



July 2022

## UNEMPLOYMENT RATE

# 3.6%

The U.S. economy added 372,000 nonfarm jobs in June, as unemployment was unchanged at 3.6%. The Education and Health Services industry had the largest increase in employment in the private sector, adding 96,000 positions, while Government jobs decreased by 9,000.

Learn more from the recent employment report compiled by the [U.S. Bureau of Labor Statistics](#) and view the [unemployment rate in your state](#).

## MAJOR INDUSTRY EMPLOYMENT:

- Construction: + 13,000
- Manufacturing: + 29,000
- Retail Trade: + 15,400
- Transportation and Warehousing: + 35,500
- Information: + 25,000
- Professional and Business Services: + 74,000
- Education and Health Services: + 96,000
- Health Care and Social Assistance: + 77,800
- Leisure and Hospitality: + 67,000
- Government: - 9,000

### Question of the Month

**What are the top factors that make your work fulfilling?**

**ANSWER NOW**

## Workforce

### Inflation Fallout a Long-Term Concern for 87% of U.S. Companies

*ExpressPros.com – June 22, 2022*

With rates higher than they have been in decades, 92% of U.S. companies report inflation is affecting their business in some capacity, with 87% adding that this hardship will impact their operations for years to come, according to a recent survey from The Harris Poll commissioned by Express Employment Professionals.

In response to the high inflation rate, 40% of companies have raised prices, 39% have absorbed some of the additional costs, 27% have adopted new technology to automate processes, 24% have reduced transportation and 18% have outsourced a portion of their work.

Looking to the future, the 87% of U.S. businesses that predict inflation fallout is here to stay say this will be in the form of increased prices of goods and services (43%), increased wages (38%), increased taxes (35%), increased interest rates (31%), and decreased sales or revenue (24%). And with perhaps more dire concerns, 47% of U.S. hiring decision-makers agree or strongly agree with the sentiment that their company won't be able to survive much longer if wages/costs continue to increase so quickly.

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### Optimistic Hiring Outlook Signals Potential for Unique Recession

*ExpressPros.com – July 13, 2022*

In a recent study, 57% of American companies indicate they will forge ahead with hiring despite a looming recession, highlighting a stark departure from the Great Recession of 2008 when unemployment hit 10%, according to a recent survey from The Harris Poll commissioned by Express Employment Professionals.

As consumer sentiment fades along with CEO confidence, just more than half (51%) of U.S. companies feel the next recession will happen within the next year. However, around 1 in 10 (12%) are optimistic that there will not be another recession.

Looking to the future, if a recession were to occur soon, more than 2 in 5 businesses (44%) feel their company won't survive much longer. Service industries are more likely than professional services and manufacturing industries to say their company won't be able to survive a recession (50% vs. 40% and 34%).

The impact of this potential recession could extend beyond the company in general. Sixty-four percent of businesses feel it would have a major/moderate impact on the overall business and the company's hiring/recruitment needs (61%).

But companies don't appear poised to pump the brakes on hiring like in previous recessions as 30% will continue hiring but cut back on the volume of workers, and 27% anticipate extending offers as planned.

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## Staffing

### Temporary Employment Up in June

*Staffing Industry Analysts – July 8, 2022*

After a downwardly revised gain of 11,200 jobs in May, the U.S. temporary help industry grew modestly in June by adding 5,400 jobs, according to the Bureau of Labor Statistics. With the revisions in April and May, temporary jobs were 25,300 lower than previously reported.

Compared to July 2021, the temporary help services industry has expanded by 11%, totaling 3.1 million jobs. The number of temporary jobs as a percentage of overall employment (temporary penetration rate) remained at 2.07% in June, the same rate recorded in April and May.

"Today's jobs report indicates quite healthy labor market conditions in the middle of June, with job gains occurring broadly across the economy," said Timothy Landhuis, VP of research at SIA. "Nevertheless, persistent inflation, rising interest rates, and slower consumer spending has prompted many analysts to lower their GDP outlook for the remainder of this year, and so we anticipate that some staffing firms will see more volatile client demand in coming months."

## Business

### Employment Trends Index Rebounded in June

*The Conference Board – July 11, 2022*

After slightly decreasing for the past two months, The Conference Board Employment Trends Index (ETI) rebounded, rising to 119.38 in June, up from a downwardly revised reading of 118.88 in May. The increase can be attributed to positive readings from four out of eight index components: "Ratio of Involuntarily Part-time to All Part-time Workers," "the Percentage of Respondents Who Say They Find 'Jobs Hard to Get,'" "Job Openings, and "the Number of Employees Hired by the Temporary-Help Industry."

"While the Employment Trends Index rebounded in June, it remains below the index readings from March and April 2022," said Frank Steemers, Senior Economist at The Conference Board. "Moreover, a range of other economic indicators beyond the Employment Trends Index point to an economy that is slowing. Usually, it takes a few months for hiring decisions to adjust to

changes in economic activity. Therefore, we expect positive, but decelerating, job growth over the next months.”

“Currently, the labor market is still strong and labor shortages are severe. However, this picture could change towards the end of 2022 and early 2023. With inflation still elevated and the Fed expected to continue to raise interest rates rapidly, the risk of a short and mild recession is growing. In such a scenario, employers may reduce hiring—and possibly implement furloughs and layoffs, depending on the severity of a potential economic contraction. By early 2023, there could possibly be monthly job losses—and in that case, the unemployment rate would tick up.”

## Consumer Confidence Decreases in June

*The Conference Board – June 28, 2022*

After a drop in May, U.S. consumer confidence decreased in June. The Conference Board’s Consumer Confidence Index decreased from an upwardly revised reading of 103.2 in May to 98.7 in June. The short-term outlook of consumers increased as the Expectations Index was down from 73.7 in May to 66.4 in June. The Present Situation Index, which shows current views on business and labor conditions, was down from 147.4 in May to 147.1 in June.

The report also found that 51.3% of respondents felt jobs were currently plentiful, down from 51.9% in May; while the amount of those who said jobs were hard to get was down from 12.4% in May to 11.6% in June.

“Consumer confidence fell for a second consecutive month in June,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “While the Present Situation Index was relatively unchanged, the Expectations Index continued its recent downward trajectory—falling to its lowest point in nearly a decade. Consumers’ grimmer outlook was driven by increasing concerns about inflation, in particular rising gas and food prices. Expectations have now fallen well below a reading of 80, suggesting weaker growth in the second half of 2022 as well as growing risk of recession by yearend.”

## Economy

## US Inflation Highest Since 1981

*Wall Street Journal – July 13, 2022*

After rising to a four-decade high of 8.6% in May, the U.S. inflation rate continued to rise to levels not seen since 1981, affected by higher energy and food prices. According to the Labor Department, the consumer price index (CPI), which measures what consumers pay for goods and services, increased by an annual rate of 8.6% in May to 9.1% in June, eclipsing the nine-percent mark for the first time this century. Rising interest rates have also caused housing prices to soar. To combat runaway inflation, the Federal Reserve has raised its overnight benchmark rate by 0.75%, with expectations of future increases later this year.

Core prices, which exclude volatile categories like food and energy, were up 0.7%, up from the 0.2% month-over-month average pre-pandemic. On an annual basis, the core-price-index was down slightly from 6.0% in May to 5.9% in June, down from 6.2% in April.

Before pandemic-related issues and higher government spending, inflation was at 1.8% in 2019, below the 2% goal of the Federal Reserve. However, when the new administration took office in January 2021, inflation sat at 1.4%.

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