

> Key Economy and Labor Market Indicators

43K jobs gained in March

The private sector added 426K jobs in March, up 5% year-over-year. The public sector added 5K jobs, 1.4% YoY. Notable gains were seen in professional and business services and manufacturing.

62.4% labor force participation rate

The labor force participation rate ticked up another 0.1% month over month. The prime-age population (25-54 years) is now just 0.4% below its pre-pandemic level, but the overall economy is a full percentage point behind.

3.6% overall unemployment rate

The unemployment rate edged down again, indicating more people returned to work. Rolling unemployment rates for Actalent labor categories fell slightly. Degreed workers have a 2.0% unemployment rate.

4.4M workers quit their jobs in February, contributing the current labor market struggling to retain workers.

- Quits remain close to record highs, with the rate at 2.9%.
- A Pew Research survey revealed low pay and lack of advancement opportunities are among the top reasons workers quit in 2021.

Layoffs and discharges remain at low levels in the midst of the Great Resignation.

The talent drought is evident comparing the ratio of unemployed workers to job openings in Actalent’s core labor categories.

- SW-HW-IT & Mathematics, Architecture & Engineering and Life, Physical, and Social Sciences all have under 0.25 unemployed workers per job opening over the last three months (January-March), continuing a trend of fewer unemployed in these areas.

Signs of relief from pandemic-induced effects on the economy: in March alone, 324K women entered the labor force, absences from work due to Covid were the lowest since June 2021, and the number of people unable to work due to Covid hit a record low.

Average hourly earnings increased 5.6% YoY – this is high. Employers are stepping it up in terms of pay to stay competitive in a tight labor market.

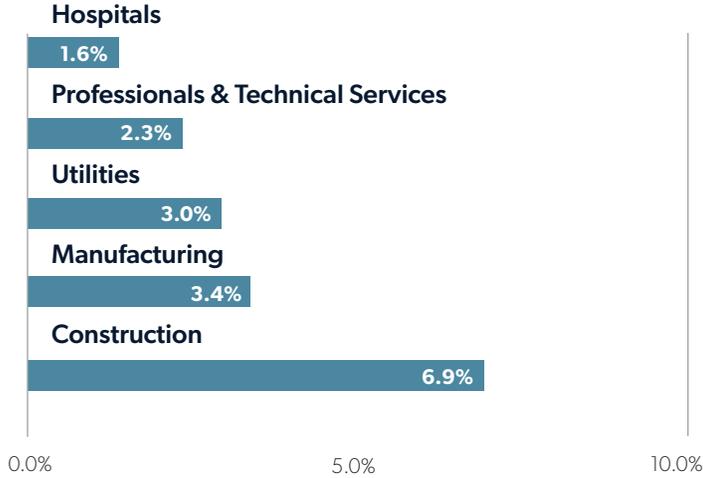
> Industry Employment Trends

Industry	Monthly Job Change + YoY Difference	Trends Impacting Hiring?
Overall Economy	+431K (4.6%)	As Covid-19 cases decreased, so did their impact on the labor force. Labor force participation increased, the unemployment rate decreased, and less people missed work, were unable to work, or were unable to look for work because of the pandemic, signaling relief. Despite many numbers nearing or reaching pre-pandemic measures, the goal is to ultimately exceed numbers from two years ago, so the market still has work to do. Job postings still outnumber available workers, and wages continue to climb, showing that the labor shortage is still prevalent.
Manufacturing	+38K (3.2%)	Rumors of near-shoring and re-shoring are coming to life as companies like Sherwin Williams and home builder PulteGroup trade in lower labor and materials costs for a shorter and more reliable supply chain. PulteGroup plans to have an automated manufacturing facility in South Carolina by next year to offset shortages of skilled workers and materials. With new US-based factories will come new demand for associated workers. Over the last three months, “automation engineer” job titles have grown 20% in demand, and “manufacturing engineer” titles by 28%.
Automotive Manufacturing	+6.4K (1.3%)	Sales in the US weakened in March, as the semiconductor shortage and other supply chain constraints negatively impacted major auto players, including Toyota, GM, and Ford. Volkswagen has begun considering new manufacturing approaches like nearshoring certain activities in an effort to reduce dependence on faraway suppliers, after China’s zero-covid policy and other global disruptions have hurt production.
Healthcare	+8.3K (1.2%)	Demand for Actalent skill sets is strong. There were over 67K postings for the “Case Management” skill in March – a 9% increase in demand just over the month. Medical assistants and phlebotomists also grew in demand. Healthcare has been characterized by high burnout and turnover since the onset of Covid. The most recent quits rate was still high (2.8%). The South in particular had higher than average turnover for Phlebotomists and Medical Assistants (the West also had higher than average for Med. Assist.) in 2021, so retention efforts are especially crucial in this sector.
Scientific R&D Services	+4.7K (7.1%)	Since the beginning of the pandemic, the skill “Data Analysis” has grown in demand in the R&D in the Physical/Engineering/Life Sciences industry by 90%, highlighting the growing importance of data in scientific research. Clinical trial demand remains strong: over the last 3 months, CTMs have increased in demand by 22%, CRAs by 43%, and CRCs by 48%. Over 200 employers are competing for these workers across the US.
Construction	+19K (3.0%)	Construction spending increased again and the sector has achieved pre-covid employment levels. It is still facing material and labor shortages as well as increasing wages and prices. The Associated General Contractors of America has urged officials to expand training for construction careers, as job posting levels suggest “contractors wanted to hire more than twice as many workers as they were able to” due to labor constraints.
Architectural & Engineering Services	+5.9K (6.0%)	Architectural billings are mixed, showing strength in the South, moderation in the Midwest, and declines in the Northeast and West, according to the ABI. Despite declining billings, March A&E job postings were actually highest in the West, followed by the South, MW, and NE, in that order. Rising costs of materials and labor are still adding pressure to this sector. Utilities & Construction each saw about a 10% increase in demand for these workers.

> Unemployment Analysis

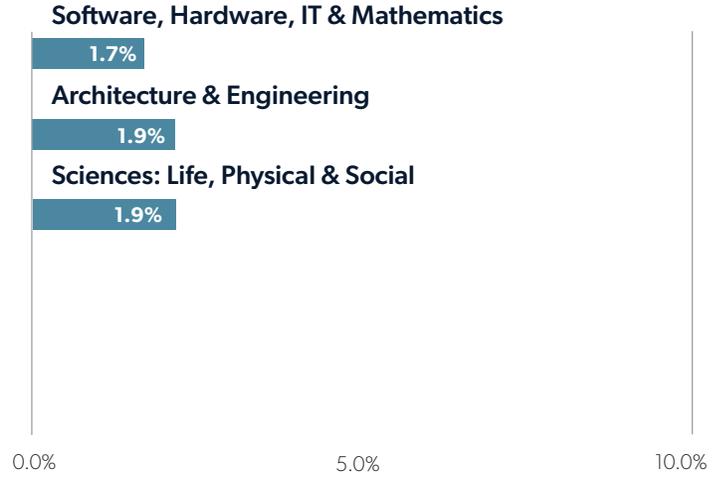
UNEMPLOYMENT

by Industry (Jan-Mar rolling unemployment average)



UNEMPLOYMENT

by Labor Category (Jan-Mar rolling unemployment average)



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labor category or industry.

> Labor Force Recovery

Markets with labor force declines find it harder to hire and retain workers and attract new business investment while markets with a growing labor force are more attractive to workers and business alike.

Top 5 Markets Recovery	%
Austin - Round Rock - Georgetown, TX	6%
Dallas - Fort Worth - Arlington, TX	4%
Riverside - San Bernardino - Ontario, CA	4%
Nashville - Davidson - Murfreesboro - Franklin, TN	4%
Portland - Vancouver - Hillsboro, OR-WA	3%

Bottom 5 Markets Recovery	%
Cleveland - Elyria, OH	-7%
Las Vegas - Henderson - Paradise, NV	-7%
Virginia Beach - Norfolk - Newport News, VA - NC	-5%
Pittsburgh, PA	-5%
Richmond, VA	-5%

Actalent's February 2022 Market Matters synthesizes information from a variety of sources including the United States Bureau of Labor Statistics survey results, Emsi-Buring Glass, media reports, industry intelligence, company earnings reports, and external labor market data.