

September 7, 2018



# U.S. Talent Market Monthly

U.S. EMPLOYERS HIRED

201,000

WORKERS IN AUGUST

AVERAGE HOURLY EARNINGS  
(ALL WORKERS)

\$27.16

2.9% ABOVE LAST YEAR

THE UNEMPLOYMENT RATE STAYED AT

3.9%

4.4% LAST AUGUST

## STRONG HIRING CARRIES ON IN AUGUST

- Employment growth of 201,000 is on track with the average monthly gain of 207,000 through the first eight months of the year.
- Despite a hefty drop in labor force participation in August, the unemployment rate remains low at 3.9%.
- Wage growth edged up to its highest rate since 2009, a welcome and long-expected development in an extremely tight labor market.

The U.S. economy continued to generate jobs at a healthy pace in August, with employers adding 201,000 workers to their payrolls, in line with consensus expectations. Revisions to June and July's employment numbers lowered the two months' total net job gains by 50,000, bringing average monthly employment growth to just under 207,000 for 2018 year-to-date. In 2017, job growth averaged around 182,000 per month.

*(Continued)*

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The professional and business services and healthcare sectors once again led hiring in August, with gains of 53,000 and 33,200 respectively. Combined, these two sectors have created nearly 590,000 jobs—more than 35% of total U.S. employment growth—thus far in 2018. The construction sector had a strong month, with 23,000 jobs added, and employment grew by 20,200 in the transportation and warehousing industry.

The unemployment rate remained unchanged at 3.9% in August, but a significant decline in the labor force (-469,000) caused the participation rate to decline from 62.9% to 62.7%. More encouragingly, average hourly earnings growth showed a slight acceleration to 2.9% year-over-year, the highest growth in over nine years.

August’s employment numbers reflect a confident economy with employers steadily adding to their payrolls and keeping unemployment in check. With the continued tightness of the labor market, the tick up in wages certainly has been long anticipated.

### U.S. MONTHLY EMPLOYMENT CHANGE AND UNEMPLOYMENT RATE



### EMPLOYMENT OVERVIEW

	MAR	APR	MAY	JUN	JUL	AUG
Total non-farm employment growth	155K	175K	268K	208K	147K	201K
Private sector employment growth	153K	174K	260K	192K	153K	204K
Unemployment rate	4.1%	3.9%	3.8%	4.0%	3.9%	3.9%

Source: Bureau of Labor Statistics

### HOME IS WHERE THE JOB IS

Worker mobility is on a downward trend in America; new research has found that fewer job seekers are willing to move themselves and their families in pursuit of employment. According to the U.S. Census Bureau, around 3.5 million Americans relocated for a new job in 2017, down from 3.8 million the previous year and 22% less than the peak of 4.5 million in 2000. Separate research from Challenger, Gray & Christmas shows a similar trend: just over 10% of job seekers relocated for work through the first half of 2018, a significant decrease from 2000, when the relocation rate was close to 23%.

A variety of factors, ranging from economic to social to technological, are contributing to the trend of workers staying put. Thanks to technology, many workers can perform their jobs remotely, eliminating the need for relocation. Job seekers also cite the lack of affordable housing in areas where job growth is more robust, particularly in large coastal metro areas. And family obligations—including not wanting to uproot children, caring for aging parents, and the challenge of a spouse finding a job—are also making far-away job opportunities less attractive.

Sources: Wall Street Journal, 08.20.18; CBS News, 08.16.18