

Labor Market Analysis

SEPTEMBER 2023 JOBS REPORT

A Look at August's *Trends*



ASTON CARTER®

Labor Market *Analysis*

Job growth continued in August, with 187,000 jobs added, 179,000 in the private sector and 8,000 in the public sector. The unemployment rate slightly increased to 3.8%, the highest rate since February 2022, but still remains historically low. The labor force participation rate grew for the first time since March by 0.2% to 62.8%, bringing it closer to the pre-pandemic level (63.3%). Unemployed workers per job opening remained the same (1.5), and job openings remained at 9.58 million.

The core business areas Aston Carter supports saw growth in August, with finance and insurance adding 3,400 jobs and professional and business services spiking by 19,000 jobs.

August's Market Trends at a Glance

187K
Jobs gained

3.8%
Overall
unemployment
rate

1.5
Unemployed
workers per job
opening

3.5M
Workers
quit jobs in
July

2.2%
Unemployment
among degreed
workers

62.8%
Labor force
participation
rate



Customer Support Updates

Customer Support Demand



7%

Month-over-Month



40%

Year-over-Year



22%

Pre-Pandemic Change

Overall job postings within the customer support space are down. However, new data from the Site Selection Group¹ identifies specific industries — such as utilities, insurance and telecommunications — where demand and new projects have begun to pick back up. Stabilized wages (\$17/hour for entry level), as well as numerous vacant call center facilities, may create an opportunity for customer support centers to move to and expand in the U.S. Despite the need for talent within this space, many organizations are still straining to find labor with the unemployment rate remaining low.

Between difficult customers and wildly different call requirements, anxiety was the cause of 18% of representatives quitting across the industry. With the labor market remaining tight, specialized representatives/agents may help to reduce turnover concerns.

More in AI: Soft and “human” skills continue to prove their worth, as 64% of professionals see a rise in the “appreciation of their professional skills,”² while 25% of respondents worry about the accuracy of newly implemented tech processes.



Accounting and Finance Updates

Accounting and Finance Demand



9%

Month-over-Month



34%

Year-over-Year



19%

Pre-Pandemic Change

A new survey from the AICPA shows that as recession fears decline, a quarter of CPA decision makers are looking to add workers in Q3.³ However, the availability of skilled talent has also taken over as their No. 1 concern.

The other four areas of concern include inflation (which previously held at No. 1 for seven months), domestic economic conditions, employee and benefits costs, and staff turnover. Recent research from Corecentric shows that a large majority of AR/AP functions remain unautomated⁴, but the probability of displacement is growing. Approximately 72% of companies have no automation in place for AP (67% for AR). On the opposite end, about 20% have more than half of their AR/AP processes automated. With Aston Carter's job posting resource (Lightcast) showing that advertised wages for AR/AP have grown from \$18 to \$21/hour on average since 2020, it may only be a matter of time until AI displaces some workers due to increased efficiencies.

Within financial services, some banks want to shrink their operations⁵, tighten their underwriting and sell off some loans in preparation for tougher capital rules, while others are treating these rules as an opportunity, seeing large gains in consumer credit card portfolios and hiring skilled talent let go from other banks.



Governance, Risk and Compliance Updates

Governance, Risk and Compliance Demand



9%

Month-over-Month



48%

Year-over-Year



19%

Pre-Pandemic Change

Several warnings were recently issued to banks such as Citizens, Fifth Third and M&T, demonstrating the Fed's increased focus on regulations surrounding liquidity, deposits and funding, as well as tighter deadlines⁶ following the SVB collapse earlier this year. The Financial Accounting Standards Board voted unanimously to set a new rule on cryptocurrency accounting and disclosure⁷, requiring that businesses use fair-value accounting for bitcoin and certain other crypto assets.

Public and private companies will have to disclose their crypto assets, separating them from intangible assets in whichever financial reports they compile, and must include gains and losses on their crypto assets in their net income.

A new Gartner report shows chief audit executives are focusing on "risk orientation,"⁸ validating "risk appetite" as the fastest-growing skill in GRC job postings. Audit executives focused on risk orientation not only saw personal effectiveness grow but were more likely to participate in enterprise risk management. New survey data shows 92% of executives plan to increase their ESG spending⁹ by at least 10%, with 18% planning to increase their spend by 50% or more. The two most listed challenges were "constantly evolving and new ESG data content" (55%) and "managing multiple ESG vendor data feeds" (50%).



Operations and Administrative Updates

Operations and Administrative Demand



6%

Month-over-Month



37%

Year-over-Year



7%

Pre-Pandemic Change

Excess inventory from 2022, a switch in consumer spending from goods to services and weak expectations for peak freight season¹⁰ may hinder procurement hiring. While procurement job postings remain slightly above pre-pandemic levels, they saw a significant drop in August, falling 18% below Q2 averages and nearly 50% below postings within the same time frame last year. Despite the steep drop in job postings in August, the Logistics Managers Index increased¹¹, breaking the trend of three consecutive months of contraction and five consecutive months of registering new all-time low scores. M&A deals, another frequent source of procurement needs, have been stifled in recent months, declining 4% between the second half of 2022 and the first half of 2023. However, smaller mid-market deals continue to show resilience.

Supply chain costs remain higher than pre-pandemic rates¹², and companies looking for cost savings may cause spend analytics and demand planning to see heightened demand. Several disruptions — such as Germany’s Supply Chain Due Diligence Act, the continuing Russia/Ukraine war, the U.S. and Europe banking crisis, and increased destructive weather phenomena — will drive price volatility and supply chain fluctuations.¹³

Unemployment Analysis

Unemployment by Labor Category

Source: U.S. Bureau of Labor Statistics



Unemployment by Industry



References

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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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