

Labor Market Analysis

JANUARY 2024 JOBS REPORT

A Look at December's *Trends*



ASTON CARTER®

Labor Market *Analysis*

Job growth picked up in December, with 216,000 jobs added — 164,000 in the private sector and 52,000 in the public sector. The unemployment rate held steady at 3.7%, while layoffs of more than 1.5 million employees in prior months remained abnormally low compared to prior (non-pandemic) years. The labor force participation rate experienced an alarming decline in December, falling to 62.5% — a downward trend that, if it persists, could create hiring difficulties for employers in 2024.

Despite the fluctuations in certain market indicator rates, the labor force remains competitive for employers, with the ratio of unemployed workers per job remaining at 0.71¹, or 1.4 open jobs per unemployed worker. Quits also declined, with around 3.5 million employees quitting their jobs.

The ratio of potential workers per job opening is below historic levels (2.0) at 1.71², including part-timers who want full-time work, those who left the labor force but want to work and the unemployed.

December's Market Trends at a Glance





Accounting and Finance Updates

Accounting and Finance Demand



2%

Month-over-Month



20%

Year-over-Year



43%

Pre-Pandemic Change

One trend expected to gain steam in the accounting and finance space in 2024 is an uptick in mergers and acquisitions (M&A) after the slowdown experienced in 2023. Many analysts project a slowdown within private equity³ as M&A rates slump amid higher interest rates and lower valuations. But some industries, like biotech and healthcare⁴, will be key, as capital costs are expected to drop amid pent-up demand.

The biggest M&A hurdle likely to be overcome in the beginning of 2024 is tied to interest rates and the cost of lending. The Federal Reserve Bank and its counterparts in the EU expect inflation to fall slowly and will consider interest rate reductions. In the meantime, while credit for business lending is more available than in 2022 and much of 2023, it is more expensive.⁵

The Controllers Council also predicts several other accounting trends for 2024⁶, most prominently among them increased “green accounting” along ESG guidelines and increased automation of compliance and reporting as new technologies enhance optionality.

Regarding changes in demand for certain skill sets, hiring for tax analysts (46%), financial consultants (37%) and tax specialists (36%) — roles that organizations know are critical to hire now ahead of the upcoming tax season — saw the biggest month-over-month increases. Interest in professionals with HTML (65%), income tax (58%), billing systems (51%) and indirect tax (40%) skills also increased last month.

Operations and Administrative Updates

Operations and Administrative Demand



6%

Month-over-Month



7%

Year-over-Year



18%

Pre-Pandemic Change

Human resources, talent acquisition, and learning and development teams are all expected to see an increased emphasis⁷ on internal talent development and recruiting in 2024. This was an emerging trend in 2023 that is likely to continue throughout the new year as some companies navigate reduced hiring plans, alongside a greater focus on retention of internal employees.

As Q1 gets underway, human resources, talent acquisition and compensation teams will focus on implementing and adhering to new federal, state and local legislation that creates new worker benefits. These include matching 401(k) contributions⁸ toward an employee's student debt repayment and new pay transparency⁹ laws.

Some companies within the retail and manufacturing space may face new supply chain issues stemming from tumultuous political, social and environmental conditions¹⁰ that impact certain regions, like the Middle East and the Panama Canal. These conditions could result in various global shortages and backlogs, creating challenges across all industries.

Regarding demand for certain skill sets, hiring for compensation/benefits managers (18%) and staffing coordinators (12%) saw the largest month-over-month increases. Interest in professionals with risk mitigation (23%), security clearance (22%), market research (18%), and cost reduction (16%) skills also increased last month.

Unemployment Analysis

Unemployment by Labor Category

Source: U.S. Bureau of Labor Statistics



Unemployment by Industry



References

- ¹ "Unemployment Level/Job Openings: Total Nonfarm", FRED
- ² "Employment Level - Part-Time for Economic Reasons", FRED
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- ⁴ "JPMorgan's Gaito on Health-Care M&A Ahead of Conference", Bloomberg
- ⁵ "What Happened in M&A in 2023, and What's Ahead, in Five Charts", The Wall Street Journal
- ⁶ "Top 12 Accounting Trends in 2024: Navigating the Future of Finance", Controllers Council
- ⁷ "What to Expect if You Want to Switch Jobs in 2024", Business Insider
- ⁸ "SECURE Act 2.0 – A Summary of the Major 401(k) Provisions", Employee Fiduciary
- ⁹ "How Does Pay Transparency Legislation Impact Communicating About Compensation to Employees?", EBN
- ¹⁰ "'We Haven't Seen this Situation Before': A Perfect Storm of Supply Chain Issues Could Impact Retailers Globally", Modern Retail

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