

February 6, 2020



U.S. Talent Market Monthly

U.S. EMPLOYERS HIRED

225,000

WORKERS IN JANUARY

AVERAGE HOURLY EARNINGS
(ALL WORKERS)

\$28.44

3.1% ABOVE LAST YEAR

THE UNEMPLOYMENT RATE ROSE TO

3.6%

4.0% LAST JANUARY

HEALTHY JOB GAINS TO START 2020

- Employment growth beat expectations in January, with strength in the construction, healthcare, and transportation/warehousing sectors.
- Unemployment remains low but edged up to 3.6%, while hourly wage growth also showed a slight acceleration.
- The U.S. labor market is still adding jobs at a strong pace, as the record economic expansion continues.

After a relatively modest increase in December, U.S. hiring bounced back in January with employers adding 225,000 workers to their payrolls, beating consensus expectations. After annual revisions to the previous year's employment gain figures, the U.S. economy added just under 2.1 million jobs in 2019—a slowdown from 2.3 million jobs in 2018 but still healthy given the maturity of the economic cycle.

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The construction industry led employment growth in January, with an increase of 44,000 workers, the largest gain in that sector in a year. Other areas of strong hiring were healthcare (+35,500), transportation and warehousing (+28,300), and education (+24,900). Manufacturing employment was down slightly in January (-12,000), and has remained relatively flat over the past year.

The unemployment rate edged back up to 3.6% in January after dropping to 3.5% to end the year. Wage growth, which had dipped to 3.0% in December, ticked back up to 3.1% year-over-year in January.

The first jobs report of 2020 paints a picture of a U.S. labor market that remains extremely tight, with ongoing historically low unemployment, decent wage growth, and continued healthy employment gains.

U.S. MONTHLY EMPLOYMENT CHANGE AND UNEMPLOYMENT RATE



EMPLOYMENT OVERVIEW

	AUG	SEP	OCT	NOV	DEC	JAN
Total non-farm employment growth	207K	208K	185K	261K	147K	225K
Private sector employment growth	157K	195K	190K	247K	142K	206K
Unemployment rate	3.7%	3.5%	3.6%	3.5%	3.5%	3.6%

Source: Bureau of Labor Statistics

COLLEGE GRAD CONCERNS

Despite the ongoing tightness of the U.S. labor market, today's college graduates have some significant concerns as they enter the work world. According to a recent survey, the top two challenges that students anticipate post-graduation are finding a job and paying off student loans. Students have little faith in today's job market: more than half (53%) believe that it is harder to get a job today compared to when their parents graduated. And 61% of respondents say they feel pressured to choose a major that will result in a high-paying job.

Another pressing concern for college grads is student loan debt, which nearly three-quarters of students (73%) say they will graduate with. The study found that this debt might factor into graduates' choice of jobs: 61% say that the pressure to pay off their student loans would cause them to take a job they're not passionate about. And half of respondents say that they would take the first job they're offered, with 62% citing financial pressure as the reason.

Sources: Handshake, January 2020