

November 3, 2017



U.S. Talent Market Monthly

U.S. EMPLOYERS HIRED

261,000

WORKERS IN OCTOBER

AVERAGE HOURLY EARNINGS
(ALL WORKERS)

\$26.53

2.4% ABOVE LAST YEAR

THE UNEMPLOYMENT RATE FELL TO

4.1%

4.8% LAST OCTOBER

A SOFT REBOUND IN OCTOBER

- Employment growth was slightly below consensus expectations, with gains driven by recovery from the previous month's hurricane-related hospitality sector job losses.
- Labor force declines led to a dip in both the unemployment and labor force participation rates, and wage growth slowed.
- Despite the recent distortions due to weather, demand for workers in the U.S. remains strong but wage growth is still surprisingly weak.

After a September jobs report in which the effects of hurricane activity pushed initial employment gain estimates below zero for the first time in seven years, the October report showed a healthy bounce-back. Employers added 261,000 workers to their payrolls, and the previous two months' hiring totals were revised upwards by a net 90,000. Over the first ten months of the year, the U.S. economy has added nearly 1.7 million jobs, slightly behind the pace of 2016, when more than 1.9 million jobs had been added as of October.

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Employers in the accommodation and food services sector reported 90,300 additional workers on their payrolls in October, almost offsetting a weather-related decrease of nearly 93,000 in September. Other sectors driving October's job gains were professional and business services (50,000), health care (21,500), and manufacturing (24,000).

The unemployment rate edged down to 4.1% in October, its lowest level since December 2000. The drop in unemployment reflected a significant decrease in the labor force, which shrunk by more than three quarters of a million people in October. The labor force participation rate correspondingly fell by 0.4 percentage points to 62.7%.

Average hourly wages dropped by one cent in October after a 12 cent rise in September. On a year-over-year basis, earnings were up by 2.4% in October, lower than the average year-to-date pace of around 2.6%.

Looking past the effects of the recent hurricanes, which have added a certain volatility to the headline job creation figures, the labor market picture remains one of steady but slowing employment growth and still sluggish wages.

U.S. MONTHLY EMPLOYMENT CHANGE AND UNEMPLOYMENT RATE



EMPLOYMENT OVERVIEW

	MAY	JUN	JUL	AUG	SEP	OCT
Total non-farm employment growth	145K	210K	138K	208K	18K	261K
Private sector employment growth	153K	207K	133K	184K	15K	252K
Unemployment rate	4.3%	4.4%	4.3%	4.4%	4.2%	4.1%

Source: Bureau of Labor Statistics

FORECASTING FOR THE FUTURE

The U.S. Bureau of Labor Statistics has recently issued its employment projections through 2026, and the future looks especially bright in the sectors that *The Atlantic* has termed the “Three Cs”: care, computers, and clean energy. Leading the BLS’ predictions for the highest percentage growth over the next decade are two jobs in the alternative energy field: solar photovoltaic installers and wind turbine service technicians. Although employment in these jobs is relatively small in number, both are projected to roughly double in the next ten years.

In terms of absolute numbers, care occupations are projected to lead the way:

nearly four million healthcare and social assistance jobs are expected to be created over the next decade, comprising more than a third of total employment growth during the period. In addition, five of the top ten fastest-growing jobs are in the healthcare field. Several computer and mathematical jobs, including software developers, mathematicians, and statisticians, are also counted among the top fastest-growing occupations in the coming decade.

Sources: BLS; Why Nerds and Nurses Are Taking Over the U.S. Economy, *The Atlantic*, 10.26.17