



ManpowerGroup®

North America Market Review

October 2021



Market: Economic Indicators

National Debt is becoming a big concern for the US and Canada after a year of high government spending, thereby affecting GDP forecasts

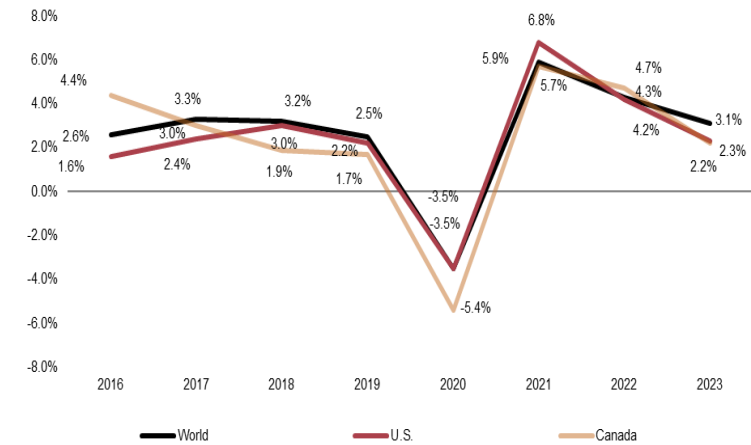
United States Leading Economic Indicators		
Mfg. Activity – PMI Orders Production Employment	61.1, Up 1.2% in Sep MoM 66.7, Steady in Sep MoM 59.4, Down 0.6% in Sep MoM 50.2, Up 1.2% in Sep MoM	Market expectations for this month's PMI were 59.6. The rise this month was unexpected due to factories dealing with longer delays getting raw materials.
Retail Sales	Up 0.7% in Sep MoM Up 13.9% in Sep YoY	This size of an increase was unexpected, projections were around 0.2%.
Housing Starts	Down 1.6% in Sep MoM Up 7.4% in Sep YoY	Housing starts did not meet the forecasts of 1.62M; the real Sep number was 1.56M. This is the lowest reading in 5 months. High costs of building materials and labor shortages are the largest contributors to this dip.
Consumer Sentiment	72.8, Steady in Oct MoM Down 11.5% in Oct YoY	The Delta variant, supply chain issues, and labor shortages will likely continue to slow the pace of consumer spending into 2022.
Total Industrial Production	Up 4.6% YoY	This is the fifth straight month that the growth has slowed for this metric

Mfg. Source: ISM Manufacturing PMI

Canada Leading Economic Indicators		
Mfg. Activity – PMI	57, Down .2% in Sep MoM Up 1.0% in Sep YoY	Little changed since last month, now 15 th straight months of growth.
Retail Sales [Aug is latest month]	Up 2.1% MoM in Aug	Retail was down in Jul, below the forecasts (1.2%)
Housing Starts	251.2K in Sep Down 3.6% in Sep MoM	Housing starts didn't meet expectations of 259K, 4 th straight month of decreased starts
Consumer Confidence	Up to 55.4 in Oct (vs. 53.0 in Sep)	After a decline in Sep, consumer confidence rose to the highest it's been since July

Mfg. Source: IHS Markit Manufacturing PMI; RBC
<https://www.ptnamarketbriefing.com/canada>

GDP Growth by NA Country vs World, 2016-2023 (p)



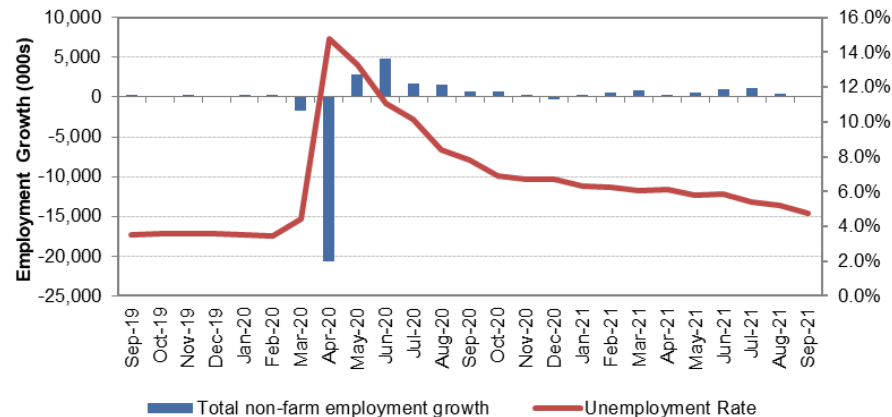
Source: World Bank 6/21; IMF 10/21

GDP - Coincidental Economic Indicator		
Global	World Bank IMF 2021: 5.6% 5.9% 2022: 4.3% 4.9%	The IMF now expects the global economic growth to be lower than it's Jul projections, citing risks of debt, inflation and "the great vaccine divide" as the leading causes of this decrease
United States	World Bank IMF 2021: 6.8% 6% 2022: 4.2% 5.2%	The United States has become one of the countries with the highest debt/GDP ratio. The government debt totals 141% of the GDP. Studies show that when this number is over 90%, there is a correlation with slower economic growth.
Canada	RBC IMF 2021: 5.1% 5.7% 2022: 4.3% 4.5%	Similar to America, Canada is facing a large federal debt that will likely cause issues down the road

Market: Labor Trends

U.S. job growth continued in September for the 9th straight month, albeit at a much slower rate; wages are growing as demand for labor continues to increase

U.S. Monthly Employment Change and Unemployment Rate



U.S. Jobs and Growth by Industry

U.S. Employment

	September 2021	MoM Change	MoM % Change	% of Mix
Trade, transportation, and utilities	27,576,000	120,000	0.44%	19%
Government	21,984,000	-123,000	-0.56%	15%
Education and health services	23,665,000	-7,000	-0.03%	16%
Prof. and business services	21,084,000	60,000	0.29%	14%
Leisure and hospitality	15,321,000	74,000	0.49%	10%
Manufacturing	12,446,000	26,000	0.21%	8%
Financial activities	8,850,000	2,000	0.02%	6%
Construction	7,447,000	22,000	0.30%	5%
Other services	5,727,000	-16,000	-0.28%	4%
Information	2,806,000	32,000	1.15%	2%
Mining and logging	647,000	4,000	0.62%	0%
Total	147,553,000	194,000	0.13%	

Additional labor market and temp staffing trends are available each month from SIA by clicking [here](#)

United States Lagging Economic Indicators

Job Growth	Up 194K or 0.13% MoM Up 4.0% YoY	This is the second straight month that the job growth was much lower than expected. The Delta variant of COVID-19 is the driving cause behind these declines.
Unemployment Rate	4.8% Down MoM (from 5.2% in Aug)	Unemployment continues to fall for the 4 th straight month, down significantly since last Sep (7.8%)
Labor Participation	61.6% Down MoM (61.7% in Aug)	
Wage Growth	Up \$0.19 or 0.6% MoM Up 4.6% YoY	Data is showing that the rising demand for labor is what is driving wages upwards
Job Openings Hires Quits	10.4M, Down 6.6% MoM 6.3M Down 4.3% MoM 4.3M, Up 2.9% MoM	After Jul had the largest number of job openings in recent years, that number continues to come back down. Quits are the highest they've been all year [Lags by 1 month]

Canada Lagging Economic Indicators

Job Growth	Up 157K or .8% in Sep Up 4.0% in Sep YoY	Job growth continues to rebound for the 5 th straight month. Unemployment dropped as wages increased
Unemployment Participation %	6.9%, Down vs. 7.1% in Aug 65.5%, Up vs 65.1 in Aug	
Wage Growth	Up 1.2% in Sep MoM	

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Market: U.S. Job Demand

Job Demand dropped in September, most notably in Education Services, Protective Services, and Healthcare

Job demand trends continued to increase in Sep, with a small increase forecasted for Oct (based on MTD data)

- Sep U.S. job demand was down 15.2% MoM and up 12.5% YoY
- Sep job demand was up 32.4% from Sep 2019 (as a comparison of the same timeframe in a non-COVID year)
- Oct (based on data through Oct 20th) is expected to increase by 2.0% MoM and up 9.9% YoY

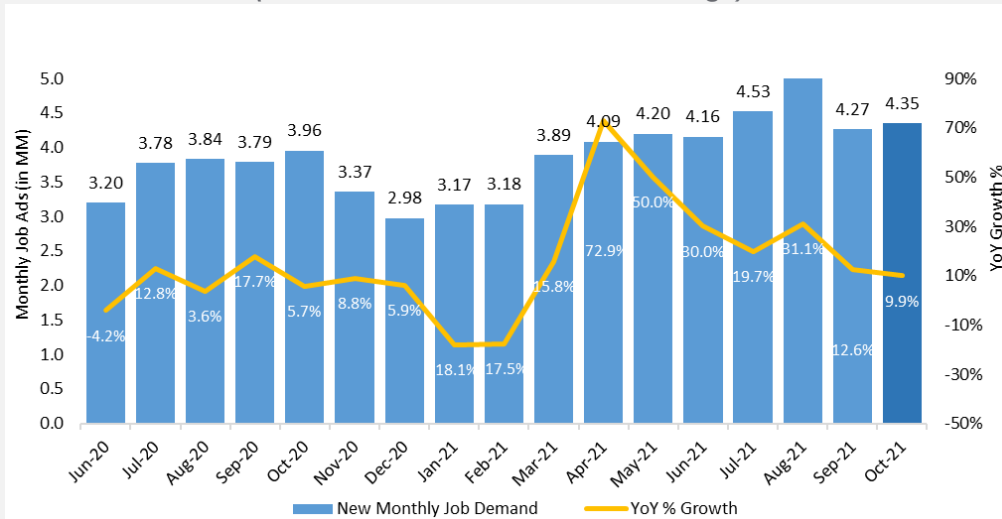
Remote job demand remains relatively steady as YoY numbers stays strong

- Remote job demand was down 11.8% MoM in Sep
- YoY growth was 77.6%
- Demand for remote workers was greatest for computer and mathematical, management, office/support and business/finance jobs

Occupations with largest shift in demand

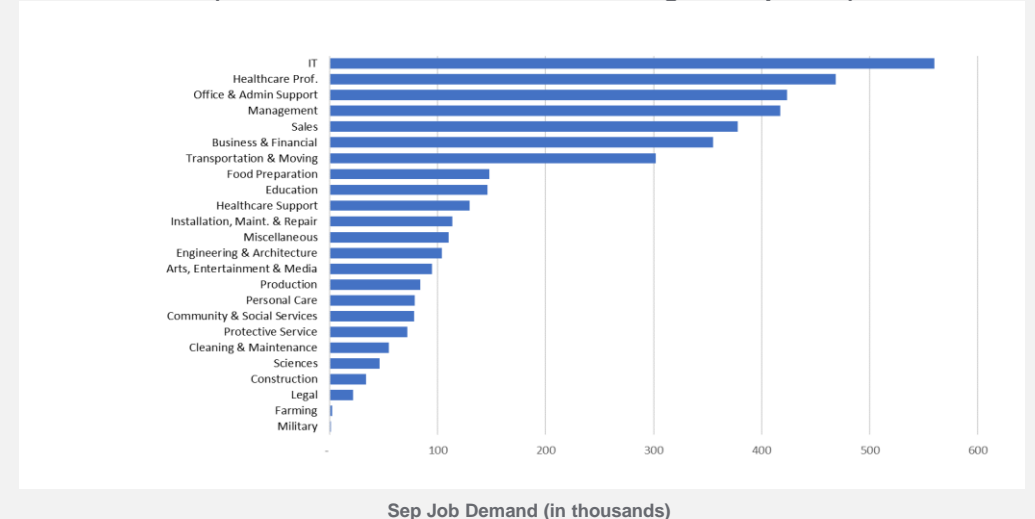
- IT, Healthcare Prof, Office/Clerical and Management jobs had the most job demand in Sep, with the top 4 occupation groups making up 44.2% of total demand in the month
- Cleaning and Maintenance led the Sep MoM gains in job demand (+12%), followed by Engineering and Architecture (+6%)
- Demand decreased the most MoM within Protective Service (-30%) and Education Occupations (-28%)
- Cleaning and Maintenance and Food Prep occupation groups are seeing the steepest YoY growth in demand, up 71% and 46% respectively

Monthly U.S. Job Demand
(Based on TalentNeuron Job Postings)



* Oct 2021 demand is estimated based on Oct 1st-20th demand data available

Occupations with the Largest Job Demand
(Based on TalentNeuron Job Postings in Sep 2021)



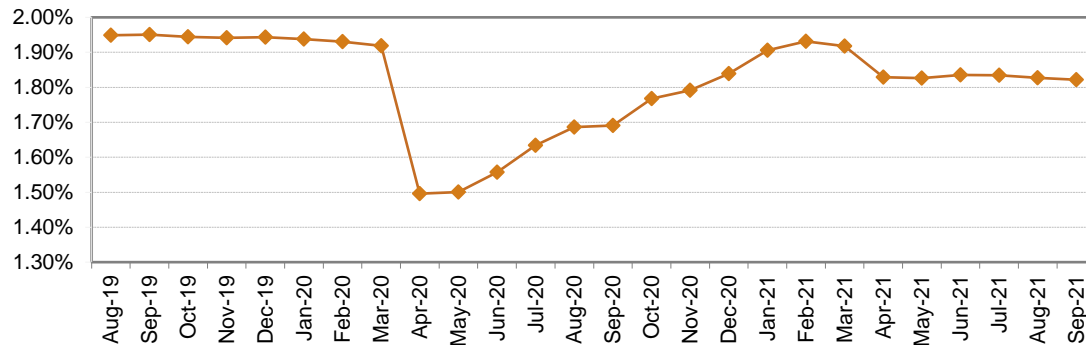
Market: U.S. Staffing

Temp jobs decrease for the second straight month, still up YoY. Forecast shows an increase of temp jobs as we enter Q4

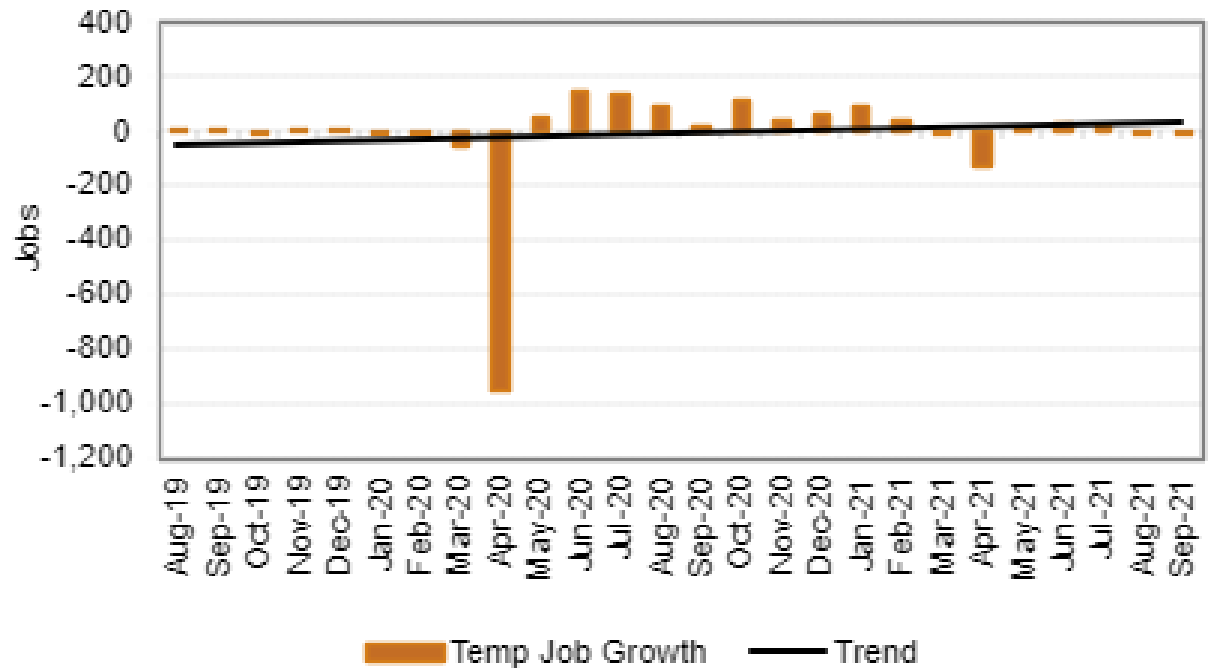
U.S. Temp Industry Results

- 2.69M temp jobs in Sep, down 5.2K or -0.19% from Aug YoY, Sep temp jobs saw the growth of 221K jobs or up 8.9%, which is above the YoY U.S. overall job growth of 4.0%.
- Sep temp penetration rate was 1.82%, down slightly compared to the Aug revised rate of 1.83%
- Temp avg. hourly wages were up 9.4% in Aug YoY, above the Aug YoY overall U.S. wage growth of 4.6%. (This data lags by 1 month)
- Per this month's Pulse Survey, Aug temporary staffing revenues showed strong growth across the board, albeit at a decreasing rate; respondents reported a median 26% YoY increase in their US temporary staffing revenue in Aug, down from the 32% YoY increase in Jun. (This data lags by 1 month)
- Temp help jobs are predicted to increase by 14.4% in Q4 2021 compared to the same period in 2020, according to the Palmer Forecast by G. Palmer & Associates. The increase in demand is slightly below the Q3 forecast, which estimated growth of 19.0% YoY.

National Temp Penetration Rate Monthly

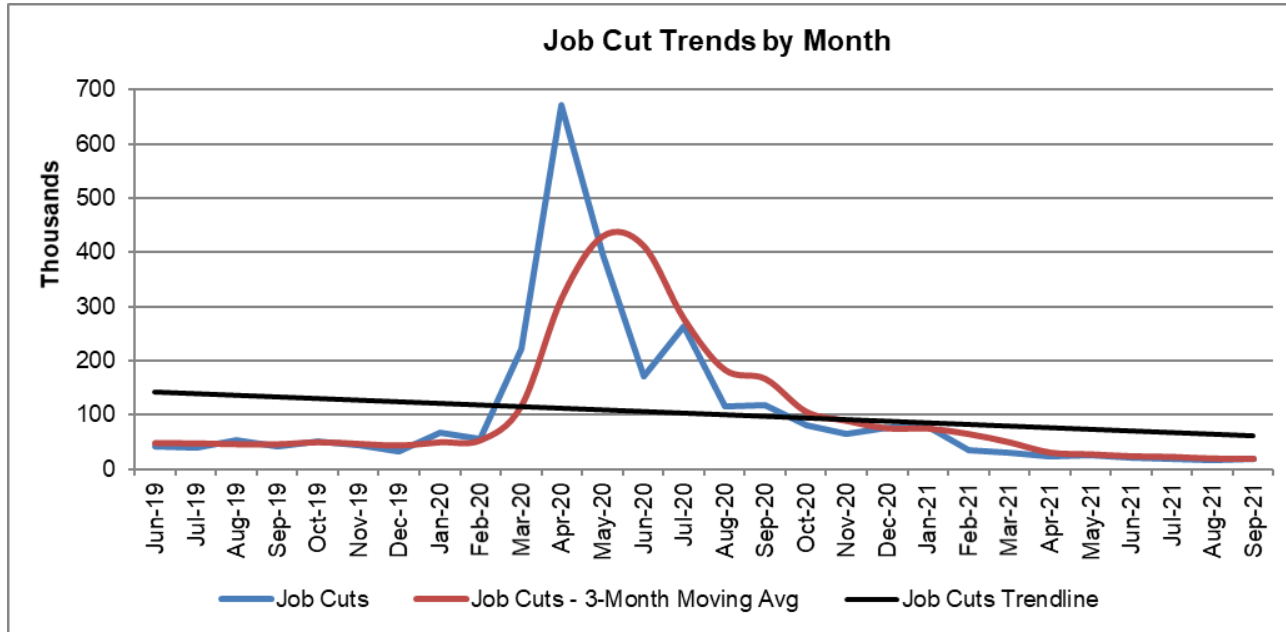


Employment in Temporary Help Services (000s) M-o-M Job Growth



Market: Outplacement

Job cuts continue to be low in September, YTD the lowest job cuts since 1997. Supply chain issues have led to a large amount of the cuts as entire plants are being closed



* BLS Job Openings and Labor Turnover (JOLT) lags by one month.

Job Openings and Labor Turnover* (JOLT) data from the BLS reported 1.34M layoffs in Aug (latest month), down 5.6% from Jul, and down 14.6% YoY (as revised)

- Layoffs and discharges rate was 0.9% of total employment in Aug, down from the rate in Jun (1.0%) but down from 1.1% YoY
- Jul layoffs increased the most MoM in accommodation and food services (by 34K people or 28.1%) and declined the most in professional and business services (by 56k people or -13.9%)

YTD lowest job cut total since 1997

- Sep job cuts were up 13.8% MoM to 17,895
- YoY, Sep job cuts plummeted by 84.9% and were down 57% compared to Sep 2019
- 2021 YTD job cuts were down 87.3% from Aug 2020
- 3-month moving average showed Sep MoM job cuts down 4.7% and YoY job cuts down 89.4%

Like in August, Healthcare/Products led in job cuts in Sep, followed by Industrial Goods Manufacturers

- Healthcare/Products (including both hospitals and healthcare products mfg.) announced 2.7K job cuts in Sep (compared to 2.3K job cuts in Aug)
- Industrial Goods Manufacturers announced 2.3K job cuts in Sep
- The Warehousing industry saw 1.9K cuts
- Both Industrial Goods Manufacturers and Warehouses were severely affected by ongoing supply chain issues. This has led to entire plants closing and loss of jobs.

Top Five Job Reducing Industries (2021 vs. 2020 year-to-date)

	2021	2020	% Change YoY
Aerospace	33,646	74,867	-55%
Telecommunications	25,148	148,499	-83%
Services	22,505	141,779	-84%
Energy	19,545	35,949	-46%
Health Care/Products	18,936	55,462	-66%

Source: Challenger, Gray & Christmas