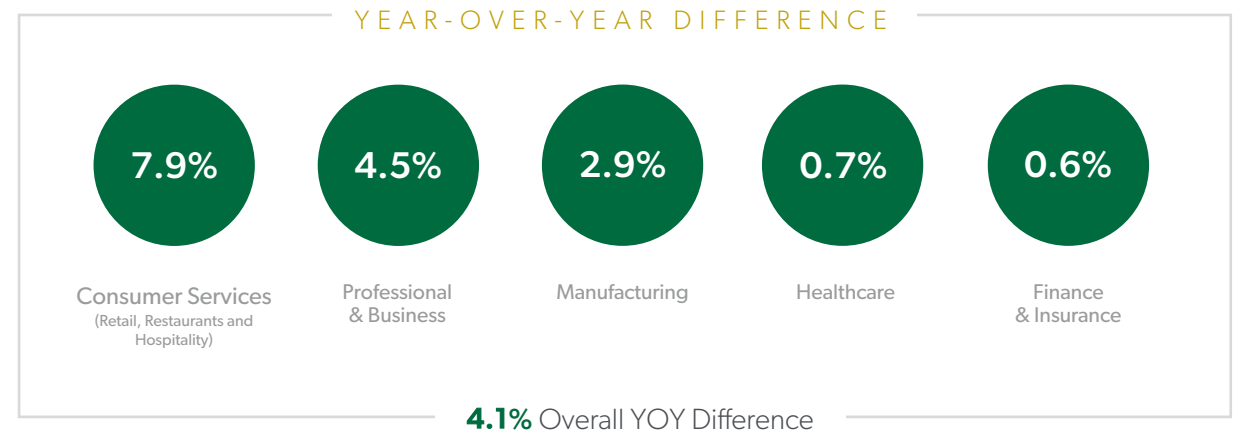
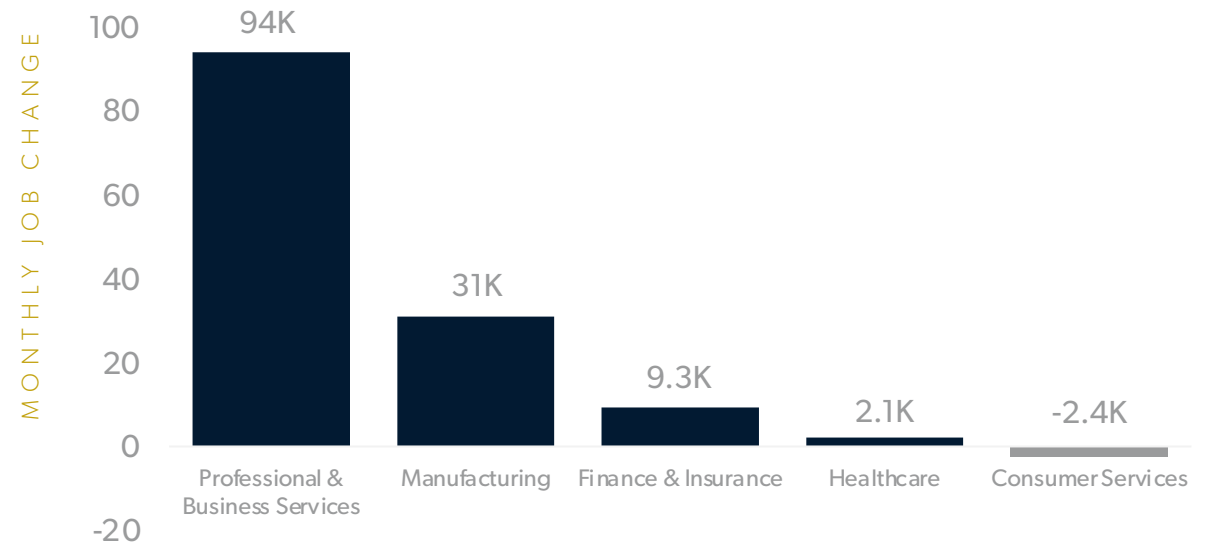
Mortgage applications increased<sup>10</sup> as borrowers sensed a narrow window of opportunity ahead of forecasted interest rate hikes in 2022. Many large banks are doubling their marketing spend in a bid to capture market share<sup>11</sup> as credit card programs grow more lucrative, signaling a return to increased credit card spending from pandemic lows.

### Healthcare

Hiring was relatively flat, with large job losses in nursing homes offsetting gains in other industry segments. An estimated one in five workers has left healthcare jobs since the pandemic, many due to burnout,<sup>12</sup> leading to a decline in employee retention in November. Contact tracing efforts to track the Omicron variant are intensifying in some states,<sup>13</sup> and a new mandate that requires private insurers to cover at-home rapid COVID-19 tests is expected to increase claims.<sup>14</sup> The emergence of the Omicron variant and the federal government's winter campaign to promote the COVID-19 booster will likely increase demand for vaccinations.<sup>15</sup>

## Job Gains/Losses by Industry

Source: U.S. Bureau of Labor Statistics



## Market Snapshots by Skill Category\*

### Accounting & Finance

Job openings continued to rise, especially for staff accountants, finance managers and accounts payable clerks. The business and financial labor category (including accountants, auditors and financial analysts) had only 0.3 unemployed workers available per job opening.

### Customer Support

Call center support needs soared in November — a 66% increase from last year. Companies are continuing to find success in hiring and retention initiatives by offering remote positions, with 50% of all customer support postings in November offering remote work options.

### Operations & Administrative

Inflation and sourcing challenges continued to increase hiring needs for human resources, talent acquisition and administrative professionals. Additionally, healthcare companies saw greater job openings for medical receptionists and unit secretaries.

\*Source: Emsi Burning Glass  
(Based on unique online job postings for October compared to November)

## Highest Demand Growth Markets

### Accounting & Finance

Atlanta, GA  
Denver, CO  
Des Moines, IA  
Ft. Lauderdale, FL  
Las Vegas, NV  
Miami, FL  
West Palm Beach, FL

### Customer Support

Cleveland, OH  
Denver, CO  
Grand Rapids, MI  
Greensboro, NC  
Orlando, FL  
Rochester, NY

### Operations & Administrative

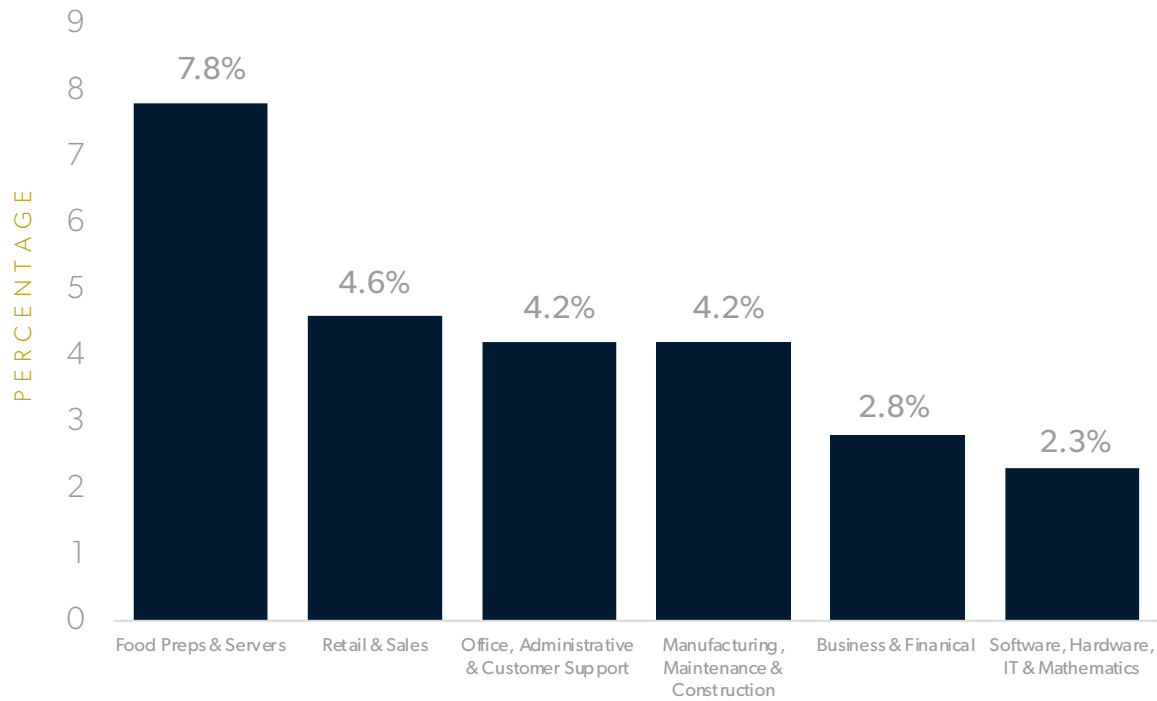
Birmingham, AL  
Des Moines, IA  
Fresno, CA  
Grand Rapids, MI  
Greensboro, NC  
Las Vegas, NV

## Unemployment Analysis

Alongside heightened demand for available talent, low unemployment rates for accounting and finance (i.e., business and financial) workers and average unemployment for office, administrative and customer support professionals continue, resulting in challenging hiring conditions for many employers.

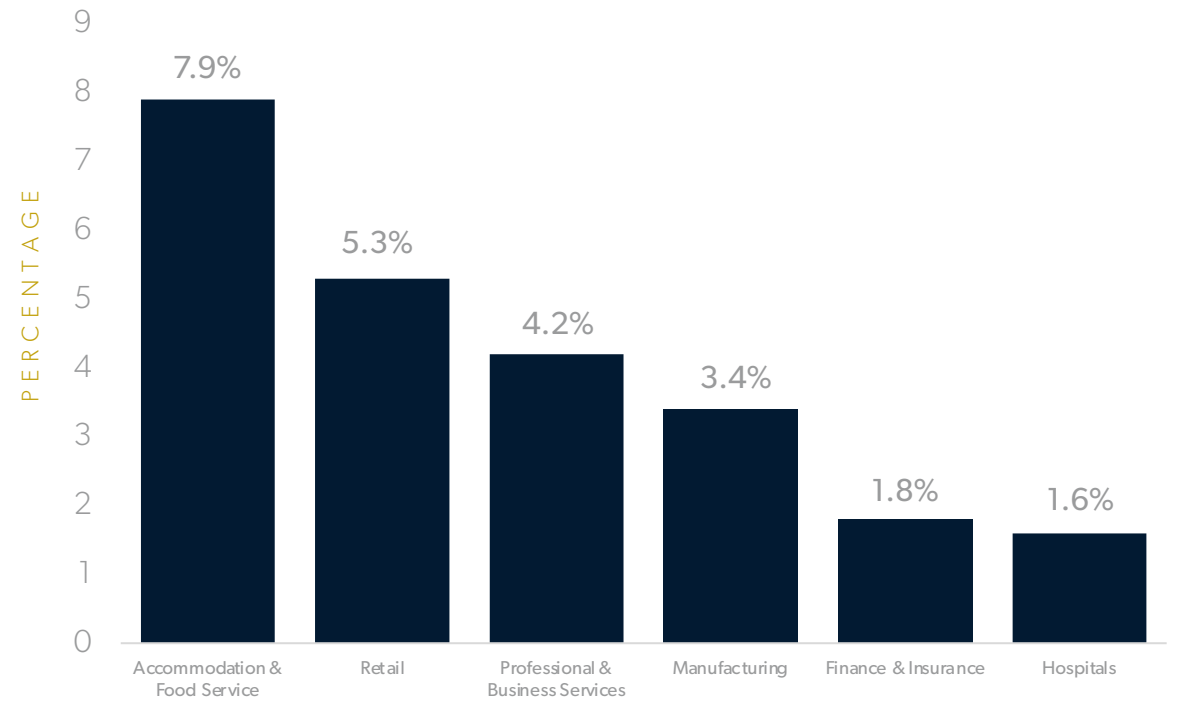
### Unemployment by Labor Category\*

Source: U.S. Bureau of Labor Statistics



### Unemployment by Industry\*

Source: U.S. Bureau of Labor Statistics



\*Numbers are based on a three-month rolling average (August–October)

## Highest Unemployment Markets and Unemployment Rates

**California 8%**

Fresno

**Nevada 7.4%**

Las Vegas, Henderson, Paradise

**California 6.8%**

Ontario, Riverside, San Bernardino

**Illinois 5.8%**

Chicago, Elgin, Naperville

**California 7.8%**

Anaheim, Los Angeles, Long Beach

**New York, New Jersey 6.9%**

Jersey City, Newark, New York City

**Louisiana 6%**

Metairie, New Orleans

**Pennsylvania 5.8%**

Camden, Philadelphia, Wilmington

## Lowest Unemployment Markets and Unemployment Rates

**Iowa, Nebraska 1.9%**

Council Bluffs, Omaha

**Oklahoma 2.2%**

Oklahoma City

**Wisconsin 2.3%**

Madison

**Georgia 2.7%**

Alpharetta, Atlanta, Sandy Springs

**Utah 1.9%**

Salt Lake City

**Idaho 2.3%**

Boise City

**Oklahoma 2.4%**

Tulsa

**Alabama 2.8%**

Birmingham, Hoover

## Top Unemployment Declines and Percentage Change

**Arizona -0.9%**

Tucson

**Louisiana -0.8%**

Metairie, New Orleans

**Arizona -0.8%**

Chandler, Mesa, Phoenix

**New Mexico -0.8%**

Albuquerque

**Nevada -0.9%**

Henderson, Las Vegas, Paradise

**Illinois -0.8%**

Chicago, Elgin, Naperville

**Tennessee -0.8%**

Memphis



## Conclusion

Hiring gains were modest in November, and job gains in September and October were sharply revised upward, suggesting the Delta variant had less of an impact on hiring than expected. Despite improving economic conditions and strong consumer spending, the shortage economy continues constraining growth. In the face of elevated demand, companies are challenged to navigate supply chain disruptions, labor and material shortages, and heightened inflation.<sup>16</sup>

While consumer demand signals potential for sustained business and economic growth, hiring conditions remain difficult, with worker quit rates remaining near record highs. As unemployed workers continue to show diminished interest in returning to work<sup>17</sup> and workers switching jobs seek flexibility and remote work options,<sup>18</sup> employers are increasingly seeking to attract talent by offering competitive job perks.



## References

- <sup>1</sup> ["Quits: Total Nonfarm"](#), FRED, Federal Reserve Bank of St. Louis.
- <sup>2</sup> ["Average Hourly Earnings of Production and Nonsupervisory Employees, Total Private"](#), FRED, Federal Reserve Bank of St. Louis.
- <sup>3</sup> ["Unemployment rates for persons 25 years and older by educational attainment"](#), U.S. Bureau of Labor Statistics.
- <sup>4</sup> David Harrison, ["Companies Plan Big Raises for Workers in 2022"](#), The Wall Street Journal.
- <sup>5</sup> Tatiana Walk-Morris, ["Holiday sales could surpass previous predictions, reach 11.5%: NRF"](#), Retail Dive.
- <sup>6</sup> ["U.S. drugstores squeezed by vaccine demand, staff shortages"](#), Modern Healthcare.
- <sup>7</sup> ["Amazon Emerges as the Wage-and-Benefits Setter for Low-Skilled Workers Across Industries"](#), The Wall Street Journal.
- <sup>8</sup> ["October 2021 Services ISM® Report On Business®"](#), Institute for Supply Management.
- <sup>9</sup> ["Job Openings: Manufacturing"](#), FRED, Federal Reserve Bank of St. Louis.
- <sup>10</sup> Adam DeSanctis, ["Mortgage Applications Increase in Latest MBA Weekly Survey"](#), Mortgage Bankers Association.
- <sup>11</sup> Samantha Stokes et al. ["Wall Street has doubled up its marketing spend as the battle for your bank accounts heats up. 5 CMOs open up their playbooks."](#) Business Insider.
- <sup>12</sup> Ed Yong, ["Why Healthcare Workers Are Quitting in Droves"](#), The Atlantic.
- <sup>13</sup> ["Contact tracing revs up in some states as omicron reaches U.S."](#), Modern Healthcare.
- <sup>14</sup> Maya Goldman, ["Private insurers to cover at-home COVID-19 tests"](#), Modern Healthcare.
- <sup>15</sup> ["Biden launching winter Covid-19 booster, testing campaign"](#), Politico.
- <sup>16</sup> Megan Henney, ["Supply chain bottlenecks, labor shortage holding back US economy, Fed's Beige Book says"](#), Fox Business.
- <sup>17</sup> Jordan, Yadoo, ["U.S. Worker Shortage Not Likely to Ease Soon, Survey Shows"](#), Bloomberg.
- <sup>18</sup> ["News: 92% of COVID Job Switchers Report, 'Life is Too Short To Stay in a Job You're Not Passionate About'"](#), Indeed.

## About Aston Carter

Established in 1997, Aston Carter is a leading staffing and consulting firm, providing high-caliber talent and premium services to more than 7,000 companies across North America. Spanning four continents and more than 200 offices, we extend our clients' capabilities by seeking solvers and delivering solutions to address today's workforce challenges. For organizations looking for innovative solutions shaped by critical-thinking professionals, visit [AstonCarter.com](https://AstonCarter.com). Aston Carter is a company within Allegis Group, a global leader in talent solutions.

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