

A dark blue-tinted background image showing a group of business professionals in an office setting. A man in a suit is leaning over a desk, looking at a laptop. A woman is sitting at the desk, also looking at the laptop. Another man is sitting next to her, looking at a tablet. The scene is dimly lit, with the focus on the people and their work.

LABOR MARKET ANALYSIS

# Retrospective Jobs Report

October 2021

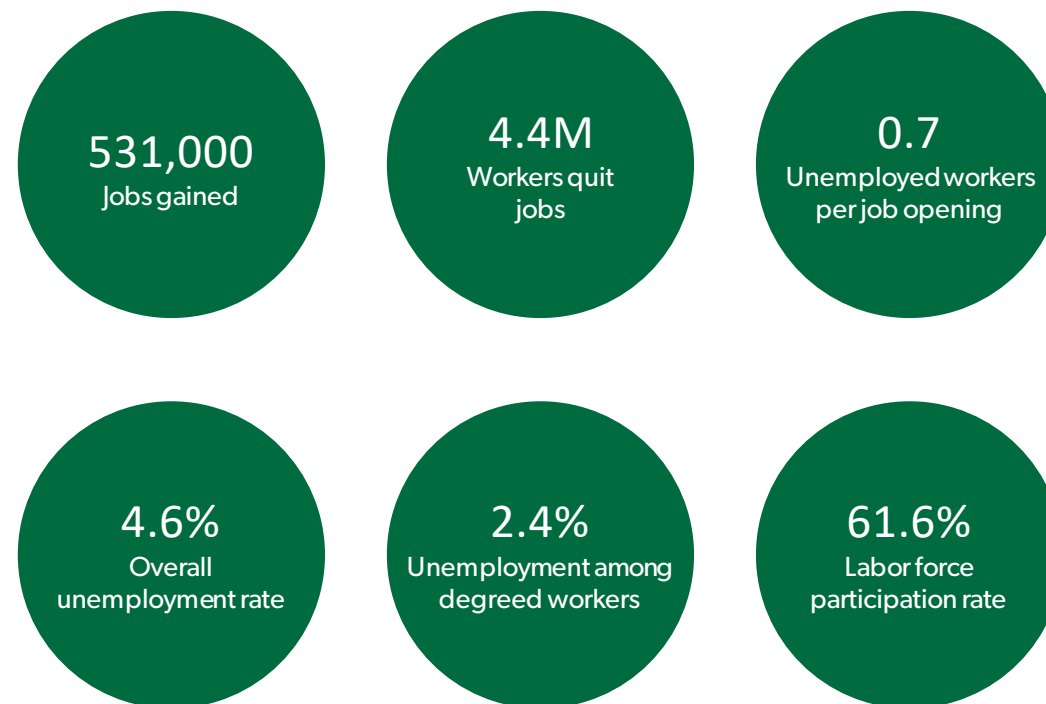
**ASTON CARTER<sup>®</sup>**

## Labor Market Analysis

Despite expectations the Delta variant would constrain hiring initiatives throughout the fall, the economy continues growing, with 531,000 jobs filled in October. However, the labor market remains one of the most challenging for hiring and retaining talent in nearly half a century. Companies lack the materials and labor they need to keep up with consumer demand,<sup>1</sup> and many workers who are not currently participating in the labor market are unlikely to return.

Unemployment rates dropped to 4.6%<sup>2</sup> (from 4.8% in September), and labor force participation remains at a record low of 61.6%<sup>3</sup> — with as many as 1 million workers leaving the labor market to start their own businesses<sup>4</sup> and more than 3.2 million Americans having retired early since the pandemic began.<sup>5</sup> Job openings remain at near record highs (i.e., 10.4 million), with only 0.7 unemployed workers available per job opening.<sup>6</sup> Additionally, workers are quitting for better opportunities in record-high numbers.<sup>7</sup>

### October Market Trends at a Glance



## Worker Behavior

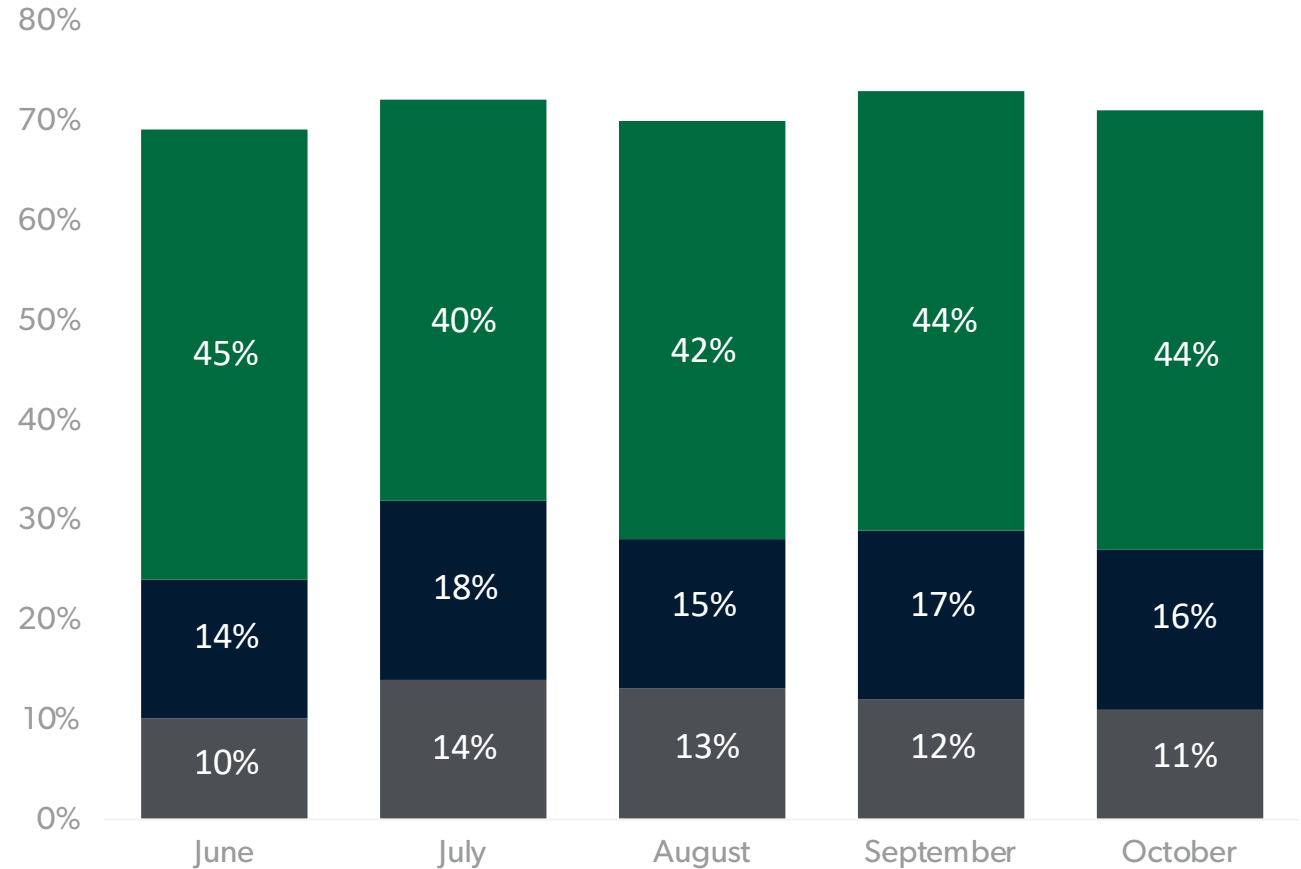
Although companies across the nation are struggling to hire and retain talent, potential workers are in no rush to apply. According to Indeed's Hiring Lab Job Search Survey,<sup>8</sup> active job searches stagnated in October. Top reasons for the decline in active job searches include potential workers having:

- | An employed spouse
- | A financial cushion
- | Family care responsibilities
- | Fear of COVID-19

With passive job seekers comprising much of the job-seeking talent pool, companies should focus hiring initiatives by connecting with this community. Since passive job seekers won't go out their way to find employers, companies should determine which websites their ideal candidates frequent and proactively focus recruiting efforts there.

## Job Seeker Trends at a Glance\*

Source: Indeed Hiring Lab Job Search Survey



\*Percentage of population 18–65 years of age; data taken from June–October 2021

● Actively Looking, Urgently ● Actively Looking, Not Urgently ● Passively Searching

## Industry Trends

### Consumer Services (Retail, Restaurants, Hospitality)

While job gains increased, competition for lower-paid talent intensified, leaving companies to navigate critical hiring and retention challenges. Employee wages continue to rise, yet workers are generally less interested in restaurant and hospitality jobs. To boost hiring and retention initiatives, Starbucks (which employs 350,000 workers) recently announced it will pay employees an average of \$17 per hour.<sup>9</sup>

### Professional & Business Services

The Institute for Supply Management (ISM) reported record-high non-manufacturing business and order activity in October<sup>10</sup> amidst mounting supplier backlogs. Companies continue to delay returning to the office, yet corporate headquarters and back offices added 6,700 jobs. Accounting and bookkeeping services also saw increasing job gains.

### Manufacturing

Global supply chain failures and logistics shortfalls continued negatively impacting the manufacturing industry, increasing operations and administrative hiring needs in procurement, logistics and human resources. Massive order backlogs continued to grow alongside diminishing inventories<sup>11</sup> and growing demand, signaling positive mid- to long-term industry growth projections for 2022.

### Healthcare

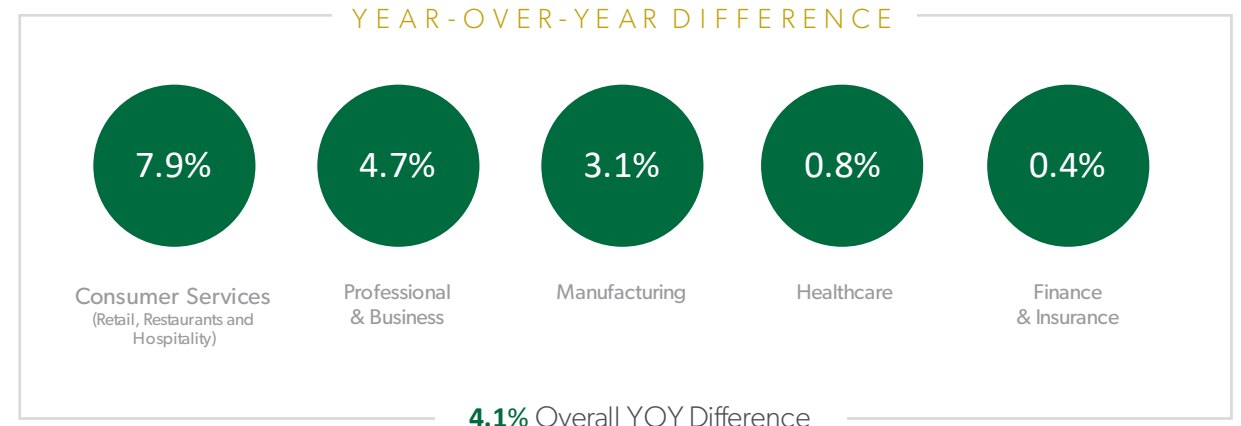
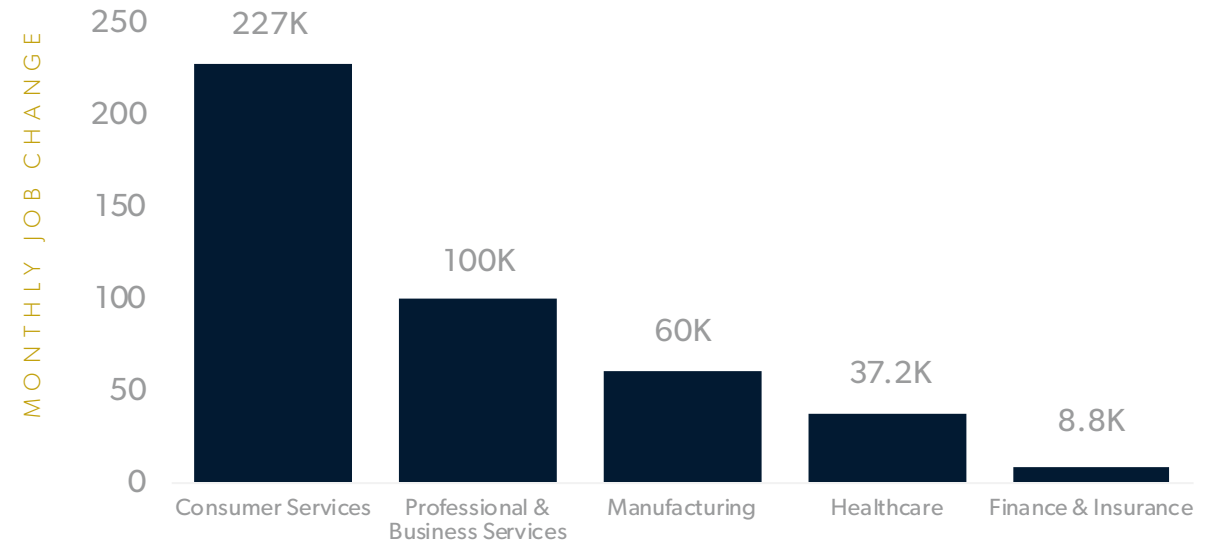
Although companies continue facing worker strikes and an exodus of burned-out workers,<sup>12</sup> hiring increased within healthcare, with employment surpassing the highest rates since early 2020.<sup>13</sup> However, hiring and retention challenges could become further exacerbated by vaccination mandates, and hiring needs are likely to increase thanks to healthcare payer optimism, and Medicare Advantage<sup>14</sup> and ACA enrollment growth heading into 2022.<sup>15</sup>

### Finance & Insurance

Rising home values have positively impacted consumer lending and spending. In Second Quarter 2021, equity-rich homeowners withdrew \$63 billion in equity through cash-out refinances, totaling more than \$1 million per transaction<sup>16</sup> — the greatest since 2007. Industrywide digitalization efforts have also become more pervasive as the pandemic has increased digital banking transactions.<sup>17</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 and tax accounting specialists. The business and financial labor category (including accountants, auditors and financial analysts) now has only 0.3 unemployed workers available per job opening.

### Customer Support

Call center support needs spiked 28% year over year in October. Companies are continuing to find success in hiring and retention by offering remote positions, with 44% of all customer support postings in October having remote work options. American Airlines Reservations adopted a permanent remote-only workforce model for its more than 1,000 customer support representatives.

### Operations & Administrative

Inflation and sourcing challenges have increased hiring needs for administrative professionals, especially within procurement. Job openings within human resources and talent acquisition spiked to record highs. Market research and business analyst skills have also seen increased demand, and healthcare companies saw higher job openings for records clerks, coders, schedulers and receptionists.

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

## Highest Demand Growth Markets

### Accounting & Finance

Baltimore, MD  
Grand Rapids, MI  
Houston, TX  
Jacksonville, FL  
Miami, FL

### Customer Support

Baltimore, MD  
Hartford, CT  
Houston, TX  
Virginia Beach, VA

### Operations & Administrative

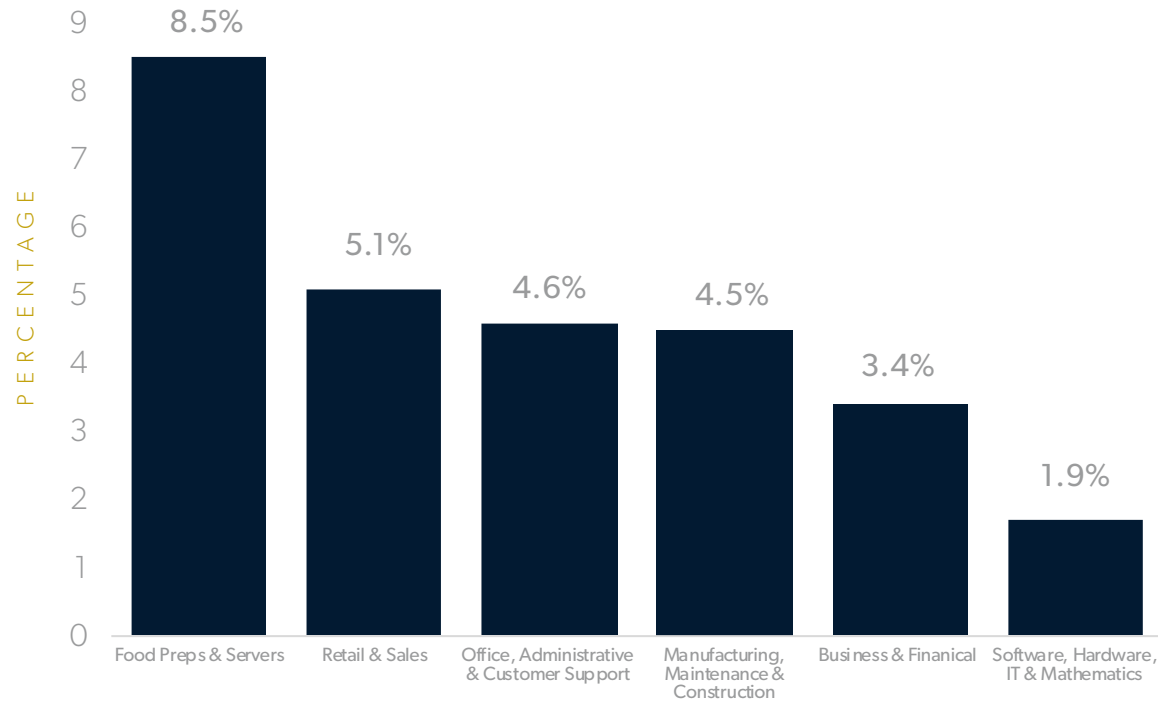
Baltimore, MD  
Hartford, CT  
Indianapolis, IN  
Jacksonville, FL  
Las Vegas, NV  
Oklahoma City, OK

## 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.

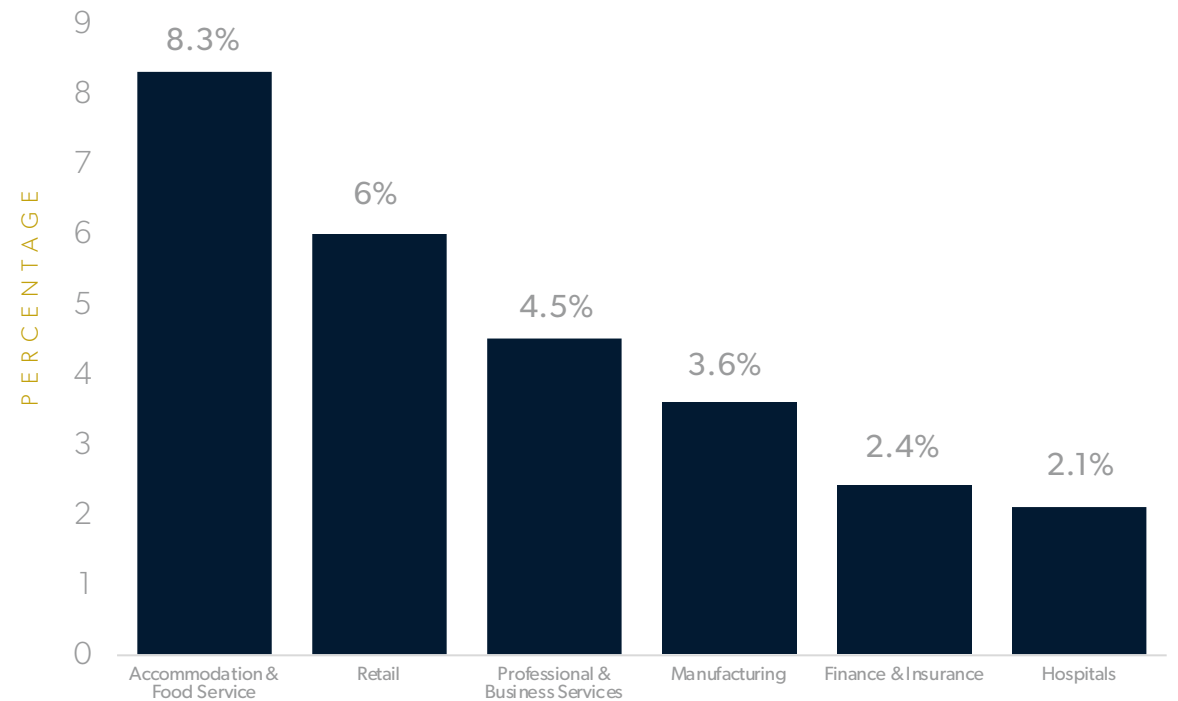
### Unemployment by Labor Category\*

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 (July–September)

## Highest Unemployment Markets and Unemployment Rates

California **8.6%**  
Fresno

Nevada **8.3%**  
Las Vegas, Henderson, Paradise

California **7.4%**  
Ontario, Riverside, San Bernardino

Louisiana **6.8%**  
Metairie, New Orleans

California **8.5%**  
Anaheim, Los Angeles, Long Beach

New York, New Jersey **7.5%**  
Jersey City, Newark, New York City

Illinois **6.8%**  
Chicago, Elgin, Naperville

Pennsylvania **6.4%**  
Camden, Philadelphia, Wilmington

## Lowest Unemployment Markets and Unemployment Rates

Iowa, Nebraska **2.2%**  
Council Bluffs, Omaha

Oklahoma **2.5%**  
Oklahoma City

Oklahoma **2.7%**  
Tulsa

Wisconsin **2.9%**  
Madison

Utah **2.4%**  
Salt Lake City

Idaho **2.6%**  
Boise City

Georgia **2.9%**  
Alpharetta, Atlanta, Sandy Springs

Alabama **3%**  
Birmingham, Hoover

## Top Unemployment Declines and Percentage Change

Arizona **-1.0%**  
Tucson

Arizona **-0.9%**  
Chandler, Mesa, Phoenix

Illinois **-0.9%**  
Chicago, Elgin, Naperville

Nevada **-0.7%**  
Henderson, Las Vegas, Paradise

Louisiana **-0.9%**  
Metairie, New Orleans

Tennessee **-0.9%**  
Memphis

New Mexico **-0.8%**  
Albuquerque

Ohio **-0.7%**  
Cleveland, Elyria





## Conclusion

The labor market continues to tighten as average unemployment rates drop (from 5.9% in June to 4.6% in October), and labor force participation remains at a record low of 61.6%. Employers are competing for hard-to-find talent in an arena where the number of potential workers who are actively seeking work has not improved — comprising only 10% of job searches — according to Indeed’s Hiring Lab Job Search Survey. While consumer demand signals potential for sustained business and economic growth, hiring conditions remain difficult, challenging employers to offer competitive job perks (such as pay raise and flexible work options) and focus efforts on attracting passive job seekers.



## References

<sup>1</sup> ["October 2021 Services ISM® Report On Business®"](#), Institute for Supply Management.

<sup>2</sup> ["The Unemployment Situation — October 2021"](#), U.S. Bureau of Labor Statistics.

<sup>3</sup> ["Labor Force Participation Rate"](#), FRED, Federal Reserve Bank of St. Louis.

<sup>4</sup> Howard Schneider, ["Soaring U.S. business starts in pandemic show new normal evolving"](#), Reuters.

<sup>5</sup> Miguel Faria e Castro, ["The COVID Retirement Boom"](#), FRED, Federal Reserve Bank of St. Louis.

<sup>6</sup> ["Unemployment Level/Job Openings: Total Nonfarm"](#), FRED, Federal Reserve Bank of St. Louis.

<sup>7</sup> ["Quits: Total Nonfarm"](#), FRED, Federal Reserve Bank of St. Louis.

<sup>8</sup> Nick Bunker, ["Indeed Job Search Survey October 2021: Job Search Recedes Among the Jobless"](#), Indeed.

<sup>9</sup> Kelly Tyko, ["Starbucks to raise average pay up to \\$17 an hour as it faces a labor shortage"](#), USA Today.

<sup>10</sup> ["October 2021 Services ISM® Report On Business®"](#), Institute for Supply Management.

<sup>11</sup> Alistair MacDonald, ["Companies Grapple With Post-Pandemic Inventories Dilemma"](#), The Wall Street Journal.

<sup>12</sup> Samantha Liss, ["Nurses bore the brunt of the pandemic. Nearly 9 in 10 of them are women"](#). Healthcare Dive.

<sup>13</sup> Tara Bannow, ["Healthcare employment tops 16 million, the most since early 2020"](#), Modern Healthcare

<sup>14</sup> Robert King, ["Humana cuts 2021 outlook after higher COVID-19 expenses but still plans robust Medicare Advantage growth for 2022"](#), Fierce Healthcare.

<sup>15</sup> Paige Minemyer, ["Lynch: Aetna expects to add at least 100K members in ACA exchange plans for 2022"](#), Fierce Healthcare.

<sup>16</sup> Emily Cadman and Alice Kantor, ["Red-Hot Housing Market Drive Biggest Home-Equity Drawdown Since 2007"](#), Bloomberg.

<sup>17</sup> ["New trends in US consumer digital payments"](#), McKinsey & Company.

## 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.

7317 Parkway Drive S., Hanover, MD 21076 | [AstonCarter.com](https://AstonCarter.com)

©2021 Aston Carter, Inc. All rights reserved.