



July 2021

UNEMPLOYMENT RATE MAJOR INDUSTRY EMPLOYMENT:

5.9%

The U.S. economy added 850,000 nonfarm jobs in June, as unemployment rose slightly from 5.8% in May to 5.9% in June. The leisure and hospitality industry had the largest increase in employment in the private sector adding 343,000 positions, while government jobs increased by 188,000. Learn more from the recent employment report compiled by the U.S. Bureau of Labor Statistics and view the unemployment rate in your state.

- Construction: - 7,000
- Manufacturing: + 15,000
- Retail Trade: + 67,100
- Transportation and Warehousing: + 10,700
- Information: + 14,000
- Professional and Business Services: + 72,000
- Education and Health Services: + 59,000
- Health Care and Social Assistance: + 20,200
- Leisure and Hospitality: + 343,000
- Government: + 188,000

Question of the Month

How Would You Describe Your Current Work Stress Level Compared to the Same Time Last Year?

ANSWER NOW

Workforce

Hiring Outlook Jumps 24% Since January 2020

ExpressPros.com – July 14, 2021

In a stark contrast from 2020, over the next year, hiring decision-makers say they are feeling hopeful (44%), optimistic (42%) and confident (41%) about their company's hiring outlook with 55% planning to increase their number of employees later this year. This is according to a new survey from The Harris Poll commissioned by Express Employment Professionals.

Seventy percent of companies with 500 or more employees plan to increase hiring this year, highlighting a trend that companies with at least 10 employees are 2-3 times as likely as their

smaller counterparts to expand their workforce. Additionally, 63% of businesses in the service industry anticipate adding workers compared to 57% in the manufacturing sector. Overall, 61% say these open positions will focus on white-collar work.

Among U.S. hiring decision-makers who say their company is increasing their number of employees, the most common reasons are to fill newly created positions (47%), manage the increased volume of work (47%), and/or to fill positions that are open due to employee turnover (46%), indicating businesses may be focused on growth and expansion in 2021. While these signs of growth are encouraging, they may also present a challenge as more than half (59%) say they need more employees to manage their workload but do not have the capacity to hire.

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Job Seekers Turn Cold Shoulder to Hot Economy

ExpressPros.com – June 23, 2021

At last count, there were 9.3 million open jobs in America, a record high since the Bureau of Labor Statistics started tracking the number 20 years ago. Yet the unemployment rate still sits at 5.9%, and millions more people aren't even looking for work. In short, jobs are plentiful, but available workers seem uninterested or unable to take them.

According to the latest data from the Bureau of Labor Statistics, never in the history of the United States have there been more open jobs than there were in April 2021. And yet with all those open jobs, the unemployment rate is still just below 6%. In comparison, February 2020 had a 3.5% unemployment rate.

But the unemployment rate only tells part of the story. In February 2020, before the pandemic hit, 158.7 million Americans were employed. By April 2020, that number had fallen to 133.3 million. That's a decline of 25.3 million. Over the same period, the number of unemployed Americans rose from 5.7 million to 23.1 million—an increase of just 17.4 million. What happened to the remaining 7.9 million? They left the workforce entirely. They not only stopped working; they stopped looking for work.

The labor force participation rate (LFPR), the percentage of Americans defined as working or wanting to work, fell from 63.3% in February 2020 to 60.2% in April 2020. By May 2021, only about half the gap had been closed, with the LFPR sitting at 61.6%. Millions of Americans who were employed before the pandemic are still on the sidelines, not even officially counted among the unemployed.

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Staffing 

Temporary Employment Bounces Back in June

Staffing Industry Analysts – July 2, 2021

After a downwardly revised loss of 6,500 jobs in May, the U.S. temporary help industry gained 33,000 jobs in June, according to the Bureau of Labor Statistics. Sitting at 2.65 million temporary jobs, temporary employment is up 32.81% year-over-year.

After decreasing significantly in April, the temporary penetration rate, which is the percentage of temporary employment compared to total employment, was unchanged in June, sitting at

1.83%.

According to Staffing Industry Analysts, “Employment in temporary help services rose 33,000 jobs in June, also fitting the narrative of a broad based economic recovery, and offering a respite from the declines observed in March, April, and May. In light of record levels of job openings, the declining trend of initial jobless claims, and the phaseout of enhanced unemployment benefits across many states, we believe the stage is set for continued expansion in the U.S. staffing industry in coming months.”

Business

Employment Trends Index Increases in June

The Conference Board – July 6, 2021

After increasing the past 13 months, The Conference Board Employment Trends Index (ETI) continued to rise in June, increasing from an upwardly revised reading of 107.70 in May to 109.84 in June and a 28.2% year-over-year increase. The increase can be attributed to positive readings from seven out of eight index components, including (in order from the largest contributor to the smallest): “Ratio of Involuntarily Part-time to All Part-time Workers;” “Initial Claims for Unemployment Insurance;” “Number of Temporary Employees;” “Percentage of Respondents Who Say They Find ‘Jobs Hard to Get;” “Industrial Production;” “Job Openings;” and “Real Manufacturing and Trade Sales.”

“The very rapid improvement in the Employment Trends Index in June suggests that strong job growth will continue through the summer,” said Gad Levanon, Head of The Conference Board Labor Markets Institute. “In the coming months, the U.S. labor market is likely to remain very tight. Recruiting and retention will remain extremely difficult, and wage growth will remain very high. Toward the end of 2021, labor shortages are likely to moderate as some of the labor supply constraints ease. But as the number of jobs in the U.S. economy continues to grow at an historically high rate, unemployment may again dip below four percent within the next 12 months. A tight labor market is likely to be the new normal until the next recession.”

Consumer Confidence Maintains in June

The Conference Board – June 29, 2021

After increasing in May, U.S. consumer confidence maintained a strong reading in June. The Conference Board’s Consumer Confidence Index increased to 127.3 in June, up from an upwardly revised reading of 120.0 in May. The short-term outlook of consumers rose as the Expectations Index was up from 100.9 in May to 107.0 in June. The Present Situation Index, which shows current views on business and labor conditions, increased from 148.7 in May to 157.7 in June.

The report also found that 54.4% of respondents felt jobs were currently plentiful, up from 48.5% in May, while the amount of those who said jobs were hard to get declined from 11.6% in May to 10.9% in June.

“Consumer confidence increased in June and is currently at its highest level since the onset of the pandemic’s first surge in March 2020,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “Consumers’ assessment of current conditions improved again, suggesting economic growth has strengthened further in Q2. Consumers’ short-term optimism rebounded, buoyed by expectations that business conditions and their own financial prospects will continue improving in the months ahead. While short-term inflation expectations

increased, this had little impact on consumers' confidence or purchasing intentions.”

Economy

Inflation Accelerates in June

Wall Street Journal – July 13, 2021

As the economy recovers from the pandemic, inflation increased by its fastest pace in 13 years, as consumer demand drove rising prices for automobiles and airline fares. According to the Labor Department, the consumer price index increased 5.4% in June compared to June 2021. Core prices, excluding volatile food and energy categories, rose 4.5% year-over-year. The index rose 0.9% between May and June 2021, which is the largest month-to-month gain since 2008. One of the biggest factors causing inflation is a 10.5% increase in the price for used cars, making up a third of the overall rise in the index. Economists expect inflation to remain high, yet ease to 4.1% in December 2021. Compared to pre-pandemic levels, the inflation rate was 1.8% in March 2020. The Federal Reserve's average inflation goal is 2%.

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