

Labor Market Analysis

NOVEMBER 2023 JOBS REPORT

A Look at October's *Trends*



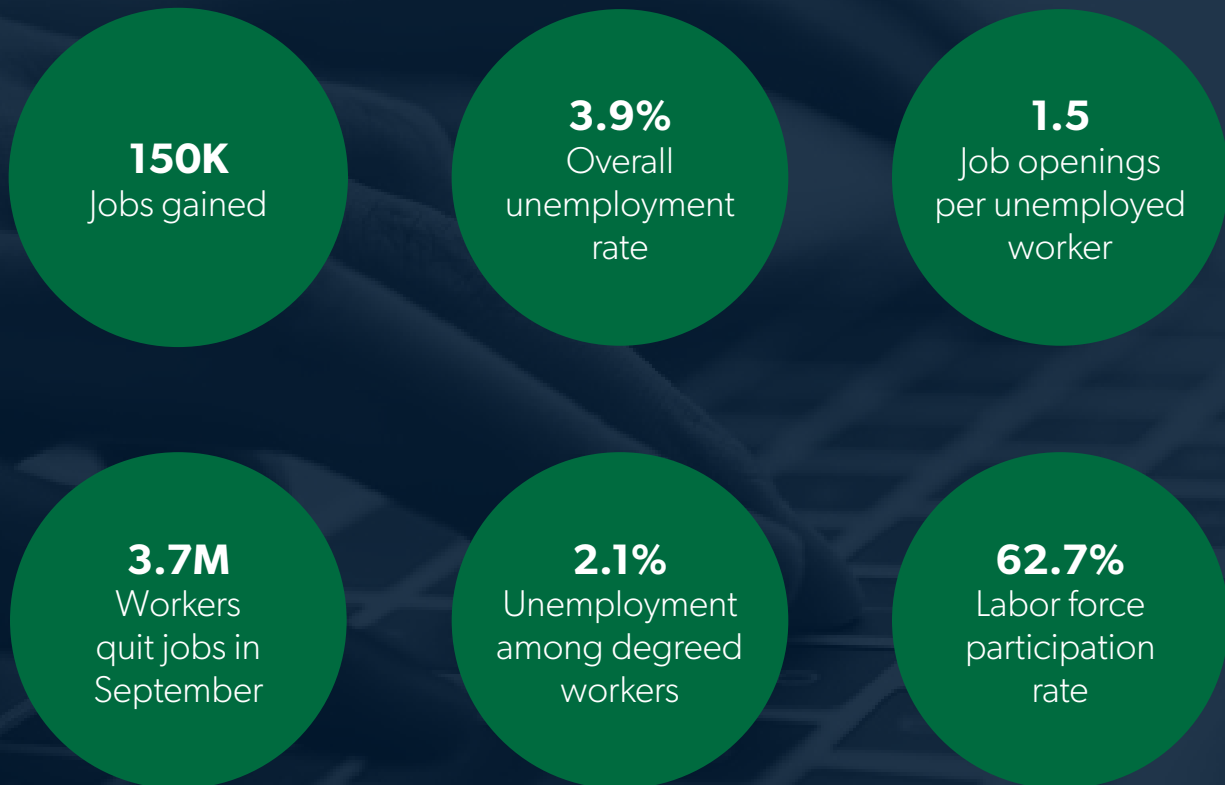
ASTON CARTER®

Labor Market *Analysis*

Job growth cooled in October, with 150,000 jobs added — 99,000 in the private sector and 51,000 in the public sector. The unemployment rate rose slightly at 3.9%, the highest rate since February 2022, but is still historically low. Layoffs have declined sharply since August¹, remaining below historical averages. The labor force participation rate dropped slightly to 62.7%, close to the pre-pandemic level (63.3%). Unemployed workers per job opening remained the same (.66), and job openings were at 9.55 million.

The core business areas Aston Carter supports were impacted in October, with finance and insurance jobs decreasing by 8,000 and 15,000 professional and business services jobs being added.

October's Market Trends at a Glance





Customer Support Updates

Customer Support Demand



8%

Month-over-Month



29%

Year-over-Year



20%

Pre-Pandemic Change

Job postings within the customer support space remain down. With strong declines reported in the last several years in customer satisfaction, the tides appear to have turned, with the American Consumer Satisfaction Index seeing its largest improvement in 25 years during Q3.² This may reflect better staffing levels at consumer-facing businesses, improved customer service initiatives by companies fearing a decline in spending could impact brand loyalty, and improved economic conditions.

Additionally, Site Selection Group, a leading consultant for contact center openings and relocations, predicts another wave of reshoring call centers in 2024-2025 due to a stabilized U.S. labor market with reduced turnover and normal wage growth.³ Scheduling advantages, better internet connectivity and reliability, data security and privacy adherence and cultural familiarity with U.S. consumers are credited as factors in the expected growth.

Finally, Cisco's Webex Contact Center is the latest customer experience platform for contact centers to announce improvements in AI-enabling technology that improves agent productivity, including a burnout detection feature, suggested responses and conversation summaries.⁴



Accounting and Finance Updates

Accounting and Finance Demand



3%

Month-over-Month



37%

Year-over-Year



37%

Pre-Pandemic Change

Mergers and acquisitions (M&A) are seeing an increase in three key areas: healthcare, energy and materials (agricultural, mining and metals). All three sectors have seen significant M&A rebounds as companies seek value pricing. With inflation returning to a normal level, the possibility of stable interest rates versus more increases could fuel a resurgence in private equity activity.⁵

The American Institute of Certified Public Accountants (AICPA) has found the talent pool shrinking, with the number of college accounting graduates declining by 17%, compared to the average 13% decline of all college graduates over that same time frame. With rising retirements and exits from the profession into finance and other careers, this signals a great need for accounting talent.⁶

Additionally, tightening credit standards for businesses and consumers had detrimental impacts on access to credit, the ability to expand business operations and lowering spending levels. However, since the end of Q2, there have been encouraging signs that credit tightness isn't furthering⁷ as markets and lenders digest 'higher for longer' interest rate implications on lending and cash reserve models, most notably in October's results of the closely watched quarterly Senior Loan Officer Survey.⁸



Governance, Risk and Compliance Updates

Governance, Risk and Compliance Demand



8%

Month-over-Month



47%

Year-over-Year



26%

Pre-Pandemic Change

A 2023 survey from Russell Investments indicates that environmental, social and governance (ESG) factors will play a major role in investment decisions. Only 7% of investment managers surveyed said ESG factors wouldn't play a major role, a significant drop-off from 2022's survey, in which 22% of managers surveyed reported the same.⁹

Meanwhile, The Federal Acquisition Regulatory Council published two proposed rules in October that would sharpen existing cybersecurity obligations on government contractors. These contractors would now be required to share information with the government about imminent cyber incidents, provide software bills of materials to government customers and create new compliance risks under the violations of the False Claims Act.¹⁰

The U.S. Environmental Protection Agency issued a new requirement for companies that manufacture or import PFAS (Per- and Polyfluoroalkyls Substances) under the Toxic Substances Control Act. Over 1,300 chemical substances and mixtures fall under this role and would be subject to the new reporting requirements.¹¹



Operations and Administrative Updates

Operations and Administrative Demand



1%

Month-over-Month



29%

Year-over-Year



24%

Pre-Pandemic Change

The Logistics Managers Index is reporting growth for the third consecutive month after declines for most of 2023. It is speculated that companies have largely finished destocking, which resulted from lowered demand for supply chain services after the supply chain inconsistencies of the pandemic.¹²

Additionally, HR teams may be facing a busy Q4. They are currently preparing for a possible Department of Labor rule change to the Fair Labor Standards Act's overtime threshold. The rule change would require reclassification of millions of workers under certain income thresholds for overtime pay.¹³

Medicaid redeterminations that occurred through the end of October assessed the eligibility of 28 million Americans and disenrolled coverage for 35% of them, an estimated 10 million people. The loss of benefits can be a pain point for hospitals, providers and insurers alike, who can lose a significant percentage of their enrollment base using healthcare mostly paid for by the federal government or a state Medicaid program.¹⁴

Unemployment Analysis

Unemployment by Labor Category

Source: U.S. Bureau of Labor Statistics



Unemployment by Industry



References

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- ² ["Record Increase in Customer Satisfaction Impacts Consumer Spending and GDP Growth, Says ACSI"](#), Business Wire
- ³ ["Why Companies Reshore Call Centers to the United States"](#), Site Selection Group
- ⁴ ["Webex by Cisco Announces AI-Powered Solutions to Empower Contact Center Agent Potential and Reduce Burnout"](#), Yahoo Finance
- ⁵ ["The North American Perspective"](#), The Regional Perspective
- ⁶ ["Pool of accounting graduates shrinks, AICPA report finds"](#), AICPA & CIMA
- ⁷ ["Fed report shows US loan officers see tighter credit, weaker demand"](#), Reuters
- ⁸ ["Senior Loan Officer Opinion Survey on Bank Lending Practices"](#), Federal Reserve
- ⁹ ["Russell Investments' 2023 ESG Manager Survey: ESG Factors Increasingly Drive Investment Decision-Making"](#), Yahoo Finance
- ¹⁰ ["Proposed FAR Rules Introduce New Compliance Obligations and False Claims Act Risks for Government Contractors"](#), JD Supra
- ¹¹ ["What's Trending In Compliance In October 2023"](#), Compliance & Risks
- ¹² ["October 2023 Logistics Managers' Index"](#), Logistics Managers Index
- ¹³ ["DOL's overtime rule faces a long road. How can HR prepare?"](#), HR Dive
- ¹⁴ ["Medicaid disenrollments pass 10M as states continue eligibility checks"](#), HR Dive

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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