

DECEMBER 2024



Workforce Optics.

INSIGHTS, NUMBERS & KNOWLEDGE FOR A COMPETITIVE WORKFORCE.

Let us be your resource as you plan budgets, set pay rates, and build and retain an engaged workforce. The enclosed employment trends, hiring challenges, and compensation tips are designed to help you better understand today's employment environment to make informed staffing decisions.

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Jobs Update

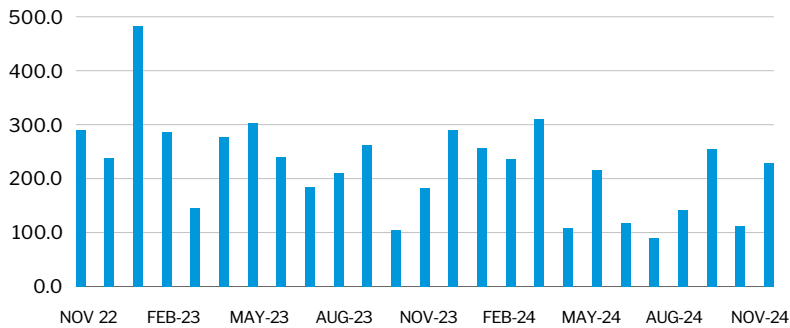
In November, nonfarm employment surged by 227,000 jobs, marking a substantial increase from the previous month's gain of just 36,000 jobs. Job growth was particularly strong in healthcare (54,000), leisure and hospitality (53,000), government (33,000), and social assistance (19,000), although the retail sector experienced a decline, losing 28,000 jobs. Additionally, employment in transportation equipment manufacturing rose by 32,000, reflecting the return of workers from strikes.

The unemployment rate slightly increased to 4.2% from 4.1%, with the number of long-term unemployed (those jobless for 27 weeks or more) holding steady at 1.7 million, up from 1.2 million last year. The labor force participation rate remained virtually unchanged at 62.5%, consistently hovering between 62.5% and 62.7% since December 2023.

Average hourly earnings for all private nonfarm employees rose by 13 cents to \$35.61, a 0.4% increase, with a year-over-year growth of 4%. Earnings for production and nonsupervisory employees increased by 9 cents to \$30.57.

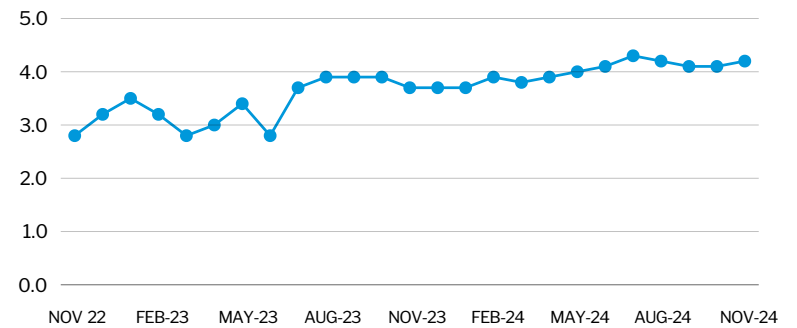
NONFARM PAYROLL EMPLOYMENT OVER-THE-MONTH CHANGE

(Seasonally Adjusted, November 2022 - November 2024)



UNEMPLOYMENT RATE

(Seasonally Adjusted, November 2022 - November 2024)



Source: Bureau of Labor Statistics

7.1

MILLION
Unemployed Persons

NOVEMBER 2024

100k MoM Change



4.2%

National Unemployment Rate

NOVEMBER 2024

0.1% MoM Change



EMPLOYMENT TRENDS

The vast majority of young leaders are embracing AI

Generative AI is making waves in the workplace, especially among the young leaders, as shown by a recent survey from Google Workspace. This survey gathered input from over a thousand young professionals, aged 22 to 39, who are either in leadership positions or aiming to be. It turns out that a whopping 82% of them are already using AI tools at work. Even more striking, practically everyone surveyed—98%—thinks AI will shake up their industry or workplace in the next five years.

The younger generations, **Gen Z and millennials, are particularly keen on AI**, with 93% and 79% respectively using at least two AI tools every week. These tools are mainly used to ramp up productivity and smooth out communication issues that are all too common in today's workplaces. For example, about 70% of those surveyed have used AI to help draft emails or tackle tricky language barriers. The perks of using AI are clear: it helps people feel more confident in remote meetings, cuts down on task overload, polishes their writing, and makes it easier to handle long emails on the go.

The influence of AI on leadership and management practices is also significant. **Most survey participants believe AI can help leaders up their game**, and a solid majority are eager to use AI to improve their own management skills. AI is credited with enhancing communication, which can lead to better problem-solving and stronger workplace relationships. Plus, half of the respondents recognize AI's ability to automate the mundane tasks, freeing them up to focus on more strategic initiatives. The future of work is here!

82%

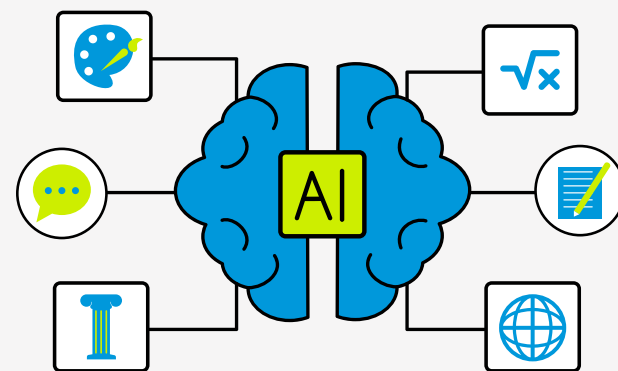
OF YOUNG PROFESSIONALS

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Remote job postings are inching downward

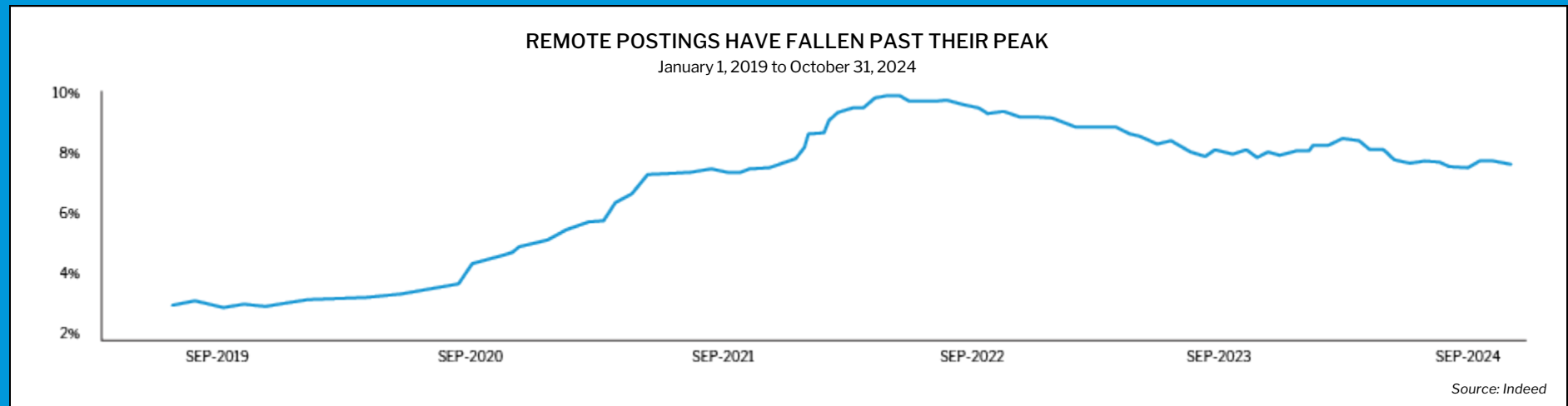
Remote work has seen a noticeable decline in recent years—especially in tech sectors that were early adopters of hybrid and fully remote options. By the end of October 2024, just 7.8% of job postings on Indeed offered remote work, down from a peak of 10.4% in February 2022. This drop is partly due to fewer job postings overall in remote-friendly sectors like tech, but it also reflects a shift in employer attitudes toward remote work. Back in 2020, remote job postings made up only 3.3% of listings, but by early 2022, that number had soared to 10.4%. Now, as the job market cools, remote job offerings are shrinking along with it.

What's interesting is that the decline isn't just about fewer jobs in remote-heavy fields; even in sectors that traditionally offered more flexible options, remote job postings are slipping. In the past year alone, remote opportunities dropped in 46% of the sectors analyzed by Indeed, with the biggest drops seen in accounting, software development, and IT. Even in high-remote sectors like tech, the share of remote postings fell by nearly 4%.

Despite these shifts, remote work is still far more common than it was at the start of 2019, having tripled in prevalence. This indicates that while the peak of the remote work boom may have passed, the model isn't going away anytime soon. Instead, it seems to have settled into a more sustainable place in the job market. As companies adjust to new dynamics and refine their approach to hybrid and remote work, it's clear that flexibility will remain an important part of the workplace—just not at the same levels seen during the height of the pandemic.

7.8%

of job postings on Indeed offered remote work in October 2024, down from 10.4% in February 2022



Recruitment costs rise in transportation and IT sectors

The cost to hire transportation and logistics workers has increased

65.5%
year over year

Source: Recruitics

The cost of hiring transportation and logistics workers is continuing to climb, according to the latest data from recruitment marketing analytics firm Recruitics. Despite projections of subdued holiday sales this year, the expense of attracting workers in this sector has seen a significant uptick, with a notable 36.2% rise month over month and an impressive 65.5% increase year over year. This upward trend underscores the persistent demand for logistics personnel as companies ramp up efforts to meet the demands of the holiday rush.

In the IT sector, recruitment costs have also experienced an increase, though more modest, by 0.65% month over month. However, the annual increase is substantial at 61.9%. This surge is largely attributed to the escalating demand for tech talent, especially in critical areas such as digital transformation, cybersecurity, and artificial intelligence.

On the other hand, the healthcare sector has seen a slight decrease in recruitment costs, down 1.1% month over month. Nevertheless, there is still a modest annual increase of 3.2%. The demand for healthcare professionals remains stable, continuing despite the slight reduction in recruitment expenses.



Most temporary workers are 35 or older

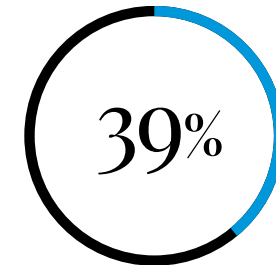
A recent study conducted by Indeed Flex has provided new insights into the demographics of temporary workers in the United States. Surveying 1,000 U.S. temporary workers alongside an equal number of hiring managers, the findings challenge the assumption that temp jobs primarily attract young college students. In fact, 69% of temporary workers are aged 35 or older.

Flexibility is a key factor attracting a wide demographic to temporary positions. Approximately 39% of temporary workers are either students or stay-at-home parents who cherish the ability to tailor their work schedules around personal commitments. Additionally, 31% are retirees seeking not just financial gain but also opportunities to stay mentally and socially active. Temp jobs also serve as a bridge for about 30% of workers who are new to an area and need a steppingstone as they settle into a new city.

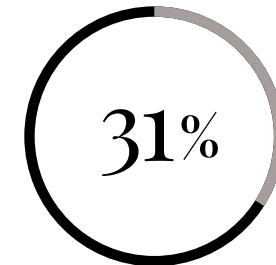
On the flip side, employers also report positive experiences with their temporary staff. Seventy-two percent of hiring managers have utilized temps for roles across warehousing, hospitality, retail, and industry, finding that 83% of these workers are proactive and eager to make a mark. The performance of temporary workers is generally impressive, with 68% of managers reporting that their output meets or exceeds expectations. And 77% praise temp workers as hardworking and skilled.

The data from this study underscores that temporary employment is increasingly seen not merely as a temporary solution but as a strategic employment choice. It highlights the evolving profile of temporary workers who are adapting to the shifting dynamics of the modern workplace, providing benefits to both workers and employers.

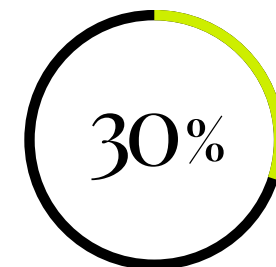
TEMPORARY WORK DEMOGRAPHICS



**ARE STUDENTS OR
STAY-AT-HOME PARENTS**



ARE RETIREES



**ARE NEW TO AN AREA AND
USING A TEMP JOB AS A
STEPPINGSTONE**

Source: Indeed Flex

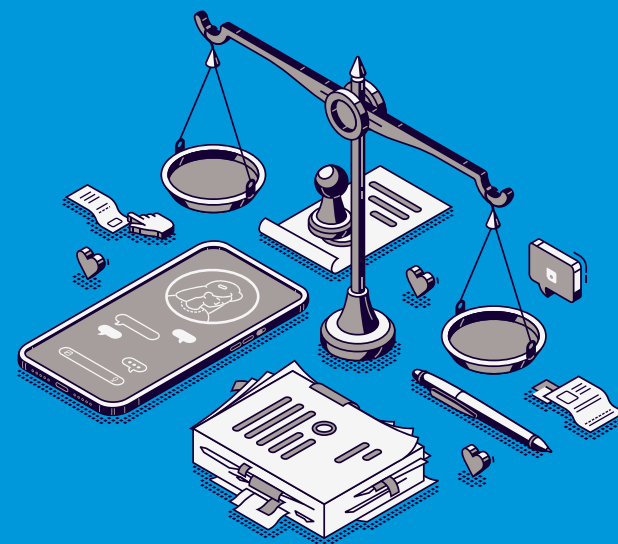
A Federal judge has blocked a new rule to expand overtime pay

A recent ruling by U.S. District Judge Sean Jordan has put a halt to an overtime rule introduced by the Biden administration that would have significantly expanded overtime pay. The rule aimed to extend overtime pay to millions more salaried workers across the United States, broadening the financial benefits typically reserved for hourly employees. Under existing federal law, most hourly workers are entitled to overtime pay after 40 hours per week, but numerous salaried positions are exempt.

The contested rule would have raised the annual salary threshold for overtime eligibility from the current \$35,568 to \$43,888, with plans to increase it further to \$58,656 in 2025. This move was challenged by the state of Texas and various business groups, claiming that the Labor Department was wrong to prioritize employee wages over job duties when determining eligibility.

Judge Jordan's decision aligns with the plaintiffs' views, effectively reverting the salary threshold to the level set in 2019. It remains unclear whether the Labor Department will appeal the decision. The ongoing debate underscores the tension between expanding worker protections and managing the regulatory impact on businesses.

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About Staffmark Group

STAFFMARKGROUP.COM

Staffmark Group is one of the largest staffing companies in the United States and is a portfolio company of RGF Staffing and Recruit Group, renowned for pioneering brands like Indeed and Glassdoor. Harnessing our global strength and innovation, we power your business with the people, flexibility, and data insights you need to succeed in your market.

From the bustling floors of manufacturing facilities to the dynamic environments of technical and professional firms, we offer the widest range of specialized workforce solutions. The expertise of our specialty brands, Advantage Resourcing, Advantage Technical, Advantage xPO, Digital People, Employee Management Services, Hunter Hamilton, Staffmark, and Pro Staff, ensures the talent and customized solutions to propel your business forward.

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Advantage^{xPO}



Advantage
Resourcing

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