



Recruiting Insights and Employment Trends Report

July 2023

A look at the latest economic, business, and workforce trends impacting recruiting and hiring

“Over the last quarter our team has had the opportunity to talk with organizations of all shapes and sizes, and I can’t remember the last time we’ve seen such a divided sentiment on the economy and hiring. Some companies are moving ahead full steam with expansions, while others are pulling back and eyeing hiring freezes. One thing that isn’t divided is the understanding that flexibility and scalability within their recruiting organizations is now as important as ever.”

- Tim Oyer, Advanced RPO

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01



Economic Outlook

We saw some positive economic indicators in Q2, while others point to continued uncertainty. Businesses continue to face persistent challenges of inflation, interest rates and a challenging labor market. These challenges are driving leaders to position their companies for stability by preserving cash.

Inflation: Slowing but not Stopping

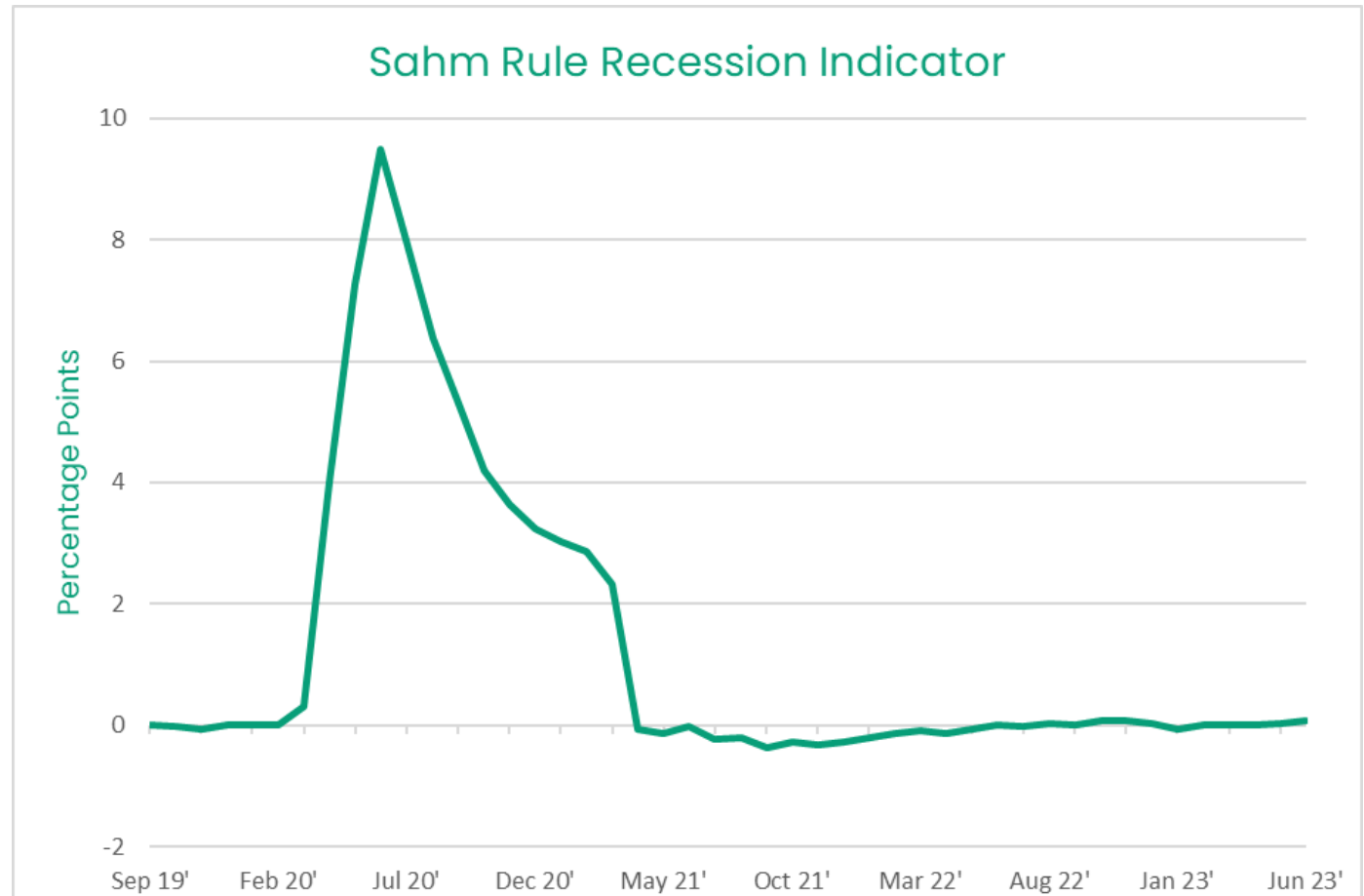


While inflation is twice the Federal Reserve’s target rate, it has been slowing. This led them to break a 10-session streak of rate increases in June, while maintaining that two more 25 basis point hikes to be expected in 2023.

Studying the Sahm Recession Indicator

WHAT IS IT?

The Sahm Recession Indicator signals the start of a recession when the three-month moving average of the national unemployment rate rises by ½ of a percentage point or more relative to its low during the previous 12 months.



With job openings outpacing the volume of unemployed workers, it is unlikely for this indicator to be triggered in 2023

Manufacturing Outlook



Economic activity in the manufacturing sector **contracted in June for the eighth consecutive month** following a 28-month period of growth based on PMI data



Of the six biggest manufacturing industries, only **Transportation Equipment** registered growth in June



The top challenges facing manufacturers include attracting and retaining a quality workforce, weaker domestic economy, rising health care/insurance costs, and increased raw material costs

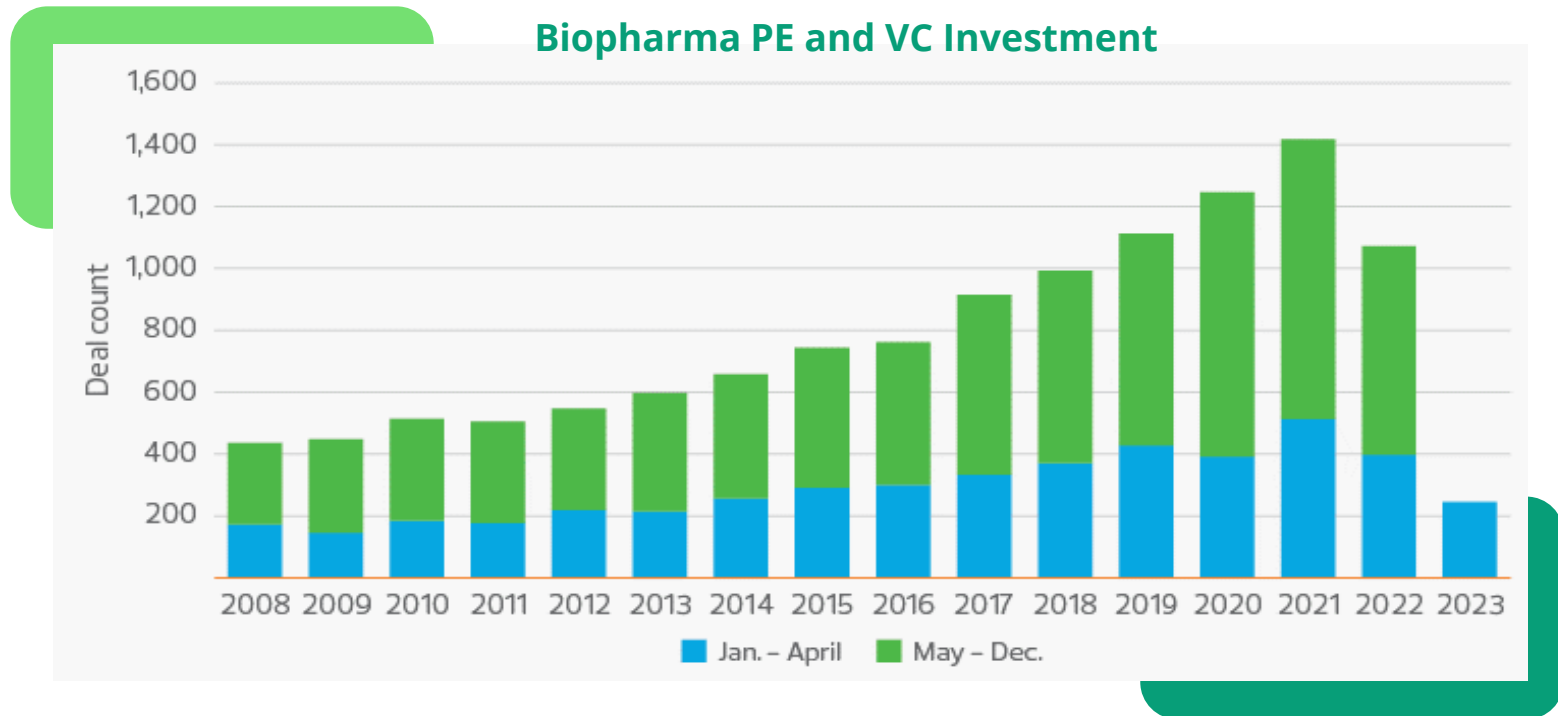
Life Sciences Outlook



Cash and liquidity issues pose headwinds for life sciences companies, both private and public. The chart below shows a trending decline in private equity and venture capital investment deals in biopharma.



Despite layoffs in some other sectors, life sciences companies still struggle to make key hires to support growth. With most of these roles requiring bachelor degrees, the unemployment rate for this demographic is hovering around 2%, meaning supply is tight.



Energy Outlook



For the first time, energy transition investment is on the brink of overtaking fossil fuel investment.

Economic uncertainty and high energy costs will lead power market stakeholders to focus heavily on the affordability of electricity.

High interest rates and cost inflation will challenge power project financing, but renewable projects will endure in part due to government policies and programs

02



Recruiting Insights

Like the economy, we are getting mixed signals on talent. CEOs are less optimistic than CHRO's when it comes to talent acquisition. The good news is that most CEOs are focusing cost savings in areas other than workforce or compensation cuts.

CHRO vs CEO

Divided Views on the Talent Market

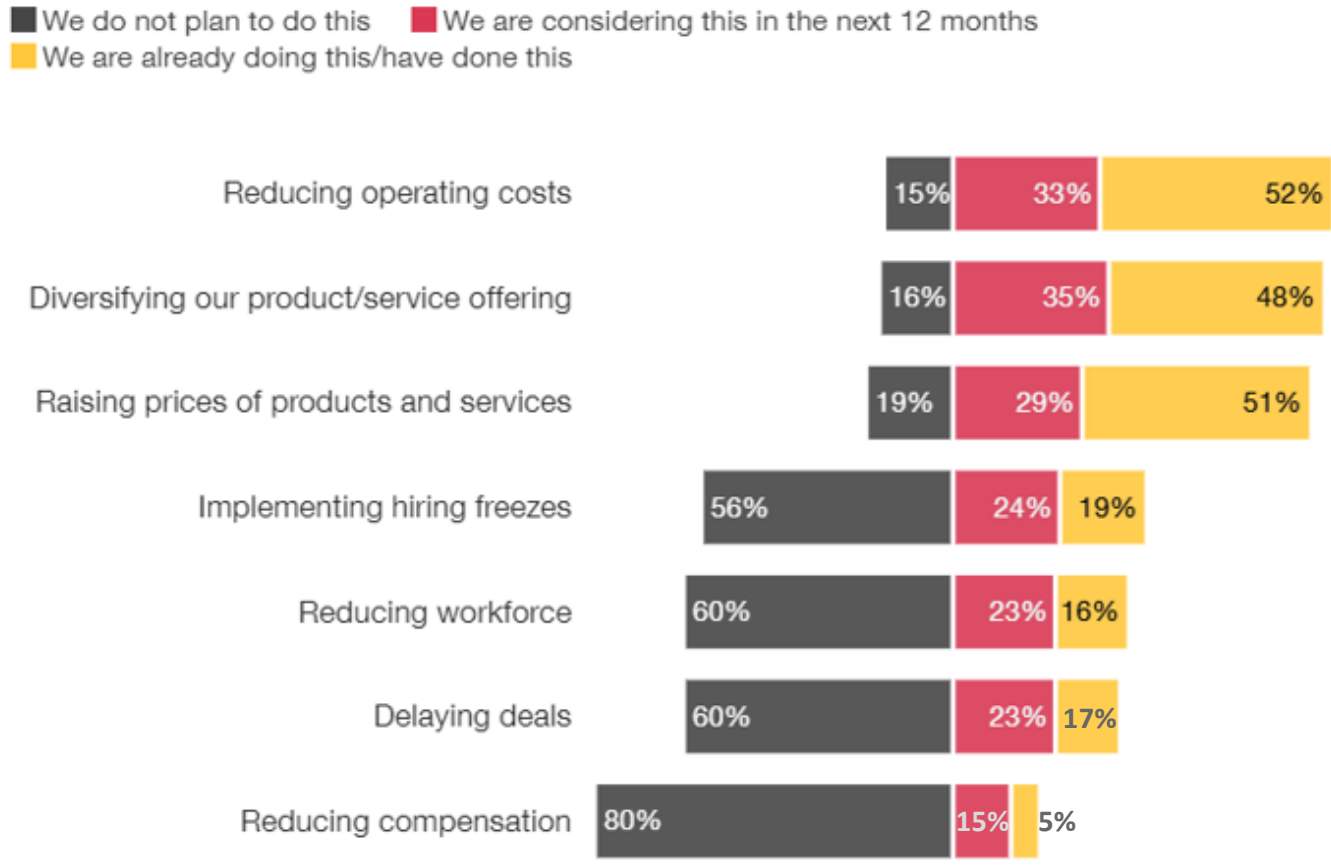
The Conference Board conducted a study that measured CEO sentiments on today’s talent market. Compared with CHRO views, optimism wasn’t as high

	CEO	CHRO
Expectation of hiring increasing in their organization	37%	42%
Focus on strengthening leadership pipeline in 2023	20%	47%
Plan to work on culture to retain talent	18%	34%
Making workforce development a priority	19%	30%

Tough Decisions

Talent isn't on Most CEOs Hit List

Cutting costs and bolstering revenues are top of mind for CEOs but **cutting workforces** and **reducing compensation** are **not**.

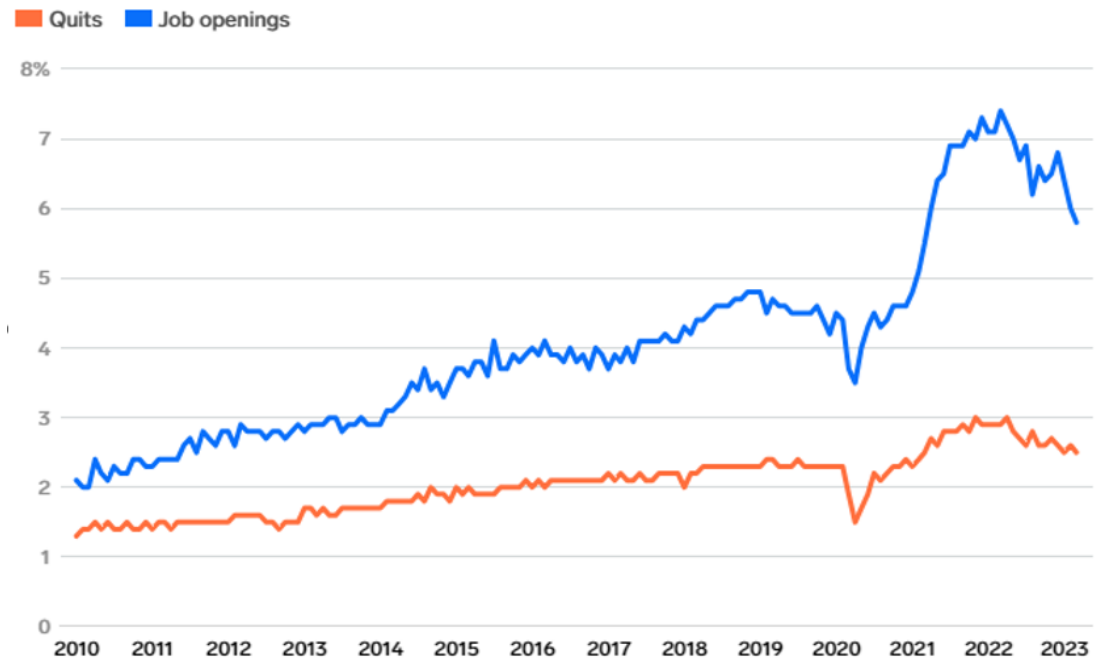


Goodbye Great Resignation

Hello Great Stay

While new **job openings** are still **elevated** from pre-pandemic levels, they are trending down. In a similar fashion, the rate employees are **quitting** has **dropped** as well.

Economic concerns have taken the wind out of the sails of some of those chasing new opportunities and a possible pay raise. Speaking of pay raises, year over year increases in pay for job changers is growing at the lowest rates we've seen since Nov. 2021. Another factor that is making **changing roles** seem **less attractive**.



Changing Jobs Still Pays



The median raise for those switching jobs

7.6%

5.6%

The median raise for those staying at the same job



Employees aren't quitting at the same rates but those whose main priority is padding their bank accounts are still typically better off switching companies.

ChatGPT Friend or Foe?

Jobs most at risk from AI

The world has been buzzing over **ChatGPT** and other AI tools, but what implications do they have on jobs and where are they most likely to **displace workers**?

Jobs Most at Risk

- Writers and Editors
- Court Reporters
- Blockchain Engineers
- Paralegals & Legal Assistants
- Graphic Designers
- Research Analysts
- Financial Analysts
- Customer Service Agents

Jobs Least at Risk

- Nurses and Doctors
- Cooks
- Mechanics
- Plumbers & Electricians
- Law Enforcement
- Social Workers
- Counselors and Therapists
- Teachers

03



Vanishing Workforce

We've seen improvements in the overall labor participation rate; however, the data continues to support that both working-age males and females are choosing to leave the workforce. This trend will continue to make it difficult to identify and hire the right talent. Organizations need to recognize this and educate hiring managers on the reality of the market.

Labor Participation Rate

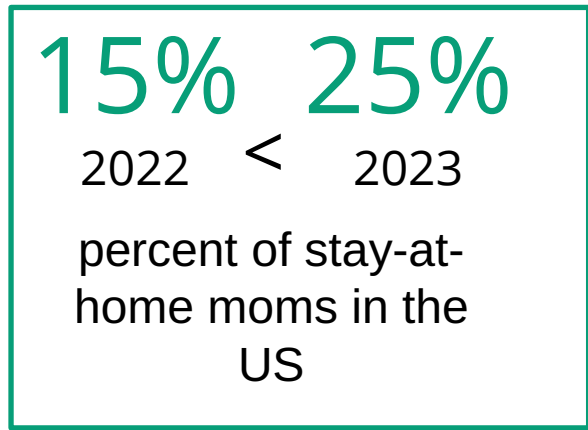
Less people are participating in the US labor market. In February 2020, the rate was 63.4% and in June 2023 it hit 62.6% for the fourth straight month. This is a small percentage change but equates to 1.95 million missing workers.



Mothers Gone Missing

64%
stay-at-home moms
need a more flexible
work schedule to
return to work

18%
of moms changed
jobs or left workforce
in the past year



49%
families relying on
outside childcare.

52%
stay-at-home moms
who would need
more affordable
childcare to return to
work

Men Leaving the Workforce Too

While overall labor participation has shrunk, a good portion of it can be traced back to those who took early retirement options, decided to focus on family, or ventured off on their own. One area that is harder to define is men between the ages of 25-54.

2.7 Million

The number of men added to the workforce if still at 1990 labor participation levels

Lack of Skills

While the US has gained back some manufacturing jobs, many require specialized skills or training



Deteriorating Social Status

From 1980 – 2019 non-college education men's median earnings fell 17%

7 Million

The number of prime working age who neither have a job nor are they looking for one.

Featured Resource

04



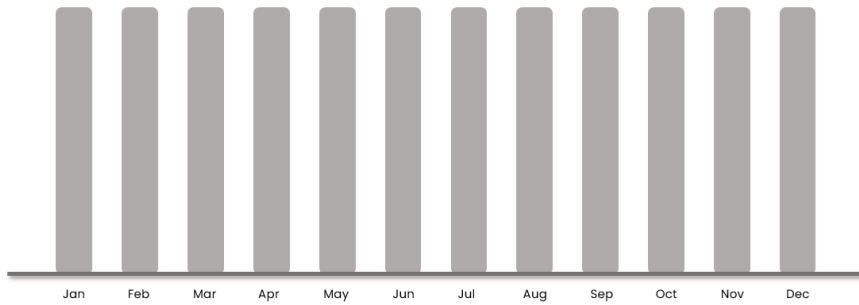
Weathering the Talent Storm with RPO

With the uncertainty in the talent market and the overall economy, many organizations are looking for a way to build more flexibility into their recruiting function. Being able to eliminate fixed overhead costs while having the ability to scale quickly as needed, is more important than ever.

Defining Your Talent Needs

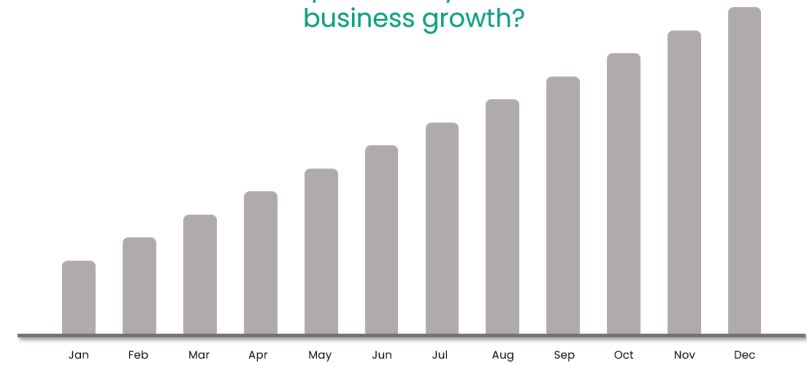
What do you expect your hiring needs to look like?

Steady with little change throughout the year?



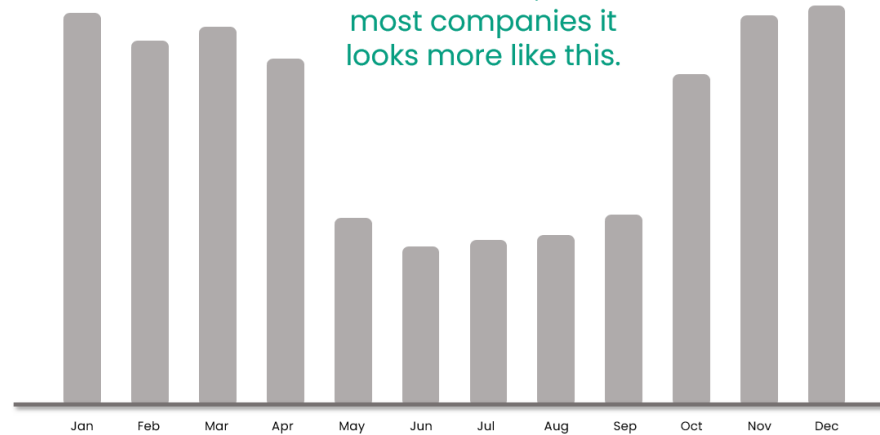
Hires per Month

Or do they rise predictably with business growth?



Hires per Month

The truth is, for most companies it looks more like this.

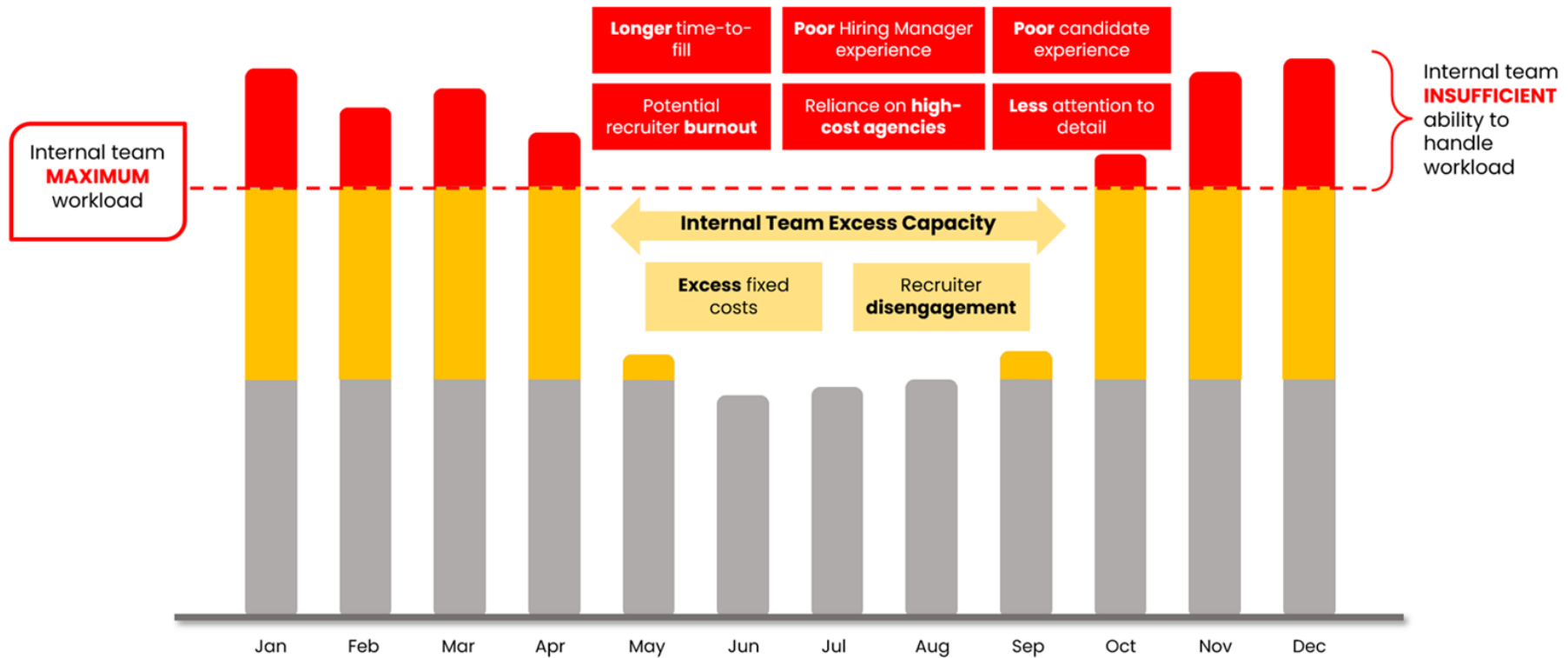


Hires per Month

Dealing with Uncertainty

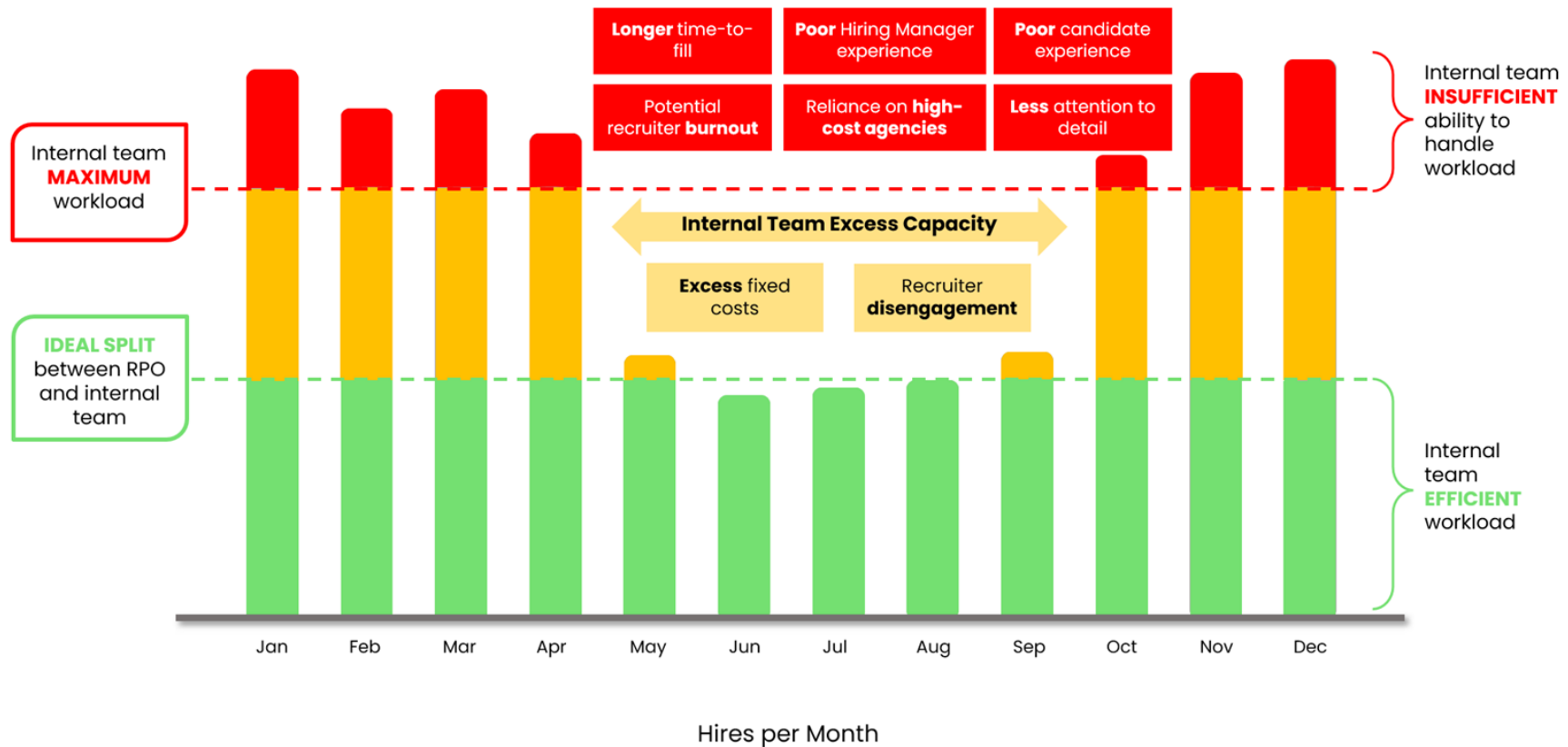
Covering the Peaks and Valleys of Your Hiring needs

Both the peaks and the valleys of your recruiting needs can pose problems. When pushed to their max, recruiters become burnt out and quality suffers. Conversely, when there is a lack of work, the excess capacity causes disengagement, and leads to carrying excess fixed costs at a time normally associated with lower revenues.



Take Control with Advanced RPO

This is where Advanced RPO comes in. Our diverse and experienced team will cover the peaks and valleys of recruiting, allowing you to focus on your core recruiting needs. The right RPO partnership will give you greater flexibility, agility, elevated transparency, and more control of your recruiting program.



We know that finding and hiring the right talent is hard.

At Advanced RPO, we make it easier for you.

We are the powerful recruiting engine behind growing organizations.

We partner with businesses to create recruiting scalability and workforce agility through our flexible end-to-end, hybrid and project RPO solutions. Our tenured team of experts has perfected our high-touch, technology-enabled approach that results in seamless, consistent processes and experiences, a stronger employer brand and impactful relationships with high-quality hires.

94.1%

Industry-leading Net Promoter Score (NPS)

95+%

Hiring Manager Satisfaction

98.5%

Candidate Satisfaction

For more information, visit:

advancedrpo.com

312-263-0400

