

# HIRE ANALYSIS: EXAMINING 2023 JOBS REPORT TRENDS

Q2 – April, May, June 2023



# RAPID ANALYSIS

## Job Gains Slowing Slightly, Labor Force Participation Stays Steady

When compared to the job gains of 2022, the most recent report may not look as favorable – it reflected the fewest gains made since December 2020. But that can be interpreted in two different ways (and economists have done just that). Some say the economy continuing to add jobs month after month – especially after a strong Q1 to start the year – is still a strong sign. Further, labor force participation held steady at 62.6% for the fourth month in a row. Meanwhile, others see slowing gains as an indicator of trouble ahead as the job market finally cools. Time will tell which side is right.

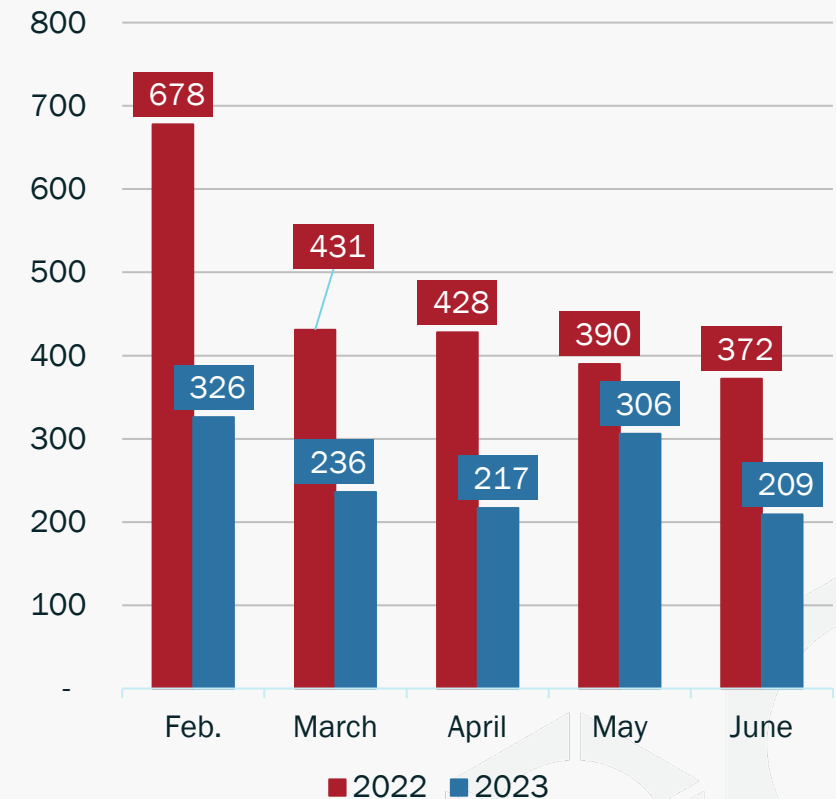
## The So-Called “Soft Landing” May Be Happening After All

For years now, there has been talk about how to help the economy navigate a “soft landing” in the wake of high inflation and rapid growth following the COVID-19 pandemic. Some thought it'd be nearly impossible to avoid a recession. But if the jobs numbers are any indication, the continued growth with gradual slowdowns may signal that it can be pulled off after all. While it's still too early to confirm either way, the prospect of no or only a minor recession looks better with each passing month.

## Wage Growth + Low Unemployment + Jobs = Interest Hikes?

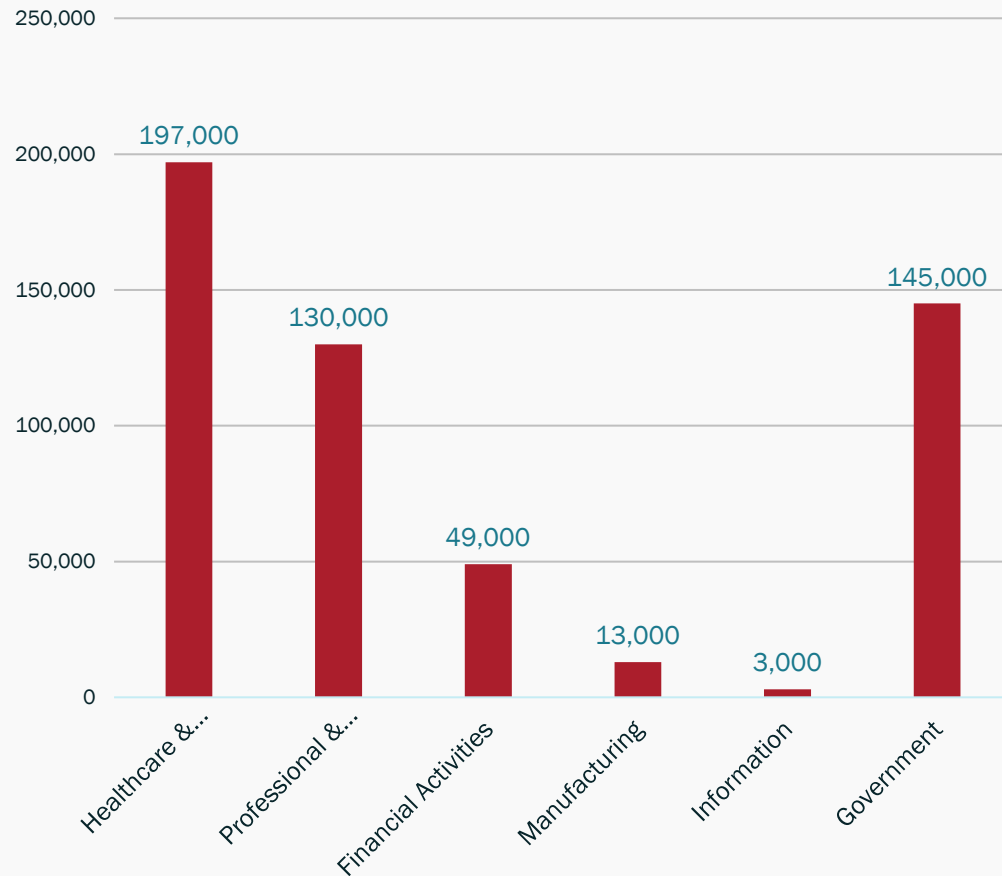
As the U.S. continues to see job gains and low unemployment coupled with not only steady but also accelerating wages, it looks like there's a case to be made for the Fed to hike interest rates again. Average hourly earnings for employees increased by 0.4% in June to \$33.58, around a 12-cent jump. This gives average hourly earnings a 4.4% jump this year, higher than the 4.2% bump that was initially expected. While this is a sign that the job market remains quite tight, many wonder if rates will hit 6% for the first time in nearly a quarter century.

Monthly Change in Jobs (in Thousands)

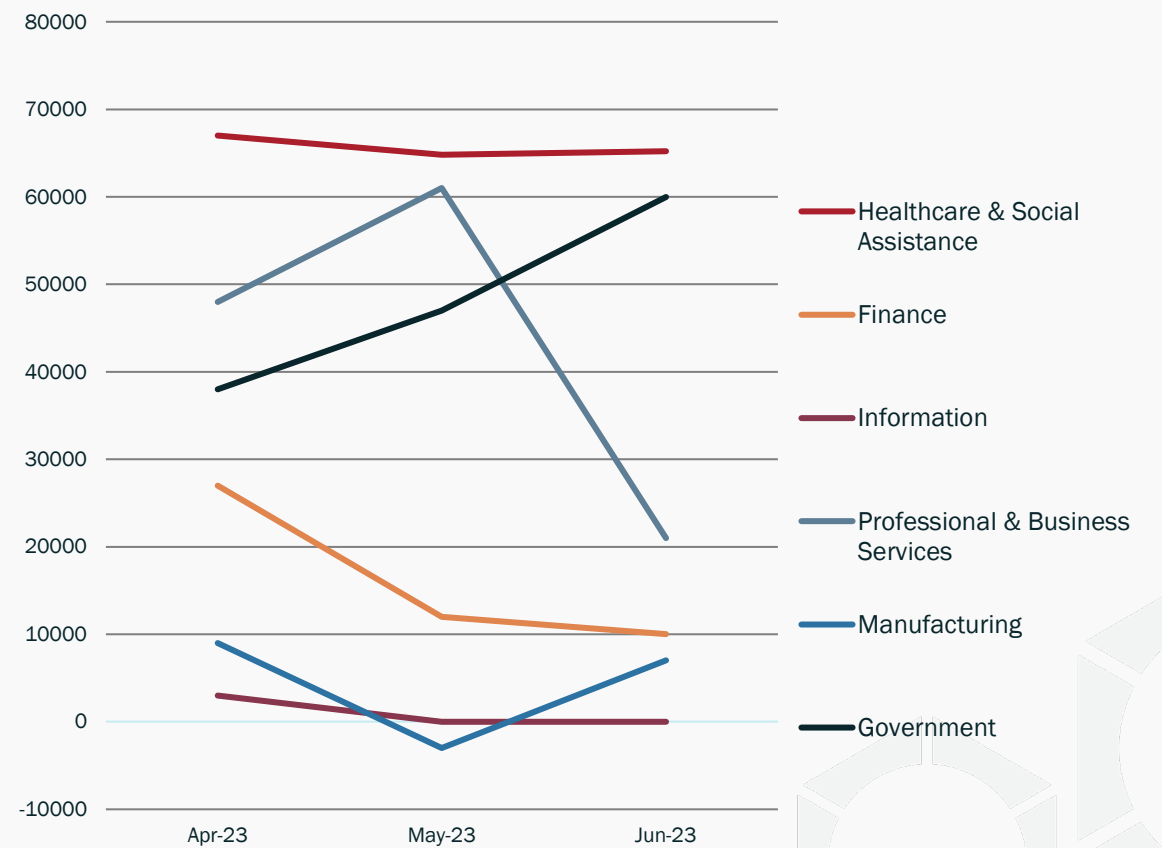


# ANALYSIS BY JOB MARKET

## Jobs Gained/Lost by Industry During Q2



## Monthly Change By Industry



# INDUSTRY-BY-INDUSTRY RUNDOWN

## Healthcare & Social Assistance

The healthcare sector continues to need high-quality talent, and the jobs report backs that up. Hospitals added 37,700 jobs in Q2, nursing and residential care facilities added 28,800 jobs, and ambulatory healthcare services added 60,300 jobs. Clearly, the demand for hard-to-find, highly educated workers is showing no signs of slowing down.

## Finance

The good news for the finance sector – beyond a strong second quarter on its own – is the fact that the real estate space rebounded after a tough start to the year that initially saw a loss of jobs. In Q2, real estate, rental and leasing added 12,800 jobs. Finance and insurance, meanwhile, added more than 36,000 jobs in Q2.

## Information

It wasn't the strongest quarter for workers in the information space, generally speaking. But for computing infrastructure, data processing and web hosting providers, it was as strong a quarter as ever with this group increasing its employment by nearly 2%. Employment in web search portals, libraries, archives, and other information services continued to tumble, losing 5.5% during Q2.

## Professional & Business Services

It was a strong quarter for workers in the professional, scientific and technical services, which saw more than 113,000 jobs added in Q2, easily outpacing the gains seen in Q1. Once again, management, scientific and technical consulting roles led the pack with 32,000+ new jobs added in Q2. Accounting, tax prep and bookkeeping roles had the highest percentage gain during the quarter at 1.9%.

## Manufacturing

After a tough quarter to start the year, the manufacturing space rebounded in Q2 with a modest gain of 13,000 jobs. Durable goods outpaced nondurable goods at 0.4% growth versus 0.4% loss, respectively. Transportation equipment manufacturing far outpaced other segments, adding 27,000 jobs alone.

## Government

Once again, local government saw the most job gains during the quarter, more than doubling the job growth seen at the federal and state level. Local government added 90,000 jobs, state governments added 47,000 jobs, and the federal government saw gains of 8,000 jobs.

Healthcare &  
Social  
Assistance  
**+0.3%**

Professional &  
Business  
Services  
**+0.6%**

Finance  
**+0.5%**

Manufacturing  
**+ 0.1%**

Information  
**+0.1%**

Government  
**+0.6%**



# HIRE ANALYSIS FOR EMPLOYERS

## The End of the Great Resignation?

For the past few years, the threat of employees leaving in droves for new opportunities was real and a big concern for employers. Tens of millions of Americans have changed jobs, leaving countless companies with too many open roles and not enough people to fill them.

But now it appears as if the “great resignation” may be finally coming to a close. The rate at which workers voluntarily quit their jobs has quickly fallen during 2023, and while there was a slight uptick in May, quits are leveling out. Though the highly skilled job market may still be seeing a decent amount of turnover, quitting in the hospitality and retail industries is back to pre-pandemic levels.

## No Reprieve for Those in Need of High-Performing Talent

The good news for employers is that the job market is finally cooling. The bad news is that for those still in need of highly skilled talent in the healthcare, technology and life sciences sectors, talent is still quite scarce.

As many employers who still find themselves with talent gaps can attest, the most in-demand skills remain hard to find. The most recent jobs reports are showing cooldowns in retail and leisure, but the healthcare sector is still booming, adding nearly 130,000 jobs in Q2. Likewise, scientific services saw a 0.6% increase in Q2 jobs, outpacing all other segments of the professional and business services sector. The need for talent experts is as strong as ever.

## Labor Still Holds Significant Power...for Now

Much of the power that workers still hold rests on the fact that the recession that many predicted would come hasn't happened...yet.

While wage growth is still happening, it's slowing, especially in service jobs. And while labor shortages still impact many organizations, those who do change jobs aren't receiving the same kind of inflated salaries they may have existed before. The settling down of the economy in general is helping employers and employees find more of an equilibrium akin to what the talent industry saw pre-2020, but whether or not employers will regain the upper hand largely depends on if that much-discussed soft landing happens.

# HIRE ANALYSIS FOR WORKERS

## Inflation Finally Coming Down to Manageable Levels

In a sign that the Fed's interest rate hikes and other economic levers may be working as intended, inflation came down to 3% in the month of June. It was the 12th-consecutive month of declines. The decline was led by decreases in gas prices, which have come down from a high of \$4.66 per gallon last year to \$3.54 per gallon in July 2023.

Forecasts also called for 12-month consumer price increases to slow from 4% in May to 3.1% in June, which is only 1.1 percentage points higher than the Fed's inflation target of 2%.

While prices remain high in some areas, these decrease are a godsend for workers who have seen the value of their dollar shrink consistently over the past few years.

## Those Who Can Find Only Part-Time Work Rises

Not only is the job market cooling somewhat but the June jobs report saw an increase in the number of Americans working part-time due to economic conditions. Part-time workers increased another 452,000 to 4.2 million in June. According to the Department of Labor, this increase reflects "an increase in the number of persons whose hours were cut due to slack work or business conditions."

For workers, this could be a troubling sign of a shrinking economy ahead as businesses prepare for a potential downturn by cutting full-time work and prioritize hiring people only on a part-time basis.

## Unemployment for Black Workers Jumps

After what was a fairly strong Q1 for Black workers, the last quarter has seen huge spikes in Black unemployment. All of the improvements seen in Q1 have been totally erased with Black unemployment hitting an 11-month high at 6.4% - well above the national average of 3.6%.

For generations, Black workers have been some of the "first fired" and "last hired" during economic downturns and expansions, respectively. Those negative trends don't appear to be going away.



All data courtesy of the U.S. Bureau of Labor Statistics, Employment  
Situation Summary – April 2023 - June 2023:  
<https://www.bls.gov/news.release/empsit.nr0.htm>.



# HIRE ANALYSIS: ANALYZING THE Q2 2023 JOBS REPORTS

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