

> Key Economy and Labor Market Indicators

**261K jobs gained in October**

The private sector added 233K jobs in October, up 4.0% year over year. The public sector gained 28K jobs, up 1.2% YoY.

**62.2% labor force participation rate**

Labor force participation declined 0.1 percentage points and remains under its pre-pandemic level of 63.4%. Participation of the prime-age worker population (25-54 yrs.) declined 0.2 percentage points to 82.5%.

**3.5% Overall unemployment rate**

The overall unemployment rate increased 0.2 percentage points to 3.7%. Rolling unemployment rates for Actalent labor categories remain low. Degreed workers have a 1.9% unemployment rate.

**4.1M workers quit their jobs in September, close to the record-high 4.5M**

- The quits rate was 2.7% for the third month in a row (record-high is 3%).

**Layoffs and Discharges decreased to 1.3M in September, close to record low levels and contradictory to recession-related messaging of mass layoffs**

**The talent drought is evident when 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 .15 or less unemployed workers per job opening over the last 3 months (August-October), continuing a trend of fewer unemployed in these areas.

**Hurricane Ian: devastating physical impact, less disruptive labor force impact**

- Important findings: cost of recruiting and onboarding new Initial jobless claims in Florida jumped to 14,934 week ending Oct. 8 but have since then declined to 7,803 claims week ending Oct. 29.

**Average hourly earnings increased 4.7% YoY**

- ‘Real’ inflation-adjusted earnings are down 2.8% YoY.

> Industry Employment Trends

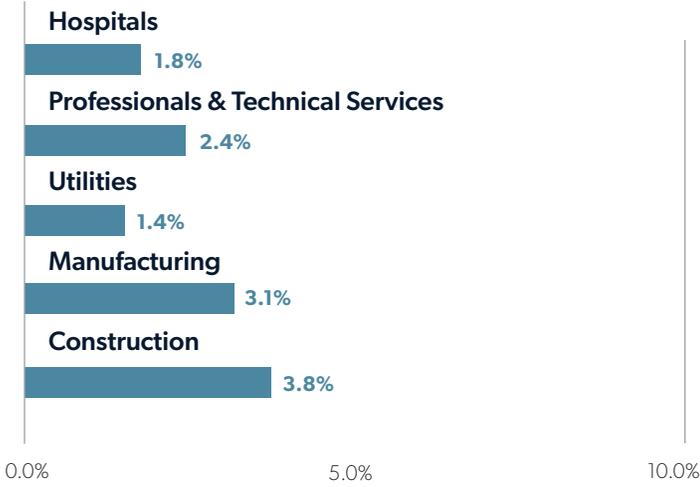
Industry	Monthly Job Change + YoY Difference	Trends Impacting Hiring?
Overall Economy	+261K (3.6%)	Despite increased interest rate hikes from the Federal Reserve, the labor market is not yet cooling at the pace that many hoped it would. Job openings jumped to 10.7M, indicating persistent hiring demand. While some companies announced hiring freezes and layoffs, job opening data suggests that the overall labor market is still in need of more workers. But unemployment rates and layoffs near record lows signal that those workers are still hard to find.
Utilities	+1.1 (0.9%)	The DOE continued to publish several federal investments from the Infrastructure Law and Inflation Reduction Act in October, including but not limited to, \$2.8B invested in EV batteries and the electrical grid, a \$250M program to strengthen rural communities’ energy security, \$150M to enhance nuclear R&D at the DOE’s Idaho National Laboratory, and \$250M into domestic heat pump manufacturing.
Construction	+1K (3.6%)	The Associated General Contractors believe that the construction sector would have hired more workers last month if they could, with their CEO stating, “labor market conditions are so tight...that the sector barely increased in size even as demand remains strong for many types of construction projects.” Manufacturing drove up construction spending in September, with semiconductor plant investments creating demand that is likely to last through 2023.
Architecture & Engineering	6.8K (5.9%)	Architectural demand is cooling, and firms with multifamily residential and commercial/ industrial specializations saw billing declines in September (most recent data). Backlogs, however, remain close to record-high levels. Only 36% of interviewed architectural firm leaders anticipate revenue to increase from 2022 to 2023, with client apprehension, high material and labor costs, rising interest rates, and limited staff/capacity to take on new projects as the main contributors to these doubts.
Healthcare	+52.6K (3.2%)	AMN Healthcare survey results revealed 85% of healthcare facilities have reported a shortage of allied healthcare professionals (which include CLTs, lab techs, medical assistants, med techs, and pharm techs), with 71% of respondents citing longer times to fill and 46% citing burnout. In response, 67% reported increasing hiring incentives such as signing bonuses, 59% reported increasing pay rates, and 59% reported increasing hiring temporary staff.
Scientific R&D	+5.3K (6.7%)	Walmart is entering the clinical trials industry with the launch of the ‘Walmart Healthcare Research Institute’ and plans to focus on drug studies that would impact underrepresented communities. Pfizer announced successful results from the Phase 3 clinical trial for its maternal RSV vaccine candidate. It plans to submit a Biologics License Application by the end of 2022, which would mark steps towards commercialization of the vaccine.
Automotive	4.8K (2.5%)	Ford and Volkswagen decided to pull out of their investment with Argo AI after its \$827M loss, and some Argo employees were laid off as a result. Ford’s CEO indicated a shift from developing self-driving technology to advanced driver-assistance systems, stating that “profitable, fully autonomous vehicles at scale are a long way off” and that they’re going to leave that development to more tech-based companies. GM has revised its EV sales forecast after slow battery production (partly impacted by hiring challenges) delayed original goals. GM remains profitable and currently has no layoff plans.

C&IP – Manufacturing of Durable Goods, Technology, Chemicals, Food Products, etc.	+32K (3.7%)	According to manufacturing indexes, labor and parts delivery challenges are easing, but other headwinds such as continued semiconductor shortages, uncertainty about the Russia-Ukraine war, the declining housing market, and consumer caution in reaction to recession threats have all slowed manufacturing demand and growth. Interest rate-sensitive tech companies continue to struggle, with Microsoft being the latest big-name to announce layoffs as it faces uncertain economic conditions. Contrastingly, food & beverage companies such as Coca-Cola and Chipotle have seen growth in profits.
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## > Unemployment Analysis

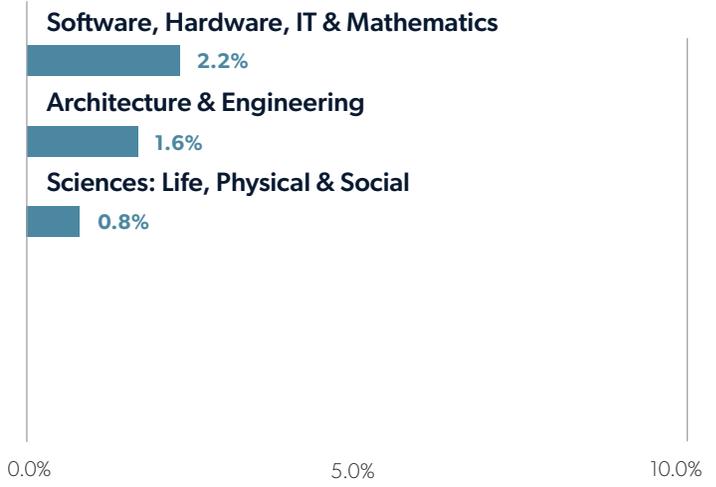
### UNEMPLOYMENT

by Industry (August-October rolling unemployment average)



### UNEMPLOYMENT

by Labor Category (August-October 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.