

August 3, 2018



U.S. Talent Market Monthly

U.S. EMPLOYERS HIRED

157,000

WORKERS IN JULY

AVERAGE HOURLY EARNINGS
(ALL WORKERS)

\$27.05

2.7% ABOVE LAST YEAR

THE UNEMPLOYMENT RATE FELL TO

3.9%

4.3% LAST JULY

TEMPERED JOB CREATION IN JULY

- Lower than expected employment gains led by the professional and business services and manufacturing sectors.
- The unemployment rate dipped to 3.9% and remains near an 18-year low, suggesting that talent remains in very short supply.
- Despite the tight labor market, average wage growth still has not accelerated, remaining at 2.7% in July.

The still-strong labor market took a slight pause in July. Employers added 157,000 workers to their payrolls, which was below both consensus expectations and the robust pace of hiring seen so far in 2018. Through the first seven months of the year, the U.S. economy has generated more than 1.5 million jobs, or an average of 215,000 per month. Revised figures for May and June added a combined 59,000 workers to the two months' totals, bringing average job creation for the past three months to 224,000.

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Hiring trends were led by the professional and business services sector, which added 51,000 jobs in July—on par with its average monthly gain of 49,000 in 2018 year-to-date. The manufacturing sector had another strong month, with employment increasing by 37,000 in July. In the accommodation and food services sector, employment rose by nearly 34,000, and health care employment also continued to trend up (+16,700).

The unemployment rate edged below 4% in July, while the labor force participation rate remained unchanged at 62.9%. Private sector workers' average hourly earnings were \$27.05 in July, an increase of 2.7% year-over-year. Through the first seven months of 2018, earnings growth has remained in a narrow range between 2.6% and 2.8%.

Although the headline job creation number was lower than expected in July, the U.S. economy continues to generate jobs across a wide range of sectors. With the unemployment rate remaining near historic lows, finding workers to fill positions continues to pose a challenge.

U.S. MONTHLY EMPLOYMENT CHANGE AND UNEMPLOYMENT RATE



EMPLOYMENT OVERVIEW

	FEB	MAR	APR	MAY	JUN	JUL
Total non-farm employment growth	324K	155K	175K	268K	248K	157K
Private sector employment growth	321K	153K	174K	260K	234K	170K
Unemployment rate	4.1%	4.1%	3.9%	3.8%	4.0%	3.9%

Source: Bureau of Labor Statistics

GHOST WORKERS

Employers and recruiters are reporting an uptick in “ghosting”—a word borrowed from the dating world that in a work environment refers to behaviors such as candidates agreeing to interviews or accepting jobs and then failing to show up, or employees who simply stop reporting to work with no explanation provided. According to a recent LinkedIn article, “In fields ranging from food service to finance, recruiters and hiring managers say a tightening job market and a sustained labor shortage have contributed to a surge in professionals abruptly cutting off contact and turning silent—the type of behavior more often associated with online dating than office life.”

The reasons for the upswing in candidate and employee ghosting are complex, but stem from a labor market that has hit historical levels for high demand and low supply—the number of job openings has surpassed the number of unemployed workers for the first time since this data began to be tracked in 2000. Changing communication patterns are also playing a part, with the rise of texting and social media making more informal contact the norm for many people. Experts also note that this type of behavior—little to no communication about the hiring (or firing) process—has commonly happened on the employers’ side, so workers are now taking advantage of the ability to control their own employment paths.

Sources: LinkedIn, 06.23.18; Inc, 06.25.18