

# HIRE ANALYSIS: EXAMINING 2023 JOBS REPORT TRENDS

Q3 – July, August, September 2023



# RAPID ANALYSIS

## Latest Jobs Report Shocks, Posts Biggest Gain Since January

After a few months of cooling jobs reports, many economists expected more of the same gradual slowdown to continue. What they got was a September jobs report that more than doubled the expectations of many and was the biggest increase in jobs since January of 2023. In fact, September was the U.S.'s 33<sup>rd</sup> consecutive month of job growth and showed that the U.S. labor market remains quite strong despite significant headwinds. Additionally, initial hiring figures from July and August were adjusted upward by about 119,000 jobs.

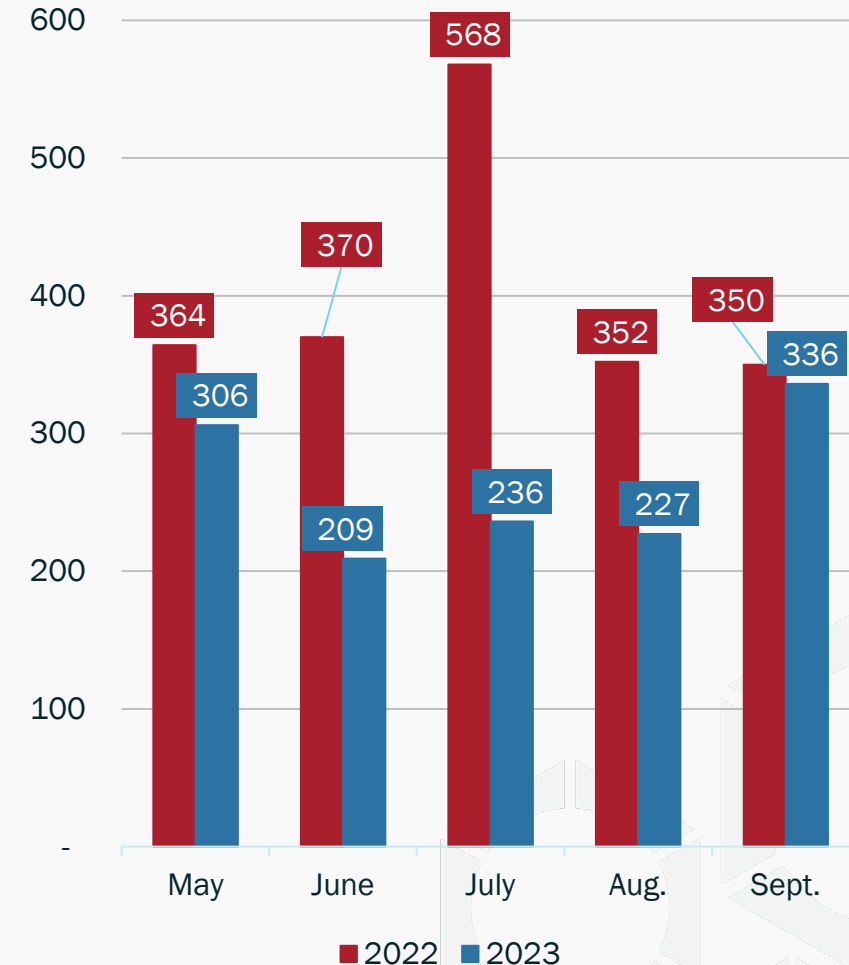
## Unemployment Rate Holds at 3.8%, Achieves a 60-Year First

With the U.S. unemployment rate holding steady at 3.8%, September 2023 became the 24<sup>th</sup> consecutive month where the rate did not surpass 4%. This is the first time since the 1960s that the unemployment rate has remained below 4% for a two-year stretch. Further, average hourly earnings for those in the workforce increased in September by 0.2% compared to August and 4.2% compared to one year ago. However, despite the increases, the earnings spike was smaller than many experts predicted, and wage growth is currently at its slowest pace since the very early days of the pandemic.

## Despite a Strong Jobs Report, Workforce Stress Remains High

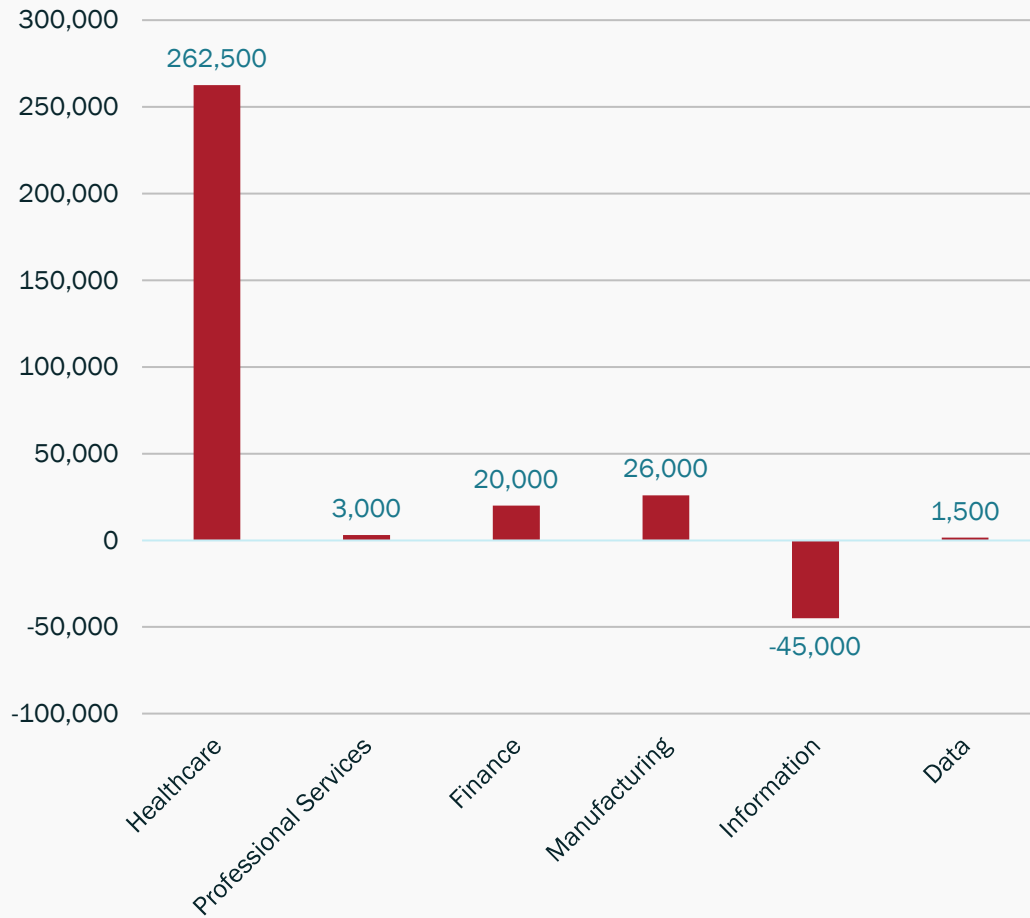
There is no question that continued jobs gains is good news for American workers. However, the American workforce remains under tremendous economic stress, and more stress may be on the way. As the student loan payment pause comes to an end, the wages of many will not go as far as they did just one month ago. Consistently high interest rates are making homeownership more difficult and costly for new buyers and renters alike. And inflation, while slowing, still means that prices are much higher than they were this time a year ago. Jobs are plentiful but maintaining the American lifestyle is no easier for many.

Monthly Change in Jobs  
(in Thousands)

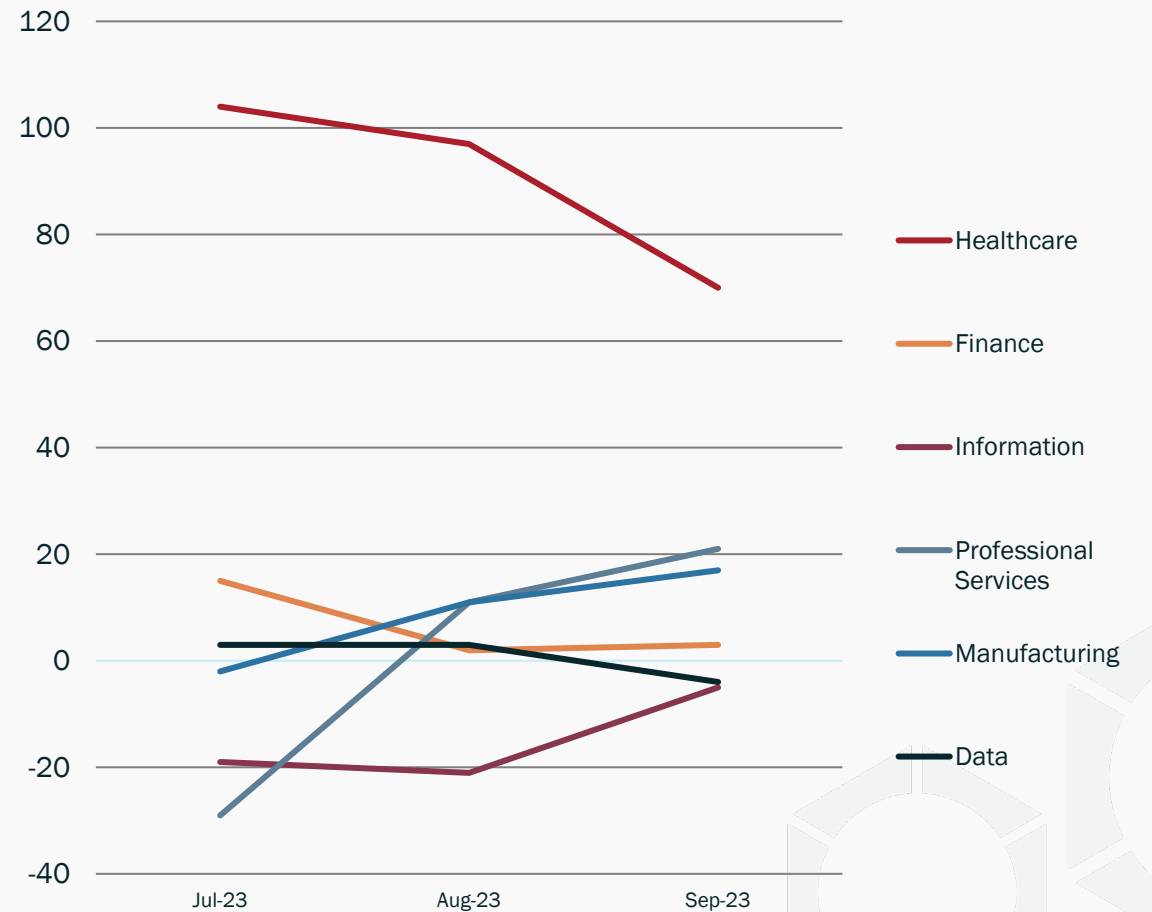


# ANALYSIS BY JOB MARKET

## Total Jobs Gained/Lost by Industry During Q3



## Job Gain/Lost Change By Industry (in thousands)



# INDUSTRY-BY-INDUSTRY RUNDOWN

## Healthcare & Social Assistance

The healthcare sector continues to drive significant job growth in the U.S. and remains the leading driver of the most recent jobs report. During Q3, ambulatory health services added more than 95,000 jobs; hospitals added more than 43,000 jobs; and nursing and residential care facilities added more than 45,000 jobs. Add this up, and the industry's job growth achieved more than 1% in gains.

## Finance

Most of the job gains in the financial sector stem from a solid jump in real estate, rental and leasing, which added nearly 20,000 jobs during the quarter. Jobs in finance and insurance remained essentially unchanged, with only 700 new jobs added during the quarter – a change of what amounts to just over 0%.

## Information

While the information sector had an especially difficult quarter, much of the job losses were driven by the motion picture industry, which was in the midst of a historic labor dispute and threw most of the sector's job numbers out of whack.

## Professional & Business Services

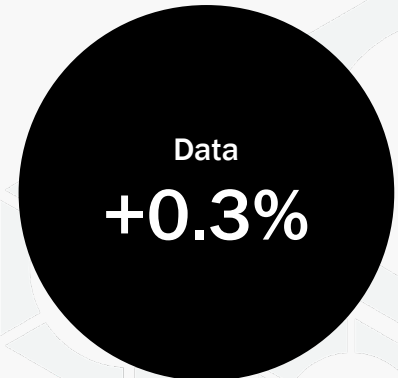
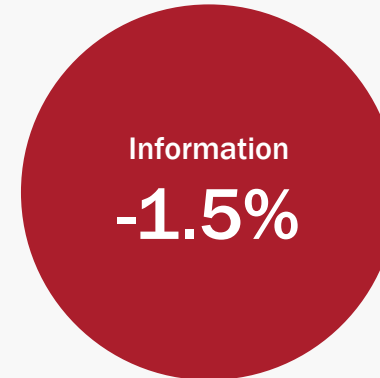
Steady and solid was the theme for professional and business services during Q3. The good news for high-skill workers is that professional, scientific and technical service jobs gained nearly 58,000 during the quarter – a 0.5% increase. Meanwhile, administrative and support services fell fairly dramatically, losing more than 67,000 jobs during Q3.

## Manufacturing

Maintaining a trend that has been present throughout the year, jobs in durable goods once again outpaced nondurable goods at 0.5% growth versus 0.2% loss, respectively. And also once again, it was transportation equipment manufacturing jobs that drove durable goods job growth, adding another 25,700 jobs in Q3.

## Data

In the data sector, computing infrastructure providers, data processing, web hosting and related services saw a small jump in jobs of around 1,500 added during the quarter, which amounts to a 0.3% change in employment.



# HIRE ANALYSIS FOR EMPLOYERS

## Despite Positive Numbers, There is Reason for Worry

While the picture for employers and employees alike may be rosy, many employed Americans feel quite differently about their job futures, according to a new survey from Yoh among employed Americans. Only 28% of employed Americans say they love their job and would not leave their company for any reason. In fact, nearly 1 in 7 employed Americans (14%) say they would like to leave their current job for a new one in the next 12 months.

Sentiment may be good now, but employers would be wise to take actions to ensure employees are satisfied in their current roles and remain loyal to their employers.

## Minority Populations Continue to Lag Behind Whites in Job Growth

The unemployment rate for White men and White women over age 20 sits at 3.5% and 2.8%, respectively. For Black workers over age 20, the unemployment rate for men is 5.6%, and for Black women, it's 4.5%. For both Hispanic men and women over 20, the unemployment rate is 4.5%. And for Asian Americans over 20, the rate is just 2.8%.

Though these figures paint only a small picture of the challenges that minority populations often face in gaining employment, the disparities show the continued need for employers to focus on improving their DE&I efforts to bring greater equality and equity to the American workforce.

## Employers Finally Gaining the Upper Hand?

For years now, employees have maintained a stranglehold on the workforce power dynamic. But even with continued job growth, slowing wage growth may finally indicate that employers are wrestling some of that power back. In fact, the Small Business Index, which measures confidence among small-business owners, recently reached its highest level since the beginning of the pandemic, putting it in line with 2019 levels. Despite higher labor costs, 72% of owners say they are “comfortable with their cash flow.”

# HIRE ANALYSIS FOR WORKERS

## Participation Rate Remains Unchanged

U.S. businesses continuing to add jobs is unquestionably a positive sign for workers. However, despite the additions, the participation rate is holding steady, meaning that employers aren't really doing a strong job of pulling new workers in who had otherwise given up on finding a job.

For the general population, that's not great. But for high-performing, hard-to-find talent, it shouldn't affect prospects all that much. Those jobs clearly remain in high demand as shown by growth in healthcare, information and more.

## Positive Jobs News is Bad News for Everyday Workers?

Yet again, while a strong jobs report may be a sign of a robust economy, the average American still feels a tight squeeze on their wallet and would hardly say that the economy is working for them. High gas costs and increasing interest rates for credit cards and mortgages continue to hold employees back. And with another month of job gains, the hope that the Fed might shrink interest rates feels like a pipe dream.

Employers should consider how the "economy" may have multiple different definitions depending on whether you ask Wall Street, the C-suite or the Average Joe walking down Main Street.

## Jobs Increase, Worker Confidence Falls

Even with job growth, it appears employee confidence may be waning, at least according to the Worker Confidence Index<sup>®</sup> (WCI), a survey of U.S. workers commissioned by Yoh and HRO Today. The survey gauges full-time employees' perceived job security, perceived likelihood of a promotion, perceived likelihood of a raise and overall trust in company leadership. In the second quarter of 2023, the WCI fell by 2.2 points from 110.9 to 108.7, representing a second consecutive quarter of decreases.

Further data shows just 29.8% of employees anticipate a raise of at least 3% after their next performance review, while 22.8% believe they will receive a promotion in the next 12 months.



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



# HIRE ANALYSIS: ANALYZING THE Q3 2023 JOBS REPORTS

For more information on Yoh's staffing solutions, visit [www.yoh.com](http://www.yoh.com)

