

Labor Market and Economy Report:

A Look at Trends in May 2024

Sharp insights for well-rounded people.

Aston Carter's monthly Jobs Report offers insights into current market demand and trends across accounting and finance; human resources and talent acquisition; and supply chain and procurement. The report corresponds with the release of the U.S. Bureau of Labor Statistics' monthly data. Specifically, readers can expect to learn about:

- **Job growth**
- **Unemployment trends**
- **Labor categories and industries**
- **Labor force participation rates**
- **Job quits and layoffs**
- **Wages**
- **Other important news impacting the labor market**



Jobs Gained in April

U.S. employment increased by 272,000 jobs in May. Job openings declined to 8.1 million in April (latest data available), the lowest level since February 2021 but still above the pre-pandemic norm.



Labor Force Participation Rate

The labor force participation rate declined from 62.7% in April to 62.5% in May, indicating that the share of the population either working or looking for work shrank slightly.



Unemployment Rate

The unemployment rate increased from 3.9% in April to 4% in May. This is the first time the unemployment rate has reached 4% since January 2022.



March Layoffs

Layoffs declined slightly from 1.6 million in March (revised upward from 1.5 million) to 1.5 million in April. Quits increased slightly from 3.4 million in March to 3.5 million in April.

May 2024 Market Trends

A closer look at unemployment by industry and labor category



Overall Unemployment Rate

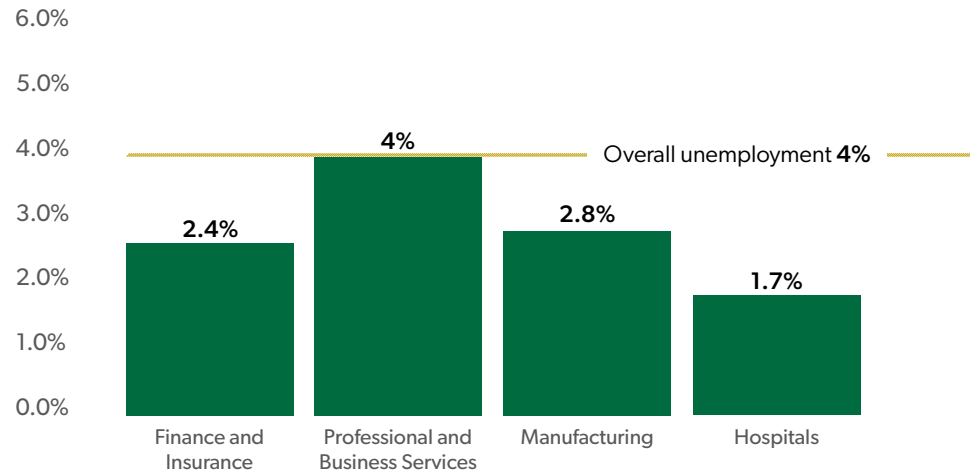


Unemployment Rate for
Degreed Workers

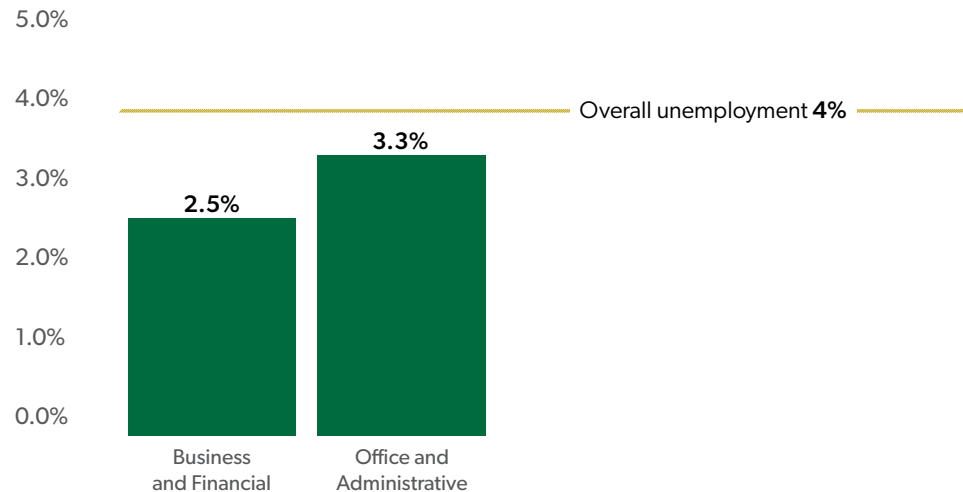


Ratio of unemployed workers
(procurement clerks, AP/
AR, and other core office and
administrative roles) available per
job opening

Unemployment Rates by Industry



Unemployment Rates by Labor Category



Due to frequent data revisions and statistical noise on a month-to-month basis, Aston Carter employs a rolling 3-month average to best represent unemployment by labor category or industry.

TRENDS

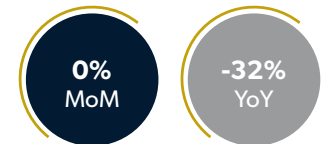
OVERALL ECONOMY

The U.S. economy added 272,000 jobs in May, exceeding economists' expectations. Strong job gains occurred in healthcare; government; leisure and hospitality; and professional, scientific and technical services. At the same time, unemployment increased slightly to 4%, and the labor force participation rate fell slightly to 62.5%. Economists, analysts and policymakers continue to debate whether the Federal Reserve will lower interest rates in 2024, but in the meantime, high interest rates and elevated operational costs are cited by companies as reasons for restructuring efforts and delayed or cancelled projects, all of which tend to suppress hiring activity.



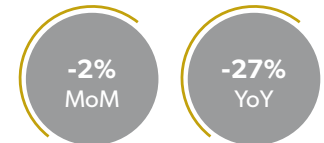
ACCOUNTING AND FINANCE

2024 is so far seeing fewer "net-new" rules from regulators. Instead, the emphasis has been on more rigorous oversight to ensure compliance and adherence to frameworks, according to KPMG's mid-year report on the state of regulatory challenges and changes in 2024. Global merger and acquisition activity, a major driver of accounting and finance hiring that has cooled for more than two years, is expected to heat up in the second half of 2024 despite higher-for-longer interest rates, according to an EY survey of CEOs. Demand for accounting managers (12%) and assistant controllers (7%) has increased as demand for other roles is steady or slightly lower.



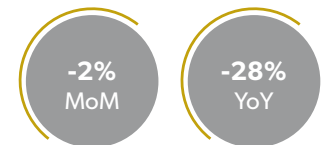
HR AND TALENT ACQUISITION

Employers' recruiting priorities have changed, according to the latest edition of Lighthouse's annual large survey of HR leaders and candidates. Onboarding has become the top priority in a leaner, slower year for many firms that want to maintain a positive candidate experience over time — not just the first few days — and who want to decrease costly and avoidable ghosting and turnover. Skills-based hiring is finally taking root after years of incremental growth, a shift that will transform how some HR and TA teams function. Reliance on job titles and degrees may work for some, but more companies are reporting increased diversity in hiring, a more agile approach to evaluating candidates and restructuring roles, and improved retention.



SUPPLY CHAIN AND PROCUREMENT

Nearshoring and reshoring discussions, strategies and challenges continue to impact supply chain and procurement teams as many companies discover a recurring need to reevaluate supply chains and supplier relationships amid geopolitical tensions, tariffs and legal changes, climate change and inflationary pressures. As construction of manufacturing facilities and expansions picks up, May's Logistics Managers' Index indicated expansion in the logistics industry, the sixth straight month of improving business conditions. This suggests hiring demand could hold steady or increase for workers with skills in managing transportation costs, capacity and inventory utilization.



Wages in the United States

How they've changed

+3.3%



Consumer Price Index

Inflation increased by 3.3% for the 12 months ending May, slightly down from the 3.4% increase recorded in April. "Core" inflation – CPI for all items less food and energy (two volatile categories) – increased by 3.4% year over year. Inflation has declined slightly for two months in a row but remains above the Federal Reserve's goal of 2%.

+4.1%



Wage Increases

Average hourly earnings increased by 4.1% for the 12 months ending May. This was slightly above the year-over-year increase of 3.9% recorded in April.

+0.8%



"Real" Earnings

Because wage increases outpaced the consumer price index, "real," inflation-adjusted average hourly earnings increased by 0.8% between May 2023 and May 2024. In other words, average hourly earnings are keeping up with inflation, although consumers are still feeling the pressure of higher prices.

References

ACCOUNTING AND FINANCE:

[A Mid-year Look Forward on the Ten Key Regulatory Challenges of 2024](#)

[Charts: Global M&A Trends Q2 2024](#)

HR / TALENT ACQUISITION:

[2024 Talent Acquisition Trends: What's New and What's Next \[Report\]](#)

[Skills-Based Hiring Is Gaining Ground](#)

SUPPLY CHAIN / PROCUREMENT:

[Nearshoring Shifts Focus of Procurement Leaders](#)

[May 2024 Logistics Manager's Index Report® LMI® at 55.6](#)

About Aston Carter

Aston Carter provides world-class corporate talent solutions to thousands of clients across the globe. Specialized in accounting, finance, human resources, talent acquisition, supply chain, procurement and select administrative professions, we extend the capabilities of industry-leading companies. We draw on our deep recruiting expertise and expansive network to meet the evolving needs of our clients and talent community with agility and excellence. With offices across the U.S., Canada, Asia Pacific and Europe, Aston Carter serves many of the Fortune 500. We are proud to be a ClearlyRated Best of Staffing® double diamond winner for both client and talent service.

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