

Labor Market Analysis

AUGUST 2023 JOBS REPORT

A Look at July's *Trends*



ASTON CARTER®

Labor Market *Analysis*

Job growth continued at a slow rate in July, with 187,000 jobs added (only 22,000 fewer than last month), 172,000 of which were added in the private sector and 15,000 in the public sector. The unemployment rate slightly decreased to 3.5%, only 0.1% higher than the 2023 low of 3.4%. The labor force participation rate remained unchanged for the fifth month in a row, still 0.7 percentage points below pre-pandemic levels.

Unemployed workers per job opening remained the same, about 1.6 jobs¹ per unemployed worker, as job openings continued to cool to 9.58 million, still 41% higher than pre-pandemic levels. Potential workers per job opening — which includes part-time workers who want full-time work, those who left the labor force but want to work and those who are unemployed — remained below historic levels (2.0) at 1.62.²

July's Market Trends at a Glance





Customer Support Updates

Customer Support Demand



5%

Month-over-Month



37%

Year-over-Year



16%

Pre-Pandemic Change

With companies ramping up hiring at their customer service centers in preparation for the holiday season, talent attraction and retention continue to be challenges for employers in this space. Recent research shows burnout may still be contributing to high turnover, with 33% of customer service agents feeling their performance is not fairly evaluated.³ Burnout related to mental health is also a concern, as 60% of service agents report that customers have become more challenging and difficult over the past three years. This, in tandem with limited incentives, has led to 1 in 5 (20%) customer service representatives thinking about quitting every week.

Another challenge facing customer service personnel is the further use of AI within the space. Gartner predicts that 20%-30% of customer support jobs will be displaced by AI. However, AI may also create opportunities for upskilling and advancement. People managers are likely to lead AI competency centers, with agents being upskilled to higher-paying positions implementing and managing AI applications within contact centers.⁴ In fact, 55% of contact centers are seeking more skilled agents, as new products require new expertise and companies are looking to improve their customer ratings.⁵

Customer Support Market Updates

Demand Elevation Analysis

Largest Skill Set Increases MoM

24.8%	Bilingual customer service representative	5.5%	Member service representative
19.7%	Benefits customer service representative	5%	Customer service clerk
14.4%	Service representative	2.9%	Customer experience manager
13.8%	Customer service leads	2.2%	Collections representatives
5.5%	Customer relations representative	0.8%	Customer care representative

Top Skill Frequency Increases (Percentage Points)

0.5	Billing	0.2	Upselling
0.3	Accounts receivable	0.2	Invoicing
0.3	Office equipment	0.2	Financial services
0.3	Medical terminology	0.2	Cross-selling
0.3	Bilingual (Spanish/English)	0.1	Product knowledge

Largest Market Increases MoM

Iowa: 14.7%

Cedar Rapids

Louisiana: 7.2%

Lafayette

Hawaii: 6.6%

Urban Honolulu

Pennsylvania, New Jersey: 6.4%

Allentown, Bethlehem, Easton

Rhode Island, Massachusetts: 5.5%

Providence, Warwick

Nebraska, Iowa: 2.4%

Omaha, Council Bluffs

Massachusetts: 2.4%

Springfield

South Carolina: 1%

Greenville, Anderson

Tennessee, Georgia: 0.9%

Chattanooga

Pennsylvania, New Jersey, Delaware, Maryland: 0.6%

Philadelphia, Camden, Wilmington



Accounting and Finance Updates

Accounting and Finance Demand



4%

Month-over-Month



32%

Year-over-Year



13%

Pre-Pandemic Change

Access to qualified talent remains a top priority, especially for accounting personnel. Many employers have cited a lack of skilled accounting personnel for material weaknesses in their financial reporting controls. Nearly 600 U.S. companies (out of 7,400 total) reported weaknesses related to personnel⁶, mainly in accounting and information technology, this year. While this figure is down 5% from the previous year, it is a quickly growing problem, up 40.6% from 2019. While companies explore new ways to build a talent pipeline, the focus has turned to retention — fueled by lucrative pay packages.

Finance transformation is another key trend impacting companies, with the COVID-19 pandemic kickstarting digital acceleration initiatives. Data and metrics provide valuable insights that can help predict consumer behavior and streamline workflows, and automated processes can drive cost savings. Amid an accounting and finance talent shortage, employers are seeking a new generation of accountants⁷ to ensure clean data and implement efficient auditing processes. Skilled personnel and data integrity are imperative to the success of these transformative projects, so incentives and employee value propositions are the minimum to attract the skilled talent employers need.⁸

As for the labor market, with inflation falling, job growth remaining resilient and unemployment staying low, economists have rolled back their recessionary fears. This growing optimism may signal a resurgence in IPOs, with hopes of returning to a more normal market post-Labor Day, as the largest offerings of the year are set for September.

Accounting and Finance Market Updates

Demand Elevation Analysis

Largest Skill Set Increases MoM

14.4%	Tax analyst	2.8%	Oracle consultant/analyst
6.9%	Pricing manager	1.2%	Plant controller
4.9%	Revenue manager	1.2%	Tax manager (general)
4.4%	Financial examiner	0.4%	Scheduler/operations coordinator
3.3%	Tax specialist	0.2%	Project manager (general)

Top Skill Frequency Increases (Percentage Points)

4.0	Accounting	1.2	General ledger
3.0	Financial statements	0.8	Accounts receivable
1.3	Reconciliation	0.8	Accounts payable
1.2	Month-end closing	0.7	Invoicing
1.2	Internal controls	0.7	Financial analysis

Largest Market Increases MoM

Hawaii: 7.9%

Urban Honolulu

Tennessee, Georgia: 3.4%

Chattanooga

New Mexico: 2.7%

Albuquerque

Rhode Island, Massachusetts: 1.7%

Providence, Warwick

Mississippi: 1.1%

Jackson

Illinois, Indiana, Wisconsin: 0.8%

Chicago, Naperville, Elgin

Nevada: 0.4%

Las Vegas, Henderson, Paradise

New York: 0.4%

Albany, Schenectady, Troy

Florida: 0.2%

North Port, Sarasota, Bradenton

Arizona: 0.2%

Tucson



Governance, Risk and Compliance Updates

Governance, Risk and Compliance Demand



6%

Month-over-Month



43%

Year-over-Year



11%

Pre-Pandemic Change

The SEC issued a risk alert this week saying it had observed broker-dealers not putting enough resources or staffing into their anti-money laundering (AML) programs, so this sector may experience a boost in the coming months.¹⁰ The risk alert cited a lack of timely testing, failure to update training materials or conduct trainings and, for some, failure to conduct basic vetting of the identities of customers opening accounts.

Meanwhile, nearly one-third of all audits¹¹ conducted by U.S. global auditing firms in 2022, including the Big Four, contained errors, up 9 percentage points from the 2021 error rate of 21%. When looking at all 710 audits that the PCAOB (a Congressionally established oversight board) reviewed in 2022, the number of audits containing errors rose to 40%, up 6 percentage points from 2021.

The GRC industry is no exception to the impacts of AI, as KPMG plans to invest \$2 billion in AI and cloud services, specifically mentioning further automation to aspects of its tax, ESG reporting, audit and consulting services. KPMG recognizes it is not looking to use technology to eliminate jobs but rather to enhance its workforce, reskilling people where possible.

Governance, Risk and Compliance Updates

Demand Elevation Analysis

Largest Skill Set Increases MoM

12.9%	Tax manager (general)	3%	Audit manager
11.2%	IT auditor	2.7%	Accountant (general)
6%	Compliance auditor	2.1%	Call center representative
5.3%	Loan processor	1.8%	Treasury analyst
4.3%	Operations and maintenance specialist	0.3%	Internal auditor

Top Skill Frequency Increases (Percentage Points)

5.0	Internal auditing	2.5	Financial services
3.5	Banking	2.3	Auditing
2.8	Risk analysis	2.1	Bank Secrecy Act
2.6	Accounting	0.7	Finance
2.5	Risk management	0.6	Internal controls

Largest Market Increases MoM

North Carolina: 13.2%

Raleigh, Cary

Connecticut: 11.9%

Bridgeport, Stamford, Norwalk

Rhode Island, Massachusetts: 8.9%

Providence, Warwick

New York: 7%

Syracuse

Oregon, Washington: 4.3%

Portland, Vancouver, Hillsboro

Illinois, Indiana, Wisconsin: 3.2%

Chicago, Naperville, Elgin

Washington: 1.6%

Seattle, Tacoma, Bellevue

Florida: 1.4%

Orlando, Kissimmee, Sanford

California: 0.9%

Los Angeles, Long Beach, Anaheim

Ohio: 0.3%

Cleveland, Elyria



Operations and Administrative Updates

Operations and Administrative Demand



3.6%

Month-over-Month



34%

Year-over-Year



0%

Pre-Pandemic Change

Within the loan industry, the market remains depressed, as interest rates remain elevated amid the continual fight against inflation. Banks reported tighter credit standards and weaker demand for commercial and industrial loans¹² to firms of all sizes over the second quarter. Meanwhile, interest rates increased for all loan types, and mortgage applications continued to decline as mortgage rates hit their highest average since 2002.¹³

Employees in the creative and marketing space understand the pay-to-play nature of this business. However, meaningful budgets and access to accurate metrics are the top two worries of workers in this field. In 2023, marketing budgets make up 9.1% of company revenue, down from 9.5% the prior year, limiting budgets and potentially hindering results. Seventy-five percent of CMOs face increased pressure to cut marketing and technology spend; despite this, 63% reported having increased tech investments in 2023.

Operations and Administrative Updates

Demand Elevation Analysis

Largest Skill Set Increases MoM

12%	Social/human services specialist	1.7%	Inventory/supply specialist
8.6%	Technical program manager	0.9%	Administrative supervisor
2.8%	Compensation/benefits manager	0.7%	HRIS analyst/specialist
2%	Claims adjuster/specialist (general)	0.4%	Operations supervisor (general)
1.9%	Loan processor	0.2%	Research analyst

Top Skill Frequency Increases (Percentage Points)

0.7	Procurement	0.4	Data analysis
0.5	Purchasing	0.3	Supply chain
0.5	Medical records	0.1	Workflow management
0.5	Project management	0.1	Business development
0.4	Administrative support	0.1	Process improvement

Largest Market Increases MoM

Illinois: 10.4%

Springfield

Hawaii: 5.7%

Urban Honolulu

Florida: 4.9%

Pensacola, Ferry Pass, Brent

Washington: 2%

Olympia, Lacey, Tumwater

Rhode Island, Massachusetts: 2%

Providence, Warwick

New Mexico: 1.8%

Albuquerque

Utah: 1%

Ogden, Clearfield

Maine: 0.8%

Portland, South Portland

Mississippi: 0.6%

Jackson

Nevada: 0.4%

Las Vegas, Henderson, Paradise

Unemployment Analysis

Unemployment continues to decrease, down to 3.6%, with unemployment of degreed workers staying even tighter at 2%. Employers must continue to navigate hiring challenges due to more intense competition across many industries, especially as industries such as finance and insurance added 6,300 jobs in June and unemployment dropped. While unemployment in the professional and business services space exceeds the already tight national rate, key positions, such as administrative roles and business/finance roles, are even tighter, sitting at 3% and 2.5%, respectively.

Unemployment by Labor Category

Source: U.S. Bureau of Labor Statistics



Unemployment by Industry



Largest Unemployment Markets

California: 7.5%

Fresno

Nevada: 5.7%

Las Vegas, Henderson, Paradise

California: 4.5%

Los Angeles, Long Beach, Anaheim

California: 4.5%

Riverside, San Bernardino, Ontario

Texas: 4.3%

Houston, The Woodlands, Sugar Land

New York, New Jersey, Pennsylvania: 4.2%

New York, Newark, Jersey City

California: 4.1%

Sacramento, Roseville, Folsom

Louisiana: 3.9%

New Orleans, Metairie

Ohio: 3.9%

Cleveland, Elyria

Tennessee, Mississippi, Arkansas: 3.9%

Memphis

Lowest Unemployment Markets

Maryland: 1.9%

Baltimore, Columbia, Towson

Alabama: 2%

Birmingham, Hoover

Wisconsin: 2.2%

Madison

Nebraska, Iowa: 2.3%

Omaha, Council Bluffs

Massachusetts, New Hampshire: 2.4%

Boston, Cambridge, Newton

Florida: 2.4%

Miami, Fort Lauderdale, Pompano Beach

Arkansas: 2.4%

Little Rock, North Little Rock, Conway

DC, Virginia, Maryland, West Virginia: 2.5%

Washington, Arlington, Alexandria

South Carolina: 2.5%

Charleston, North Charleston

Iowa: 2.5%

Des Moines, West Des Moines

Largest Unemployment Declines

California: (-0.4%)

Fresno

Rhode Island, Massachusetts: (-0.3%)

Providence, Warwick

Massachusetts, New Hampshire: (-0.2%)

Boston, Cambridge, Newton

Maryland: (-0.2%)

Baltimore, Columbia, Towson

New York: (-0.1%)

Buffalo, Cheektowaga

Connecticut: (-0.1%)

Bridgeport, Stamford, Norwalk

Oregon, Washington: (-0.1%)

Portland, Vancouver, Hillsboro

Connecticut: (-0.1%)

Hartford, East Hartford, Middletown

DC, Virginia, Maryland, West Virginia: (-0.1%)

Washington, Arlington, Alexandria

New York: (-0.1%)

Rochester

| Conclusion

With a steady unemployment rate (near pre-pandemic levels) and continued job growth, experts are no longer concerned about an imminent recession.

While annual inflation ticked up (3.2%) in July for the first time in 12 months¹⁴, it is below forecasted levels. Average hourly earnings also increased, but slightly below 2021 and 2022 levels.¹⁵ Wages grew at a rate of 0.4% in July, contributing to a total increase of 4.4% over the past 12 months. Quits decreased from a spike in May, declining by 3,000 to 3.7 million¹⁶ workers quitting their jobs in June. However, quits remain 10.7% higher than pre-pandemic levels. Layoffs, already below historic averages, dipped in June¹⁷ for the third month in a row, hitting their lowest level of 2023.

Key trends of digital transformation and AI adoption remain prevalent across most industries. With staffing challenges across various skill sets, employers should look for alternative ways to attract talent or adapt to new technologies.



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About Aston Carter

Established in 1997, Aston Carter is a workforce solutions company delivering world-class staffing services and innovative offerings to thousands of clients across the globe. Drawing on our deep recruiting expertise and commitment to the talent experience, we extend the capabilities of industry-leading companies by providing solutions to address today's business challenges. Our expansive global footprint enables us to work with agility and deliver excellence when meeting the evolving needs of our clients and talent community. Aston Carter is a company within Allegis Group, a global leader in talent solutions.

7317 Parkway Drive S., Hanover, MD 21076 | AstonCarter.com

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