

# HIRE ANALYSIS: EXAMINING TRENDS IN 2023

JOBS REPORTS - Q1



# RAPID ANALYSIS

## Job Gains Cool Somewhat But Still Remain Strong

While the March Jobs Report, which saw the U.S. add 236,000 more jobs, did not show the gains that January and February did, the data still paints a positive picture on the employment outlook in the U.S. when compared to previous years – especially those prior to the pandemic. At this point, job candidates still maintain the upper hand in negotiations as demand for employees remains high almost across the board.

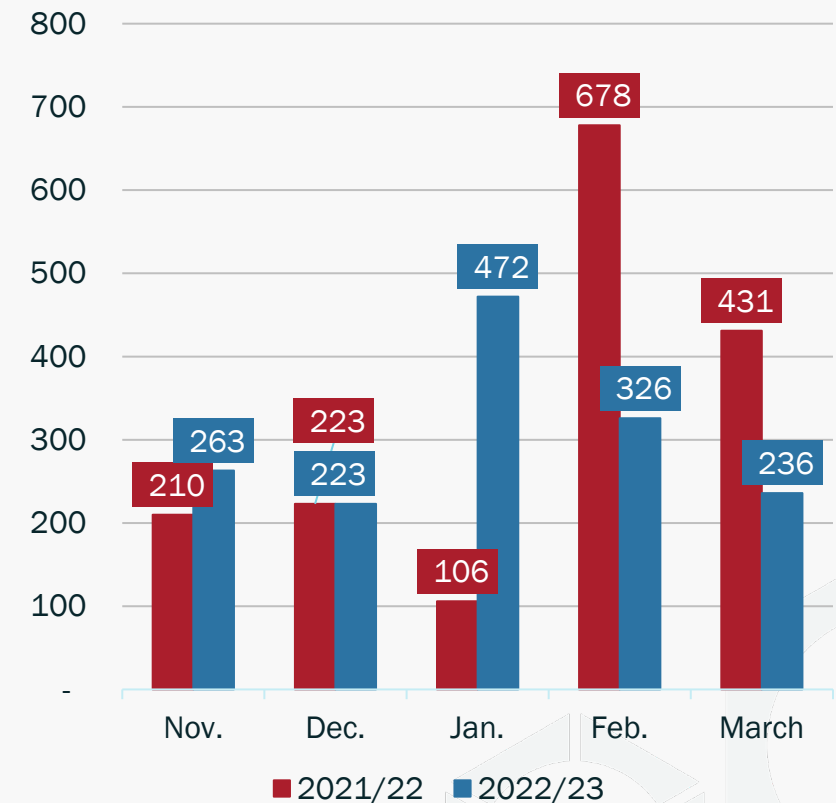
## Slowing Job Growth Could Indicate Inflation Improvements

As a result of the stronger-than-expected outlook, some investors are expecting the Federal Reserve to perhaps increase interest rates again, which it has been instituting for months as part of its continued effort to control inflation. The level of job gains from March is nearing the level President Joe Biden said would be required to stabilize the U.S. economy and inflation. The Fed is expected to meet in early May, which makes this job report the final one it will see before any announcement on interest rate increases in Q2.

## Industries Sensitive to Borrowing Costs Lost Jobs or Stayed Flat

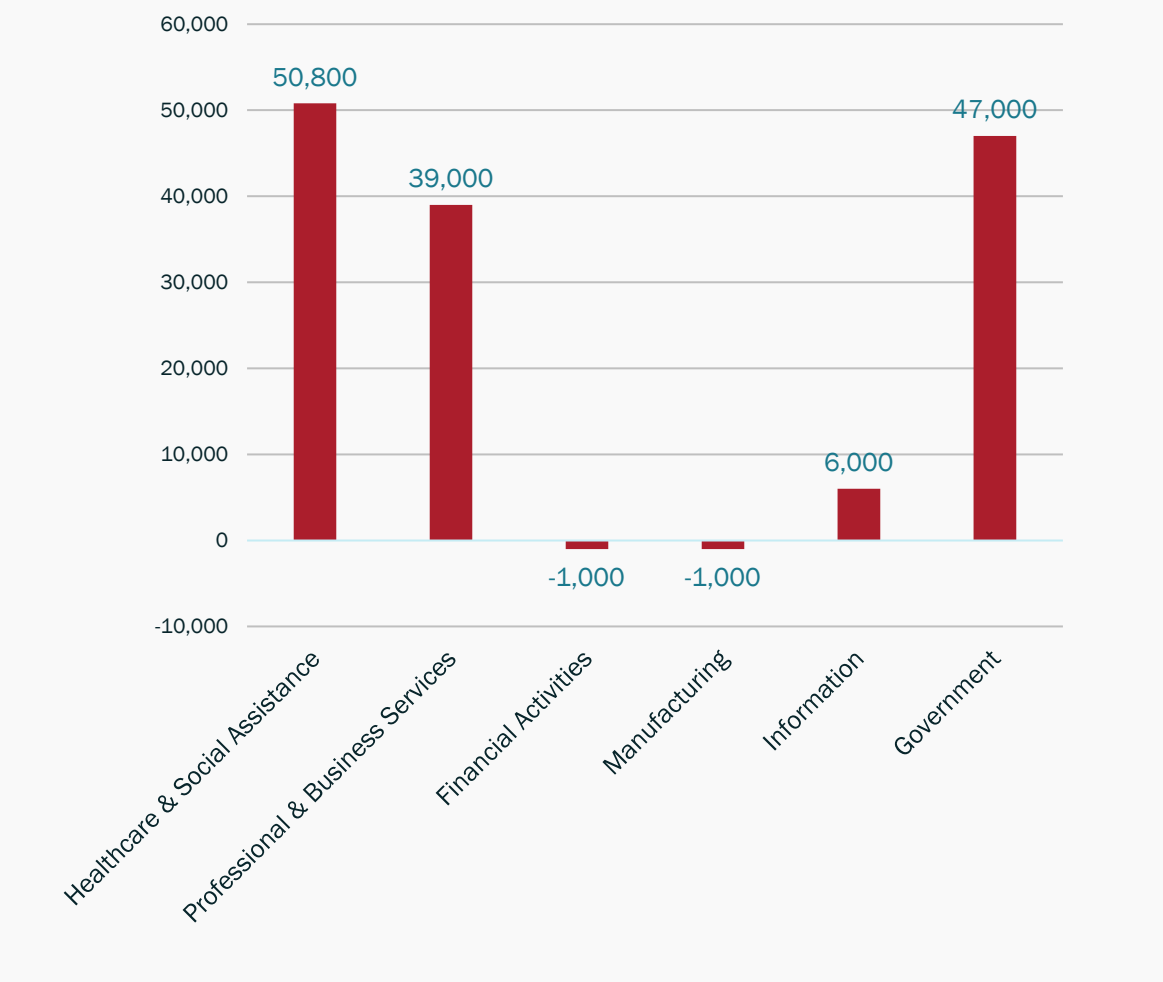
Unlike in previous reports, some industries have been more impacted by increasing interest rates than others. Those more sensitive to borrowing costs – warehousing (+0.2%), retail (-0.1%), manufacturing (+/- 0.0%), construction (-0.1%) and financial activities (+/- 0.0%) either lost some jobs or stayed flat over the month. Industries that are less susceptible, including professional and business services (+0.2%), private education and health (+0.3%), leisure and hospitality (+0.4%) and government (+0.2%), all saw measurable increases in jobs when seasonally adjusted. Certainly, this is positive news for highly skilled individuals seeking employment and those hiring across those industries.

Monthly Change in Jobs (in Thousands)



# ANALYSIS BY JOB MARKET

## Jobs Gained/Lost by Industry By Quarter



## Monthly Change By Industry



# INDUSTRY-BY-INDUSTRY RUNDOWN

## Healthcare & Social Assistance

In the healthcare space, nursing and residential care facility employment saw the largest percentage growth (+0.3%), while ambulatory healthcare services saw the most significant individual job gains at 15,000 new jobs added. Employment shortages in the healthcare space continue to plague the industry with little sign of a hiring slowdown any time soon.

## Finance

In the finance industry, it was a tale of two sectors in March. Finance and insurance saw 6,600 jobs added in March, while the real estate space took a significant hit, losing 7,200 jobs during the month. Specifically, rental and leasing roles fell the furthest, falling nearly a full percentage point (-0.8%).

## Information

While the information industry saw a boost in its job numbers in March, a majority of those gains were led by the motion picture and recording industries, which added 8,900 jobs during the month. More technical roles in telecommunications (-0.5%) and computing infrastructure (+/- 0.0%) reported modest job losses. Specifically, telecom roles have been trending downward for more than 12 months and counting.

## Professional & Business Services

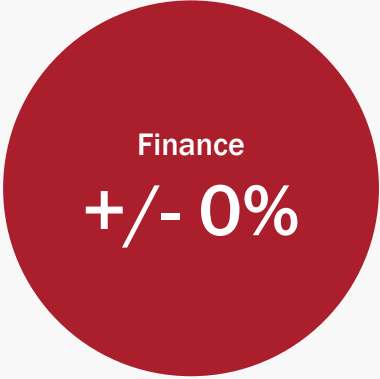
Professional, scientific and technical services – often the most highly skilled roles in this sector – saw 25,700 jobs added in March, led specifically by management, scientific and technical consulting roles. Architectural and engineering roles saw the second-most jobs added in this sector at 6,700 in March. Communications roles saw the biggest decline, losing 2,100 jobs.

## Manufacturing

Manufacturing, an industry typically affected greatly by borrowing capacity, saw a small dip in jobs lost in March, falling by just 1,000 jobs in March, which is identical to data from February's Jobs Report. This continues a modest downward trend in the space since the beginning of 2023.

## Government

Across the three areas of government – federal, state and local – local government saw the most gains in jobs, adding 26,000 during the month. State governments added 13,000 jobs, and federal saw gains of 8,000 jobs.



# HIRE ANALYSIS FOR EMPLOYERS

## Average Hourly Earnings Slow

In a sign the rising interest rates may be delivering their intended consequence, year-over-year growth in average hourly earnings cooled somewhat in March to 4.2 percent. Broadly speaking, the labor market is slowly settling back toward a more typical supply-demand dynamic. The high-profile bank issues in February complicate matters somewhat, but a soft landing for labor may actually be coming to fruition.

## Highly Skilled Workers Remain in High Demand

While the job market is no doubt cooling, those employers seeking highly skilled, highly paid workers may still face challenges filling those roles.

Industries such as business services, healthcare, education, information, and others continue to see consistent hiring. Even the many reported layoffs in the tech industry have not eased the sourcing issues that many searching for technical employees continue to face. That may change in the coming months, but until then, the demand for skill remains at peak levels.

## No Time to Relax Hiring Plans

While the number of hires seems to be trending downward to begin the year, employers would be wise to, at a minimum, maintain their hiring efforts through the next quarter.

Competition for talent in complex industries, while not immune to typical hiring cycles, does not fluctuate as rapidly as in other industries. The need for a talent partner, who can filter through the application clutter and find the best talent, continues to be critical to fill roles with that hard-to-find talent.

Now is not the time to alter offerings in benefits, salary or expectations. To do otherwise would put hiring manager at risk of losing out on high-quality candidates.



# HIRE ANALYSIS FOR WORKERS

## Prime-age Worker Share Highest in 22 years

Data from the Jobs Report revealed that the share of Americans aged 25 to 54, which is what most economists say is an individual's prime working age, who were working increased to 80.7% in March 2023. This is the highest this rate has been since 2001.

Steadily increasing wages seem to be drawing younger Americans back to work and putting an end to the somewhat ridiculous notion that "nobody wants to work anymore." Workers are out there – employers just need to offer the right package to get them.

## Is Hiring Slowdown Too Fast For Workers?

There is no question that the job market is slowing, and economists say this is a good thing for employers and employees alike. The unemployment rate continued to decrease as well, falling from 3.6% in February to 3.5% in March.

However, does this deceleration in hiring hint at a month where the U.S. sees net job losses in the near future? While some say that a cooling job market will lead to lower inflation, job seekers may want to keep a closer eye on the job market in the coming months as businesses put a squeeze on hiring.

## Unemployment for Black Workers Hits Record Low

Black Americans were especially hard hit by the pandemic in terms of job prospects. However, positive signs of a full rebound continue as the unemployment rate for Black workers fell to 5% in March, which is an all-time low. While it remains 1.8 percentage points above the rate for White workers, this gap is the narrowest on record.

While it's hard to attribute this to any one element, increasing awareness and adoption of diversity, equity and inclusion strategies may be paying off in some sectors.

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



# HIRE ANALYSIS: ANALYZING THE Q1 2023 JOBS REPORTS

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