

# Labor Market Analysis

DECEMBER 2023 JOBS REPORT

## A Look at November's *Trends*



**ASTON CARTER®**

# Labor Market *Analysis*

Job growth picked up slightly in November, with 199,000 jobs added — 150,000 in the private sector and 49,000 in the public sector. The unemployment rate fell to 3.7%, and while layoffs have risen since October, they remain below historical averages. The labor force participation rate increased slightly to 62.8%, remaining close to the pre-pandemic level (63.3%). Unemployed workers per job opening was at 0.75, and job openings fell to 8.73 million. Quits remained relatively unchanged, still at 5% above pre-pandemic levels.

The core business areas Aston Carter supports were impacted in November, with finance and insurance jobs decreasing by 4,100 and professional and business services jobs decreasing by 9,000.

## November's Market Trends at a Glance





## Customer Support Updates

### Customer Support Demand



**10%**

Month-over-Month



**27%**

Year-over-Year



**35%**

Pre-Pandemic Change

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Customer experience (CX) technology provider Vonage shared predictions for contact centers over the next decade. They pointed out that customers have become much more self-sufficient, and that AI is more than capable of answering their more straightforward questions. As such, human agents will be available for more complicated questions than AI is capable of addressing. They went on to address the growing popularity of online chat and video chat as customer service channels and shared how CX firms will continue to invest in replacing legacy systems that don't make use of multichannel features and robotic process automation.<sup>1</sup>

CX quality declined in the United States for the second year in a row, despite 80% of business leaders saying that it's a major priority.<sup>2</sup> The CX quality signals remain mixed, with consumers dealing with the aftermath of an inflation surge, tight labor markets and higher turnover disrupting CX companies.



## Accounting and Finance Updates

### Accounting and Finance Demand



**8%**

Month-over-Month



**32%**

Year-over-Year



**44%**

Pre-Pandemic Change

Audit firms will be challenged by evolving standards in 2024. The addition of environmental, social and governance (ESG) policies poses a challenge for investors and shareholders. To keep up, firms should consider upskilling their talent with education surrounding ESG or invest in new talent that already has a comprehensive knowledge of the subject. Audit firms will also likely face more work in 2024, as the scope of their job responsibilities expand and many workers are exiting the profession altogether.<sup>3</sup> Additionally, the implementation of SAS 143 and SAS 144 will require auditors at nonpublic firms to have extremely thorough documentation of the accounting estimates made in their financial statements. It will invite further consideration of their process, the data used and the methodology.<sup>4</sup>

Meanwhile, the Public Company Accounting Oversight Board (PCAOB) reported that audits with deficiencies rose for the second year in a row to 40% in 2022. PCAOB Chairwoman Erica Williams called these findings “absolutely unacceptable,” stating that the PCAOB will continue to demand that firms “do better.”<sup>5</sup> Williams and the PCAOB appeared to keep that promise, issuing a record \$20 million in fines to noncompliant firms in 2023, almost doubling the previous year’s \$11 million.<sup>6</sup>

Finally, according to a recent survey, an estimated 53% of U.S. finance and accounting executives believe their teams lack the skills to incorporate AI into their work.<sup>7</sup>



## Governance, Risk and Compliance Updates

### Governance, Risk and Compliance Demand



**12%**

Month-over-Month



**40%**

Year-over-Year



**35%**

Pre-Pandemic Change

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Thomson Reuters reported that the Biden administration imposed AI regulations via an executive order that contained warnings about how to govern new and evolving technologies.<sup>8</sup> The Securities and Exchange Commission shares the White House’s concerns, requesting information from investment advisors on how they use and oversee differing forms of AI.<sup>9</sup> States and cities are also developing their own regulations regarding AI, which will prompt a busy start to 2024 for GRC teams who will need to respond.

Additionally, there is a continued emphasis on enforcing regulations regarding crypto assets and activity. This includes FinCen’s first monitorship of Binance, the world’s largest cryptocurrency exchange.<sup>10</sup> The Finance Accounting Standards Board has also recently published standards that will improve the disclosure of crypto assets, essentially creating an industry standard.<sup>11</sup>

Finally, the Treasury Department’s Office of the Comptroller of the Currency has advised banks to calibrate their risk management strategies and lending oversight for “buy now, pay later” (BNPL) plans. BNPL loans are popular for those with little credit history and are frequently associated with online purchases.<sup>12</sup>



## Operations and Administrative Updates

### Operations and Administrative Demand



**12%**

Month-over-Month



**28%**

Year-over-Year



**35%**

Pre-Pandemic Change

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The Logistics Managers Index is reporting a decline following three consecutive months of growth. This is largely due to the continued acceleration of inventory destocking amid Q4 holiday retail sales and related drops in warehousing and transportation capacity and utilization.<sup>13</sup>

Cautious optimism for logistics, supply chain and procurement teams is warranted given declines in supply chain disruptions and the inflation rate. Growing costs led companies to rethink how they source optimally, reevaluating KPIs that inform supply chain investments.<sup>14</sup>

# Unemployment Analysis

## Unemployment by Labor Category

Source: U.S. Bureau of Labor Statistics



## Unemployment by Industry



# References

- <sup>1</sup> "The Future of Contact Centers: Trends and Predictions", VONAGE
- <sup>2</sup> "Forrester's US 2023 Customer Experience Index: Brands' CX Quality Falls For A Second Consecutive Year", Forrester
- <sup>3</sup> "Challenges and changes within the audit industry", Thomson Reuters
- <sup>4</sup> "Q3 2023 Financial Reporting Recap", FORVIS
- <sup>5</sup> "PCAOB Report: Audits With Deficiencies Rose for Second Year In a Row to 40% in 2022", PCAOB
- <sup>6</sup> "2023 Has Been a Banner Year for PCAOB Enforcement", CPA Practice Advisor
- <sup>7</sup> "Surveys: Finance, legal execs share concerns around AI use", Compliance Week
- <sup>8</sup> "Biden administration to cut AI risks with executive order", Thomson Reuters
- <sup>9</sup> "SEC Probes Investment Advisers Use of AI", YThe Wall Street Journal
- <sup>10</sup> "Binance Penalties Include a Number of Crypto Exchange Firsts", The Wall Street Journal
- <sup>11</sup> "FASB publishes new crypto rules that will let firms use fair-value accounting", The Block
- <sup>12</sup> "OCC offers compliance guidance to banks on 'buy now, pay later' loans", Compliance Week
- <sup>13</sup> "November 2023 Logistics Managers' Index", Logistics Managers' Index
- <sup>14</sup> "6 reasons why global supply chains are shifting", Supply Chain Dive

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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.

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