

Labor Market Analysis

OCTOBER 2022 JOBS REPORT

# A Look at September's *Trends*



**ASTON CARTER®**

# Labor Market *Analysis*

At an overall rate of 3.5%, unemployment fell as hiring outpaced a decline in the labor force. Although September continued to show strong growth with a total of 263,000 jobs gained, the number of job openings fell from 11.24 million to 10.1 million — a staggering 43% higher than pre-pandemic levels. Furthermore, the number of potential workers per job opening is critically low at 1.58,<sup>1</sup> including part-time workers who want full-time work, those who left the labor force but want to work and those who are currently unemployed.

The labor force participation rate (LFPR) dropped to 62.3%, diminishing hopes for a faster return to “normal” amid shallow talent pools. Among other factors still limiting some from participating in the labor force, the childcare industry lost 2,000 jobs and remains 8% below pre-pandemic capacity, reducing care options amid higher costs. Research on long COVID<sup>2</sup> conditions show the loss of at least four million potential workers due to lingering, debilitating illness — further contributing to a low LFPR.

## September’s Market Trends at a Glance



## Industry Trends



### Consumer Services

Amid raging inflation and a tight labor market, some companies anticipate reduced seasonal ramps<sup>3</sup> while others are choosing to hire earlier. Some companies, including Walmart who will now be covering fertility benefits, are raising hourly pay,<sup>4</sup> increasing employee discounts and listing benefits in job descriptions to attract more workers. Despite significant leisure travel, hospitality hiring continues to be stifled by weak business travel recovery, which typically makes up 44% of the revenue.<sup>5</sup>



### Professional & Business Services

The Institute for Supply Management Services' Purchasing Managers Index (PMI) suggested continued growth in non-manufacturing industries. That being said, having added over one million workers since February 2020, professional and business services may face more layoffs.<sup>6</sup> As an alternative to these layoffs, some companies are seeking other money saving strategies, such as shifting from in-office to remote work in order to save on real estate expenses.<sup>7</sup>



### Manufacturing

Overall manufacturing activity and production levels grew in September and job openings remain elevated. This growth comes despite a slowdown in new orders and backlog growth.<sup>8</sup> Growth has been especially active in positions like procurement, analysts and human resources, which have nearly doubled from their pre-pandemic levels. New surveys show 8% of employers<sup>9</sup> have moved segments out of China as the current policy environment makes long term investment within the US more attractive.



### Finance & Insurance

Mortgage rates increased to 7%, the highest since 2008's recession, as existing home sales continue dropping and pending home sales are at their lowest levels since 2011 — a slowdown that has triggered layoffs at mortgage firms. With the devastation left by Hurricane Ian, many insurance companies will face months of claims and customer service needs as a result of one of the state's most expensive storms to date.

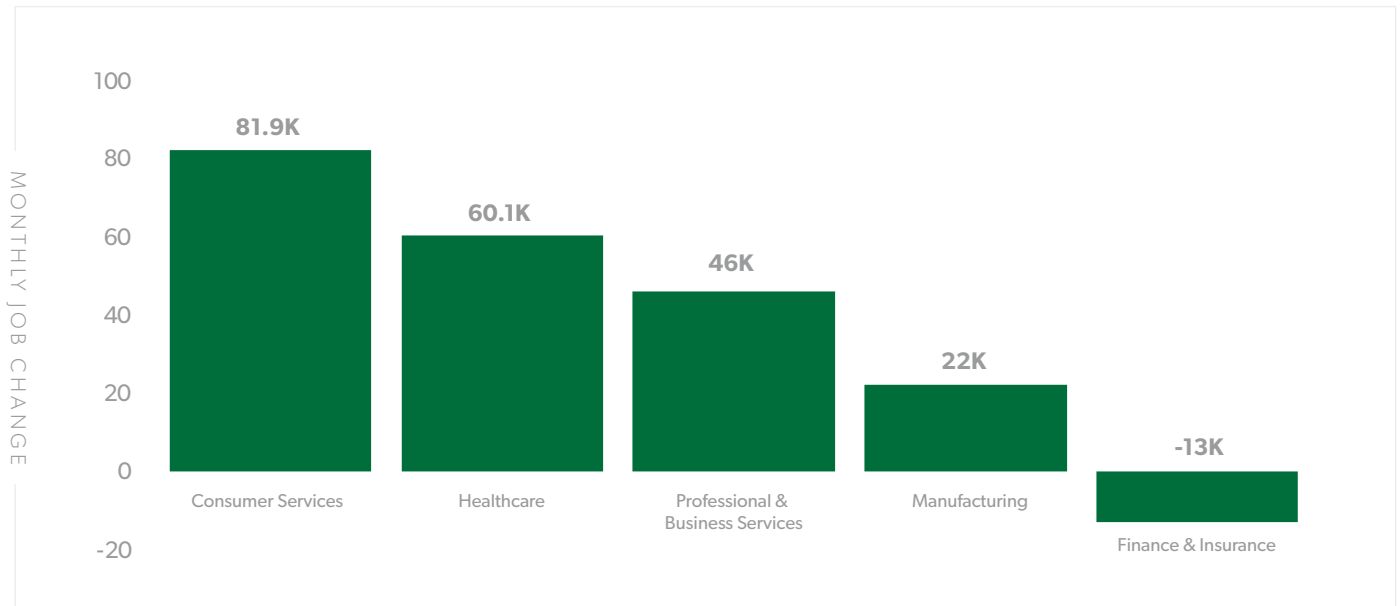


### Healthcare

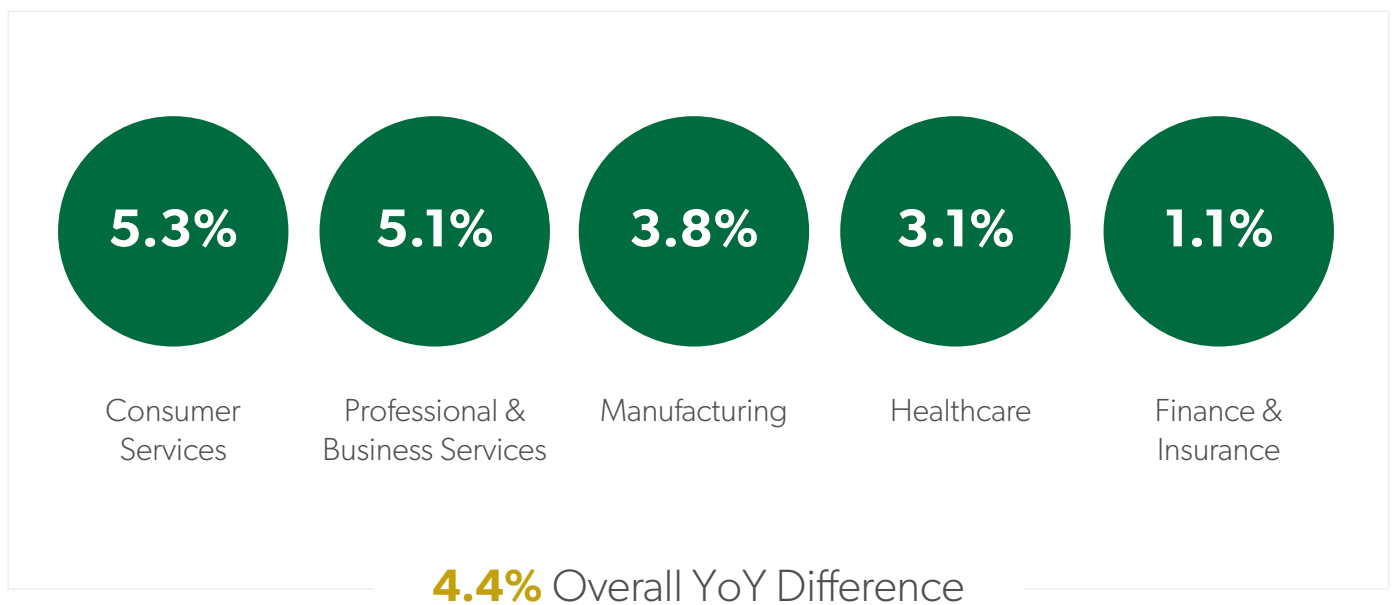
Pummeled by shortages and higher-paid travel nurses, some hospitals are attempting to attract low-wage workers by boosting benefits,<sup>10</sup> tightening onboarding processes, and sharing/streamlining job functions. Some states, like Oregon, announced approval for \$1.1 billion in Medicaid funding<sup>11</sup> for broader healthcare programs, while other states, like Massachusetts, won approval for \$38 million a year for five years,<sup>12</sup> expanding healthcare options. Following record activity in Q2<sup>13</sup> and recent failed attempts by the government to block vertical acquisitions,<sup>14</sup> healthcare mergers and acquisitions are predicted to grow.

## Job Gains/Losses by Industry

Source: U.S. Bureau of Labor Statistics



## Year-Over-Year Difference



## Highest Demand Growth Markets

### Accounting & Finance

Accounting and finance openings fell 5% (rolling three-month average) with all occupations averaging slight decreases. The governance, risk and compliance sector decreased slightly (1%) with sustained growth in anti-money laundering analyst roles and data management analysts.

#### Pennsylvania, New Jersey

Allentown, Bethlehem, Easton

#### North Carolina

Greensboro, High Point

#### New Mexico

Albuquerque

#### Kansas

Wichita

#### Arkansas

Little Rock, North Little Rock, Conway

### Customer Support

The demand for customer support workers in call centers fell in September by 2% for the rolling three-month average following a peak in March. Overall, call center demand remains elevated at about 20% above the three months leading up to the pandemic.

#### Nevada

Las Vegas, Henderson, Paradise

#### Texas

Austin, Round Rock, Georgetown

#### New York, New Jersey

New York, Newark, Jersey City

#### Illinois, Indiana, Wisconsin

Chicago, Naperville, Elgin

#### Texas

Houston, The Woodlands, Sugar Land

#### California

Sacramento, Roseville, Folsom

### Operations & Administrative

For operations and administrative positions, the rolling three-month average fell slightly by 5%. The most significant growth remained for in-demand occupations such as claims specialists and claims representatives.

#### Pennsylvania, New Jersey

Allentown, Bethlehem, Easton

#### Vermont

Barre

#### New York

Albany, Schenectady, Troy

#### Kansas

Wichita

#### Maine

Portland, South Portland

#### Oregon

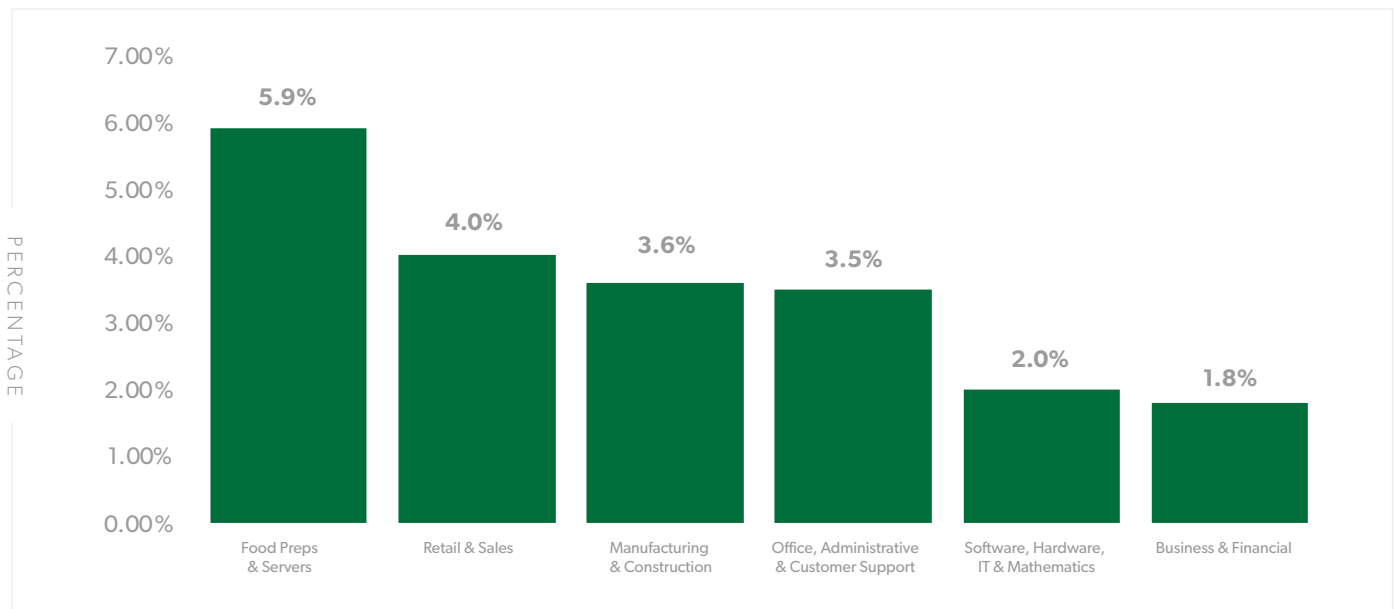
Salem

## Unemployment Analysis

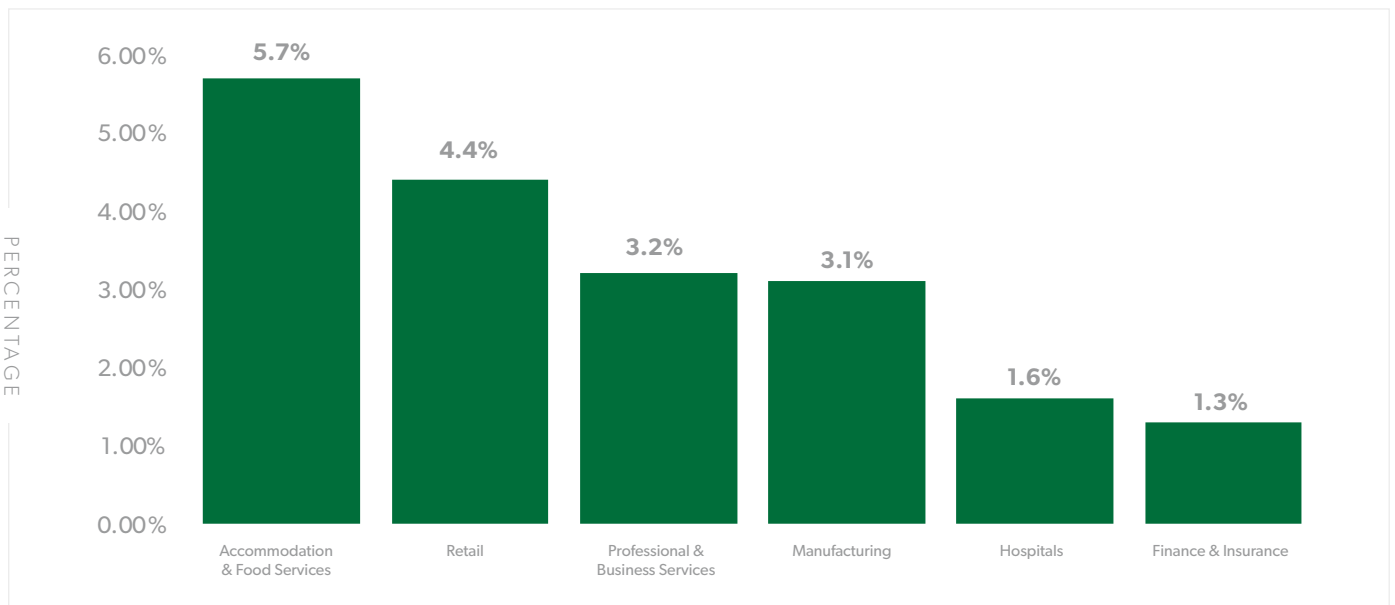
Across the professional services landscape, low unemployment within accounting and finance (business and financial), as well as average unemployment rates within the customer support and operations and administrative spaces, continues. With the ever-tightening labor market driving competition for skilled talent — especially for customer support and operations and administrative roles — hiring within these spaces will remain competitive across many industries.

## Unemployment by Labor Category\*

Source: U.S. Bureau of Labor Statistics



## Unemployment by Industry\*



\*Numbers are based on a three-month rolling average

## Highest Unemployment Markets

**California 5.8%**

Fresno

**Nevada 5.7%**

Las Vegas, Henderson, Paradise

**Ohio 5.3%**

Cleveland, Elyria

**Tennessee, Mississippi, Arkansas 5.2%**

Memphis

**Illinois, Indiana, Wisconsin 4.8%**

Chicago, Naperville, Elgin

**Louisiana 4.8%**

New Orleans, Metairie

**Texas 4.7%**

Houston, The Woodlands, Sugar Land

**Pennsylvania 4.7%**

Pittsburgh

## Lowest Unemployment Markets

**Minnesota, Wisconsin 2.1%**

Minneapolis, St. Paul, Bloomington

**Utah 2.2%**

Salt Lake City

**California 2.3%**

San Jose, Sunnyvale, Santa Clara

**Iowa 2.6%**

Des Moines, West Des Moines

**Wisconsin 2.6%**

Madison

**Florida 2.6%**

Miami, Fort Lauderdale, Pompano Beach

**Nebraska, Iowa 2.6%**

Omaha, Council Bluffs

**Idaho 2.7%**

Boise City

## Top Unemployment Declines and Percentage Change

**Michigan -0.5%**

Detroit, Warren, Dearborn

**Ohio -0.3%**

Cleveland, Elyria

**Kentucky, Indiana -0.2%**

Louisville/Jefferson County

**Utah 0%**

Salt Lake City

**South Carolina 0%**

Charleston, North Charleston

**Michigan 0%**

Grand Rapids, Kentwood

**Tennessee 0%**

Knoxville



## Conclusion

Studies show companies operating mostly in-person are 15 percentage points more likely to have experienced major turnover<sup>15</sup> this past year. With some organizations more apt to first reduce costly real estate rather than headcount, over 44 Fortune 100 companies<sup>16</sup> have begun or plan to reduce office space throughout 2022 and 2023 as a solution to potential layoffs and in favor of remote work accommodations.

In contrast, employers pushing for a full return to office suggest in-person team workspaces allow for stronger human connections and have sought to bolster retention efforts by establishing a sense of purpose by increasing the number of upskilling opportunities for employees to foster personal and professional development.

Employers struggling with attrition amid a continuously tight labor market must weigh the pros and cons of in-person, hybrid and remote work accommodations to make informed decisions about what's best for the organization as a whole, and for the individual workers they employ.



## References

- <sup>1</sup> ["FRED Economic Data"](#), Economic research.
- <sup>2</sup> ["Long COVID is still disabling millions of Americans"](#), AXIOS.
- <sup>3</sup> ["How retailers are hiring for the holidays in 2022"](#), Retail Dive.
- <sup>4</sup> ["Amazon Raises Pay for Hourly Employees as It Prepares for Holidays"](#), The Wall Street Journal.
- <sup>5</sup> ["Will business travel spending return to the pre-pandemic level soon?"](#), Hospitality Net.
- <sup>6</sup> ["It's White-Collar Jobs That Are at Risk in the Next Recession"](#), Bloomberg.
- <sup>7</sup> ["Amazon plans to close several U.S. call centers - Bloomberg News"](#), Reuters.
- <sup>8</sup> ["September 2022 Manufacturing ISM"](#), Institute for Supply Management.
- <sup>9</sup> ["Factory Jobs Are Booming Like It's the 1970s"](#), The New York Times.
- <sup>10</sup> ["Health systems boost benefits to attract low-wage workers"](#), Modern Healthcare.
- <sup>11</sup> ["First-in-Nation: Oregon to receive \\$1.1B in Medicaid funding for food, housing, and nutrition"](#), The News Guard.
- <sup>12</sup> ["Baystate and other Medicaid-reliant hospitals seize lifeline in \\$67 billion waiver"](#), Mass Live.
- <sup>13</sup> ["A Changing Landscape for Mergers and Acquisitions in Healthcare"](#), Health Tech.
- <sup>14</sup> ["Back to business: health care M&A activity expected to accelerate"](#), AXIOS.
- <sup>15</sup> ["Criteria Releases 2022 Hiring Benchmark Report to Explore How Modern Organizations Hire Today"](#), Yahoo Finance.
- <sup>16</sup> ["Every Major Company Reducing Office Space: 2020-2022"](#), Build Remote.

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