

U.S. UNEMPLOYMENT UPDATE

August 2021

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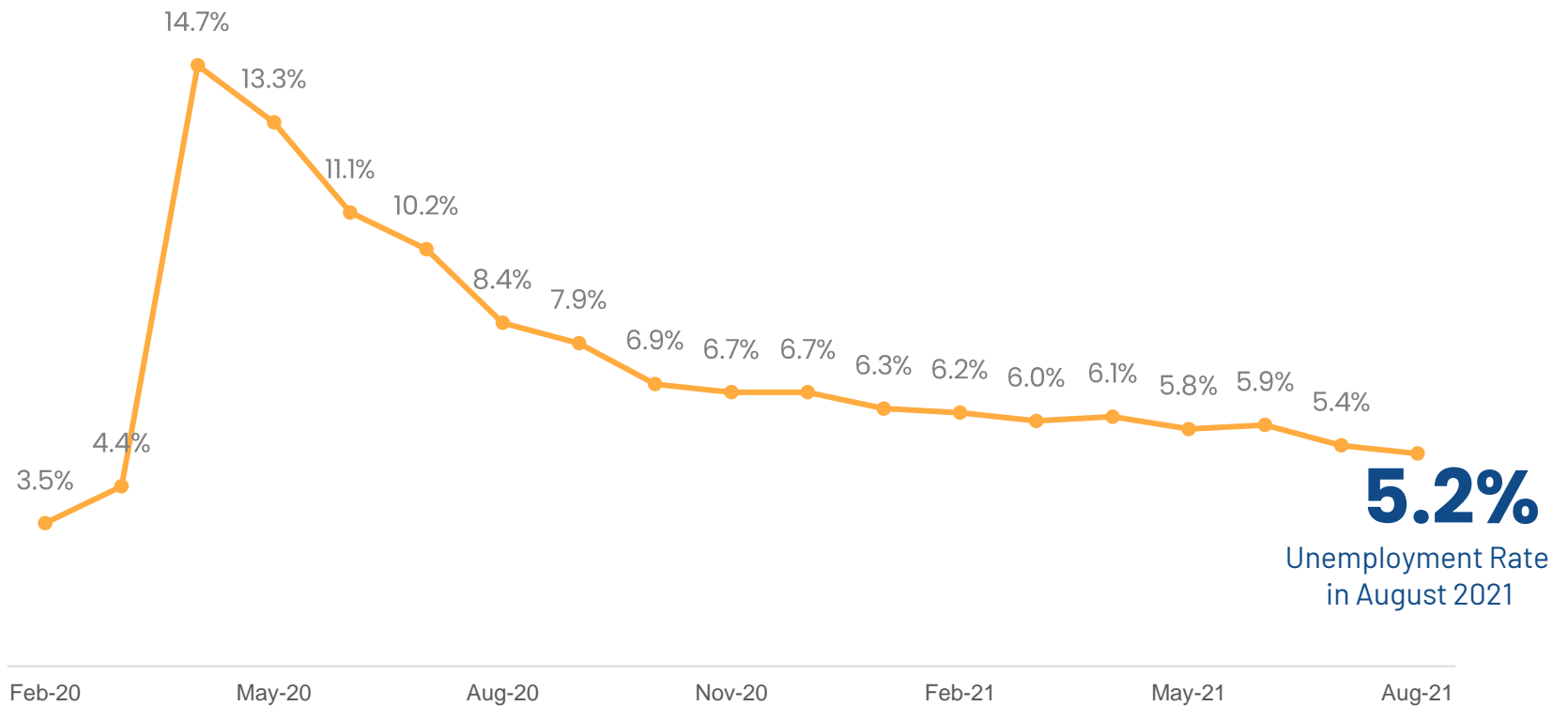
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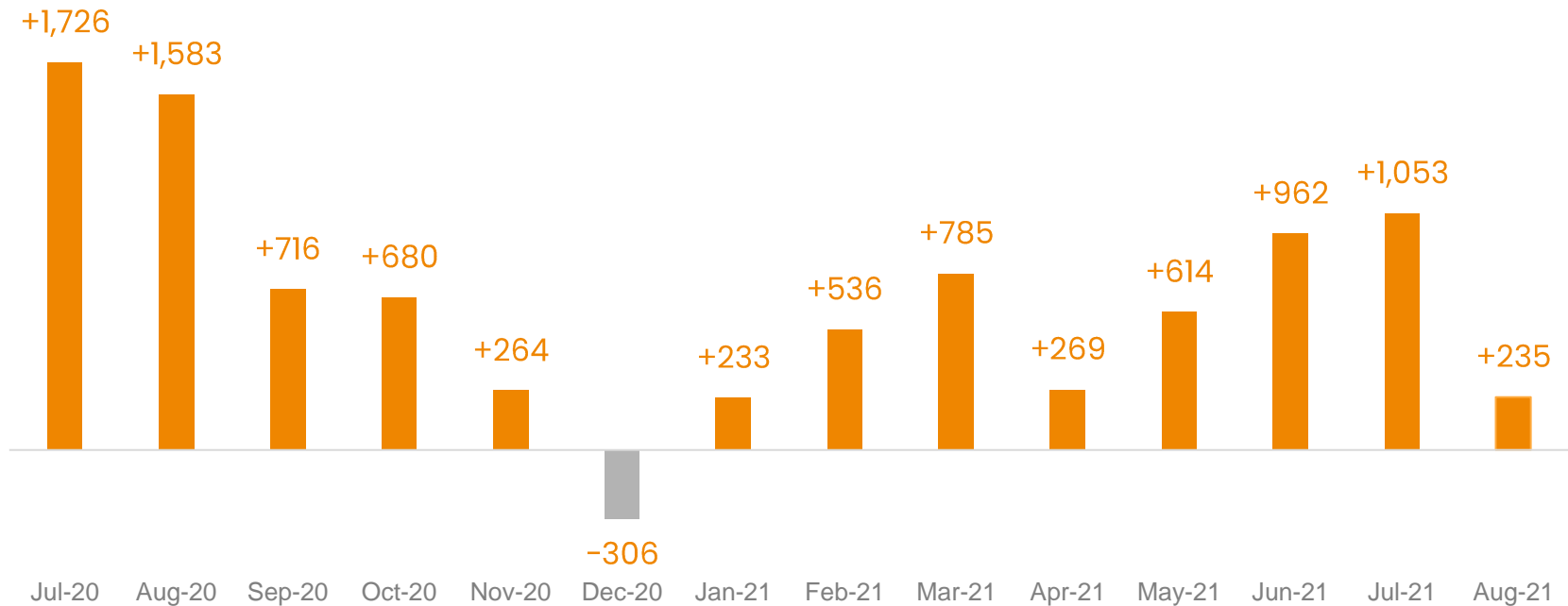


After several strong months of recovery, August's job market numbers were disappointing. The U.S. economy added just 235,000 jobs, the lowest since January, and much less than the 700,000+ predicted by economists. The COVID-19 Delta variant has caused infections to surge across the country, interrupting the return to normal life. As a result, consumers are more hesitant and some businesses have put the brakes on hiring. However, some bright spots do stand out, including the drop in the unemployment rate to a new pandemic low of 5.2%.



EMPLOYMENT NET CHANGE (Total Nonfarm, in Thousands)

August’s increase of 235,000 jobs is less than one-quarter of July’s gain of 1,053,000. The large drop in jobs added back to the economy is a direct result of the Delta variant and shows how tied the job market recovery is to the state of the pandemic. Now nearly a year and a half into the recovery, the U.S. economy is still 5.3 million jobs short of February 2020’s employment level.



UNEMPLOYED INDIVIDUALS

The total number of unemployed individuals and the number of permanent job losses both fell in August. At the same time, the number of temporary layoffs changed little from July. The number of short-term unemployed workers and the number of workers unemployed for 15 weeks and over fell while the number unemployed for 5-14 weeks increased. Teens saw an increase in their unemployment rate.

Unemployed Individuals

8.4 Million ↓

vs. 8.7 million in July

Temporary Layoffs

1.25 Million ⇐

vs. 1.23 million in July

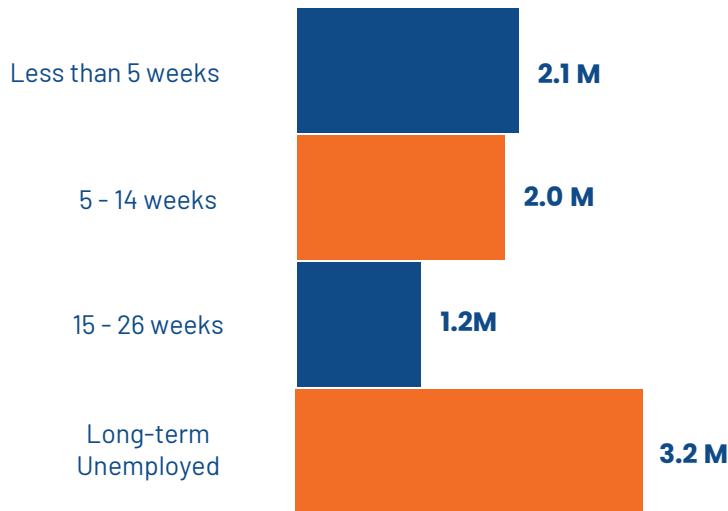
Permanent Job Loss

2.5 Million ↓

vs. 2.9 million in July

Unemployed Individuals

By Length of Unemployment



Unemployment Rate

By Demographics

Teenagers

11.2% ↑
vs. 9.6% in July

Women

4.8% ↓
vs. 5.0% in July

Men

5.1% ↓
vs. 5.4% in July

Hispanic

6.4% ↓
vs. 6.6% in July

White

4.5% ↓
vs. 4.8% in July

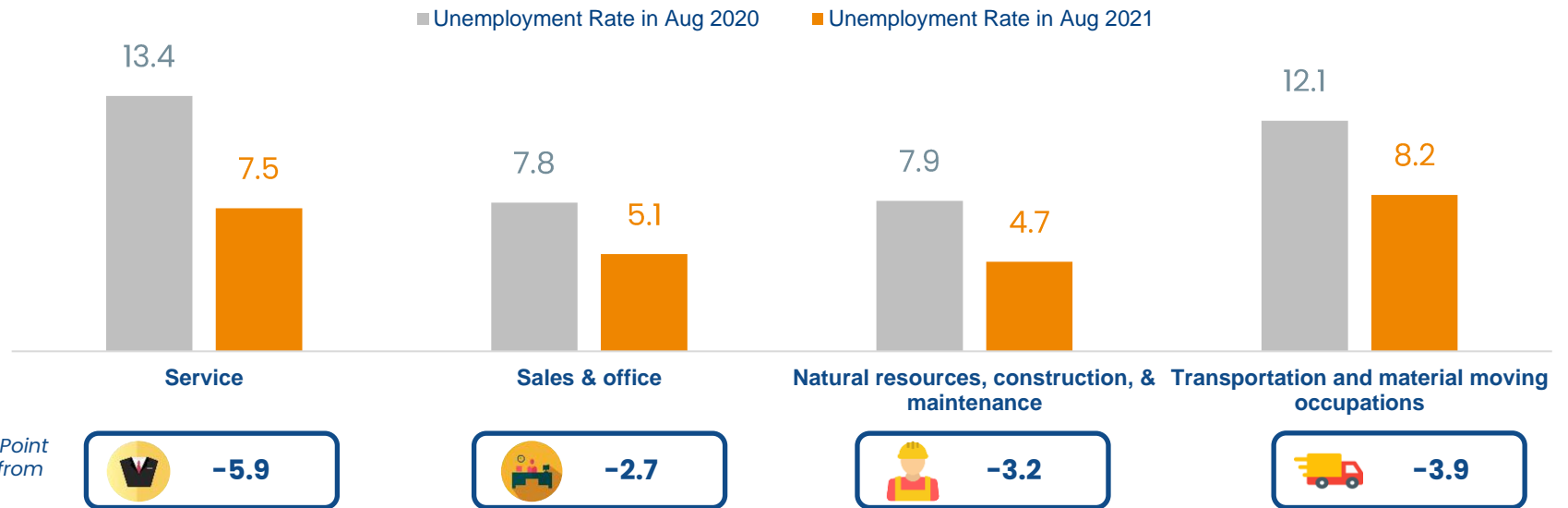
Black

8.8% ↑
vs. 8.2% in July

Asian

5.6% ↑
vs. 5.3% in July

UNEMPLOYMENT RATE BY OCCUPATION (Aug 2020 vs Aug 2021)

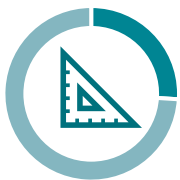


EMPLOYMENT BY INDUSTRY (Total Nonfarm, Change from July)

Professional and Business Services

+74,000

↑ 2.50% increase



26%

Of the growth is due to the gain in the Architectural and engineering services (+19,000).

Transportation and Warehousing

+53,000

↑ 1.09% Increase



21%

Of the gains occurring in Air Transportation (+11,000).

Manufacturing

+37,000

↑ 0.29% Increase



65%

Of the gain occurring in Motor Vehicles and Parts (+24,000).

Other Services

+37,000

↑ 0.64% Increase

Information

+17,000

↑ 0.62% Increase

Financial Activities

+16,000

↑ 0.18% Increase

Mining and Logging

+6,000

↑ 0.93% Increase

Wholesale Trade

+1,400

↑ 0.02% Increase

Leisure and Hospitality

+0

↔ 0.0% Increase

Construction

-3,000

↓ 0.04% decrease

Health Care and Social Assistance

-4,600

↓ 0.02% decrease

Government

-8,000

↓ 0.04% decrease

Retail Trade

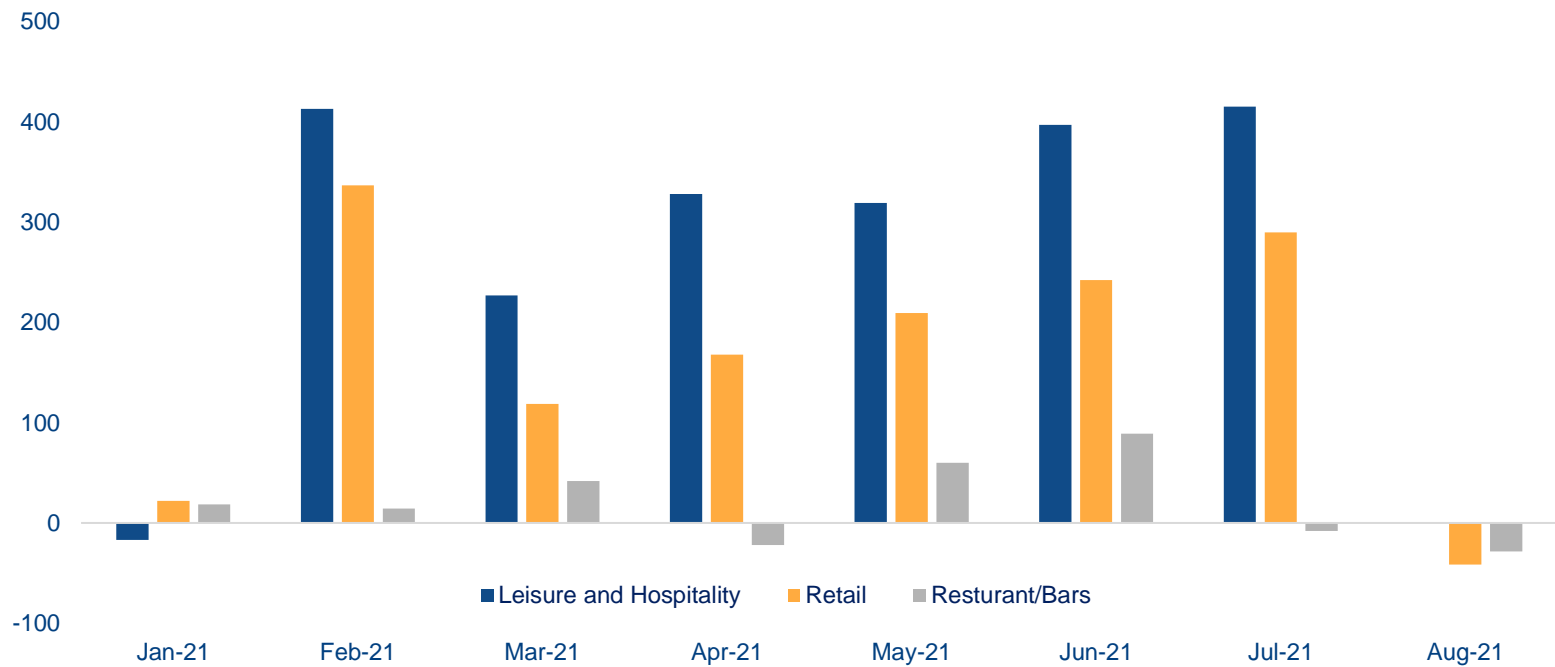
-28,500

↓ 0.19% decrease

EMPLOYMENT LOSSES

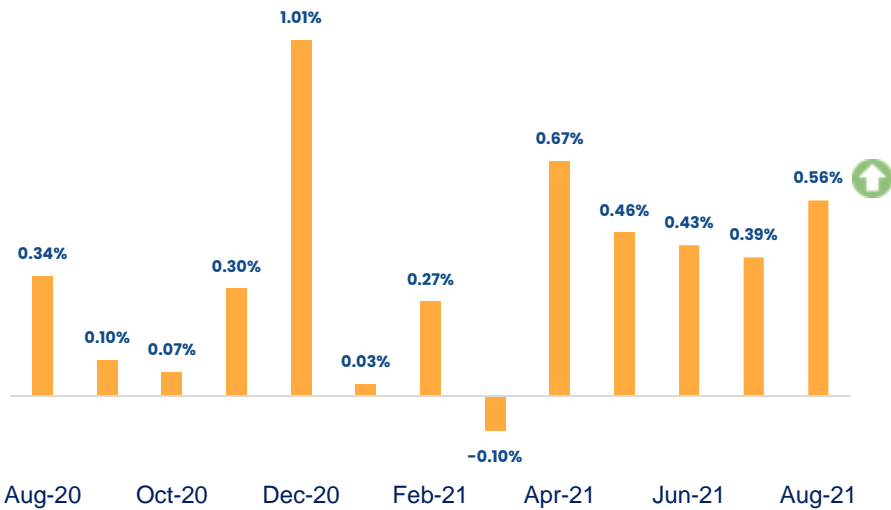
After adding back jobs for 6 straight months, Leisure and Hospitality employment was unchanged from July. The Delta variant has had a large impact on industries reliant on face-to-face interactions. Employment in restaurants/bars and retail both declined in August.

Monthly Change In Employment, Thousands



AVERAGE HOURLY EARNINGS (Private Nonfarm Payrolls, Change from July)

Total Private MoM

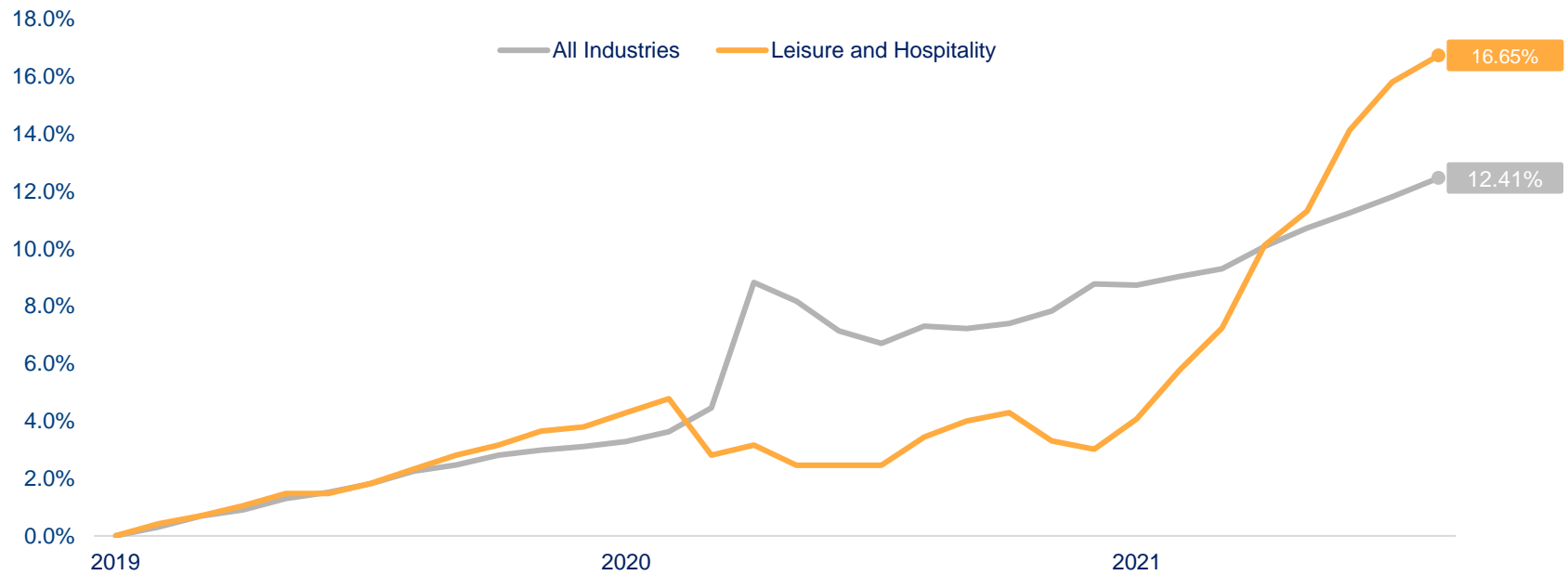


One of the bright spots in August's tepid jobs report was the increase in wages. Average hourly wages increased for the 5th straight month and by the largest amount since April. Compared to August of 2020, average hourly wages are 7.8% higher. Average hourly wages for Leisure and Hospitality workers went up by \$0.25, an increase of 1.35% from July.

Leisure and Hospitality +\$0.25 ↑ 1.35% Increase	Financial Activities +\$0.25 ↑ 0.62% Increase	Professional and Business Services +\$0.23 ↑ 0.63% Increase
Mining and Logging +\$0.21 ↑ 0.59% Increase	Retail Trade +\$0.15 ↑ 0.68% Increase	Information +\$0.13 ↑ 0.29% Increase
Other Services +\$0.13 ↑ 0.48% Increase	Education and Health Services +\$0.12 ↑ 0.40% Increase	Transportation and Warehousing +\$0.12 ↑ 0.45% Increase
Construction +\$0.12 ↑ 0.36% Increase	Manufacturing +\$0.10 ↑ 0.34% Increase	Wholesale Trade +\$0.08 ↑ 0.24% Increase

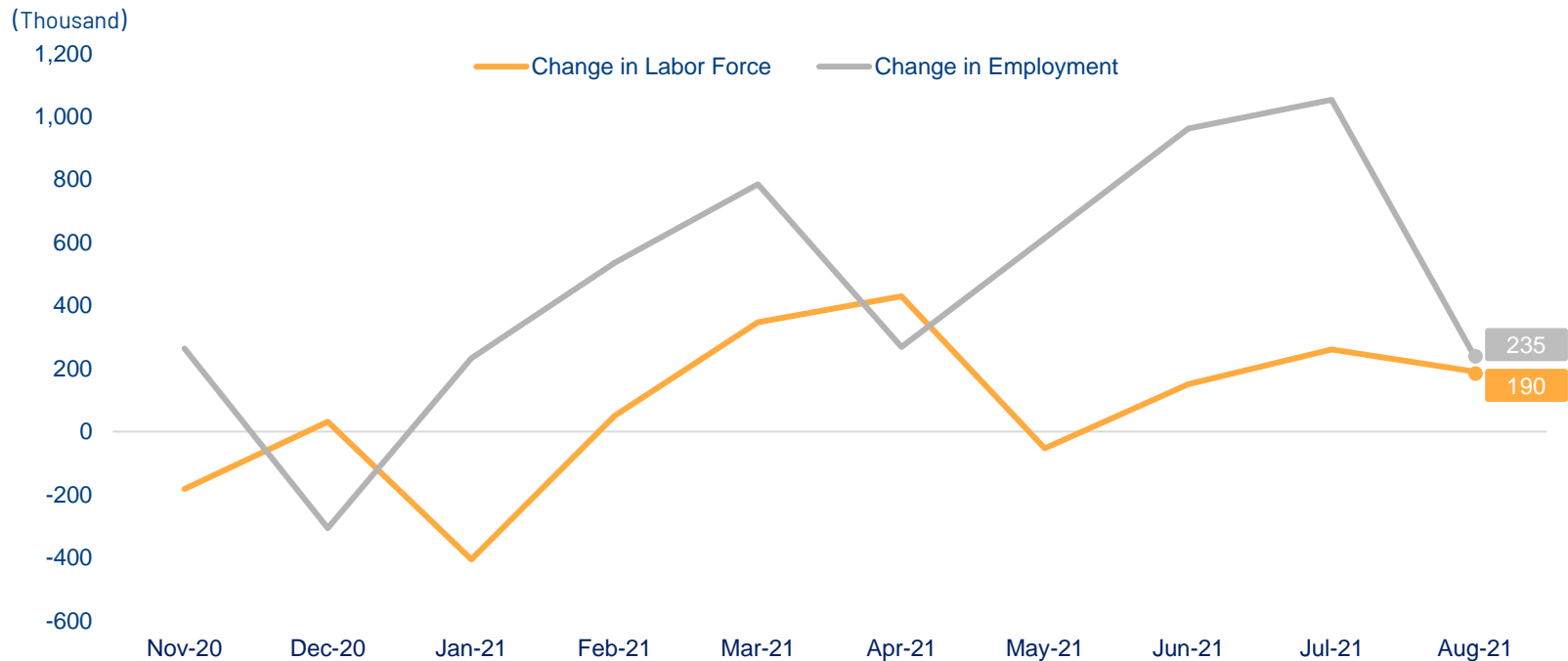
WAGE GROWTH

Wage growth for non-managers, in particular, remains strong. The Leisure and Hospitality industry continues to raise wages to attract workers. Leisure and hospitality non-manager average hourly wages are 16.7% higher from January, 2019.



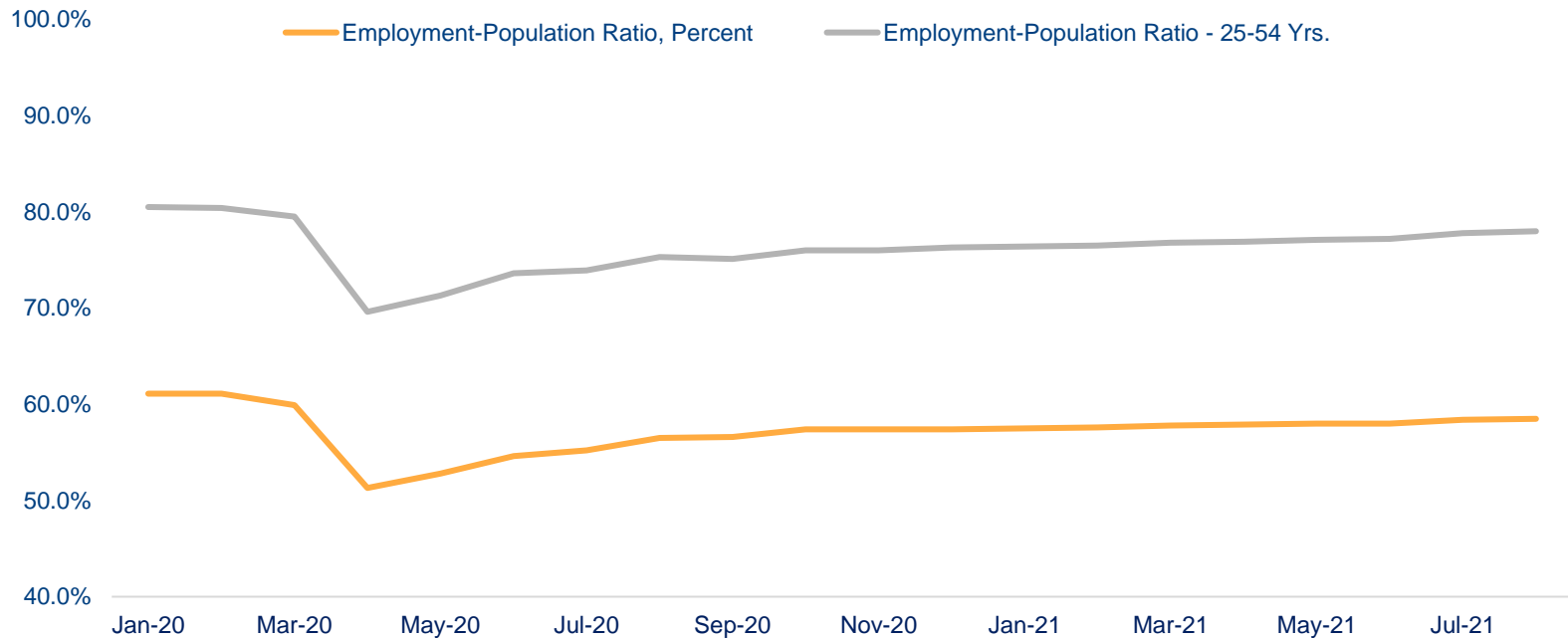
CHANGE IN LABOR FORCE VS CHANGE IN EMPLOYMENT

As the economy added 235,000 jobs, the labor force increased by 190,000 workers. While both employment and the labor force increased from July, the increases are at a slower rate, particularly for employment.



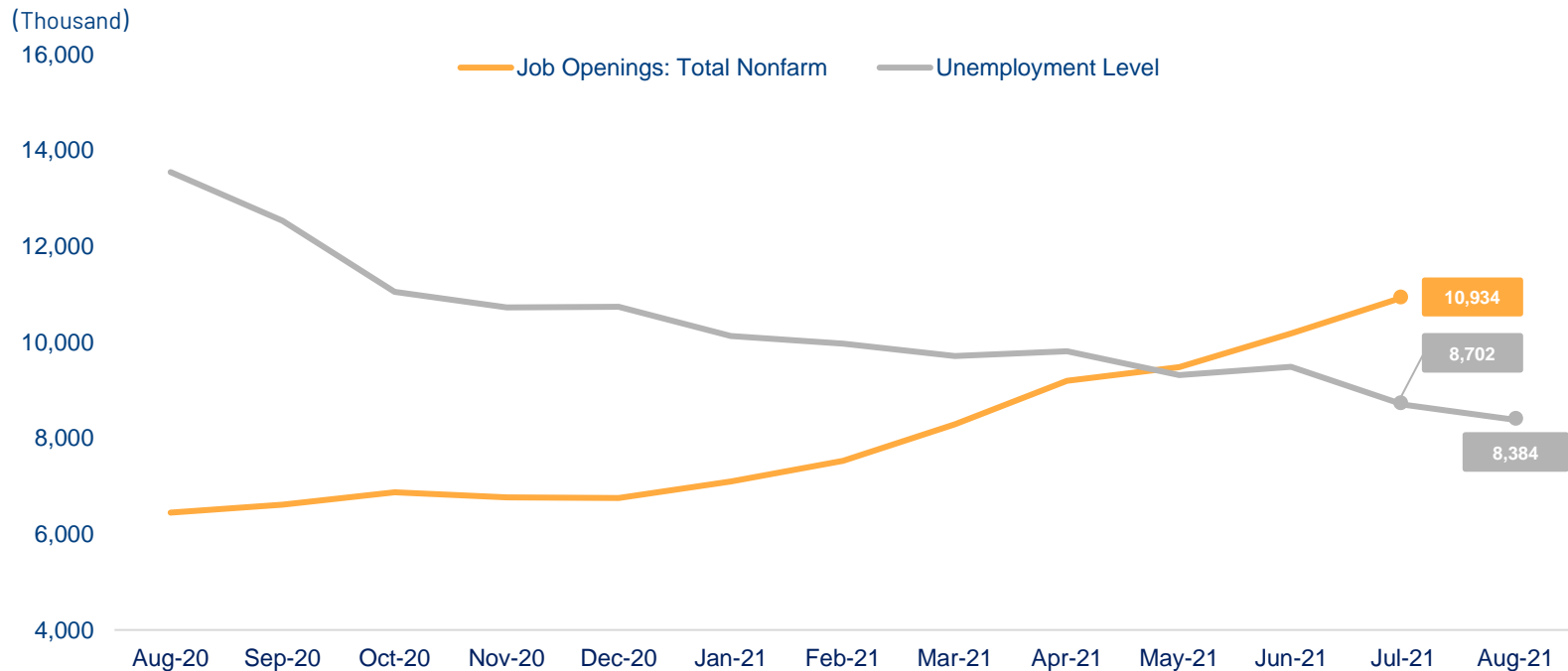
EMPLOYMENT-TO-POPULATION RATIO

While the labor force participation rate was unchanged from July, the employment-to-population ratio, a broader gauge of the strength of the job market, increased both overall and for prime-age workers. While the pace of recovery has slowed due to Delta, there are still signs of improvement.



LABOR SHORTAGE

Although the number of unemployed persons looking for work currently stands at 8.4 million, businesses across the country—especially restaurants, retailers, and hospitality companies—report difficulty filling jobs. In June there were 10 million job openings. While extra unemployment benefits may have kept some workers from taking new jobs, the pandemic has likely caused many workers to reevaluate their priorities and push for better pay, benefits, and working conditions.



KEY TAKEAWAY FOR AUGUST

After several months of strong recovery, the U.S. job market reacted to the COVID-19 Delta variant with disappointing job growth. The economy added just 235,000 jobs, a fraction of the job gains from June and July. Despite this, there are some bright spots.

The unemployment rate fell to 5.2%, a new pandemic low. While employment in the hard-hit Leisure and Hospitality industry stayed flat, wages in the industry continue to rise at a strong clip.

In the coming months, we will see the impact of school re-openings as well as the continued impact of the COVID-19 Delta surge on the job market.

JobGet is proud to help hopeful job seekers land great positions on our platform. It is important that both candidates and employers have their needs met as we continue to navigate the pandemic job market