

# THE TALENT SHUFFLE

# 2021 LABOR MARKET OUTLOOK

*What's ahead for the U.S. labor market*

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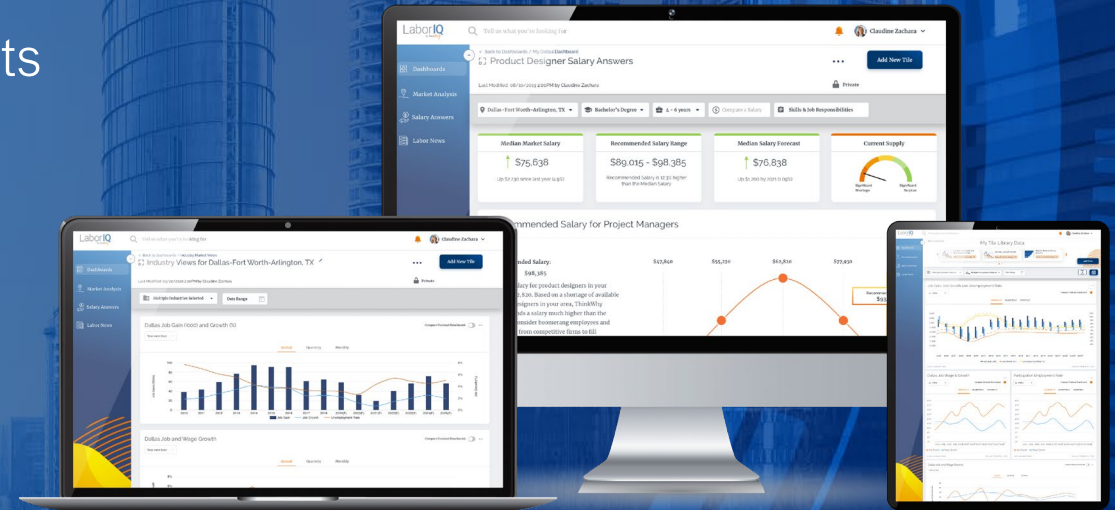


# LaborIQ®

ThinkWhy

LaborIQ delivers the data, insights and recommendations for talent acquisition and business-growth planning.

- Location and industry performance + forecasts
- Salary answers for over 20,000 jobs
- Benchmarking for individuals and teams



*All Access. All Metros. All Industries. All Jobs.*



# »» 2021 OUTLOOK

## Metro & Industry Forecasts



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# »» 2021 OUTLOOK

## Metro & Industry Forecasts



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# »» TODAY'S AGENDA

- Recovery progress
- Diversity & Demographics
- Industry and Location Outlooks
- Q&A





# »» LABOR MARKET RECOVERY FROM COVID-19

Half of the jobs lost have been recaptured,  
but results vary considerably from the  
headline numbers

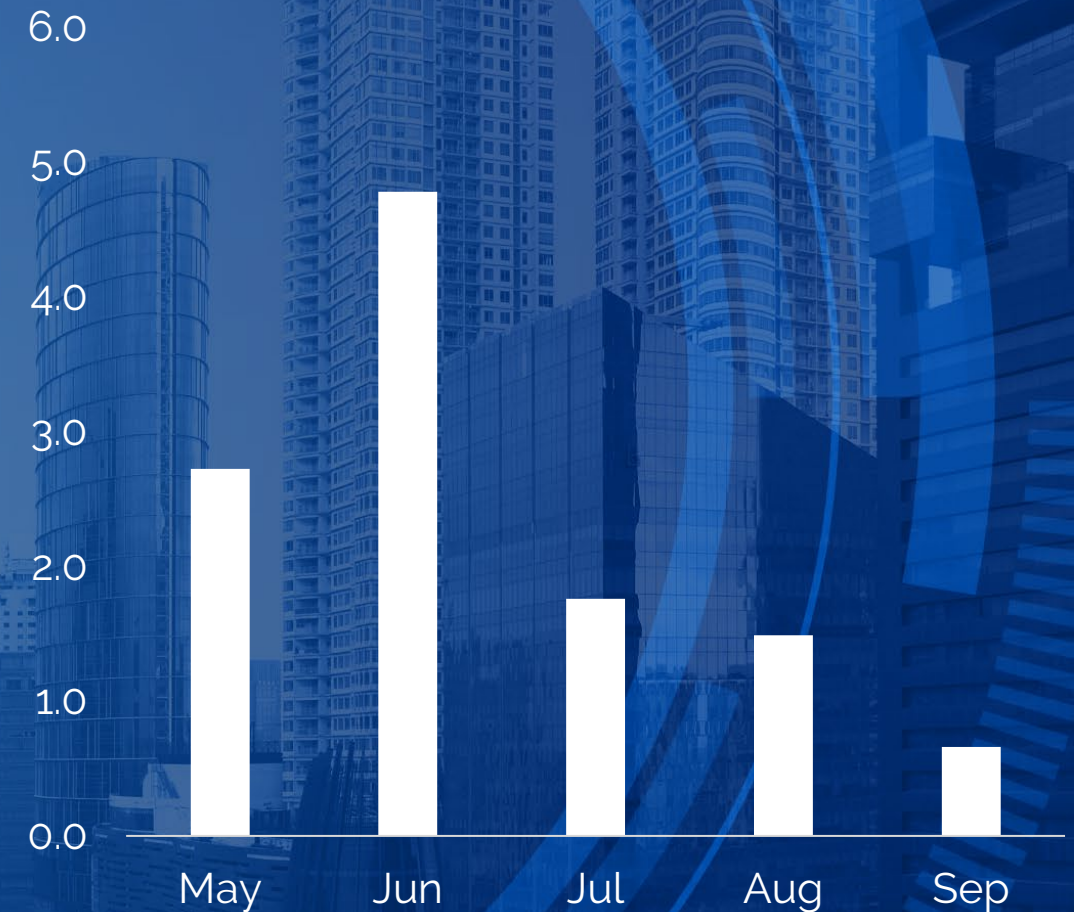


# Half of the Jobs Lost Have Been Recovered, but Pace is Slowing

## Number of Jobs



## Millions of Jobs Added Per Month





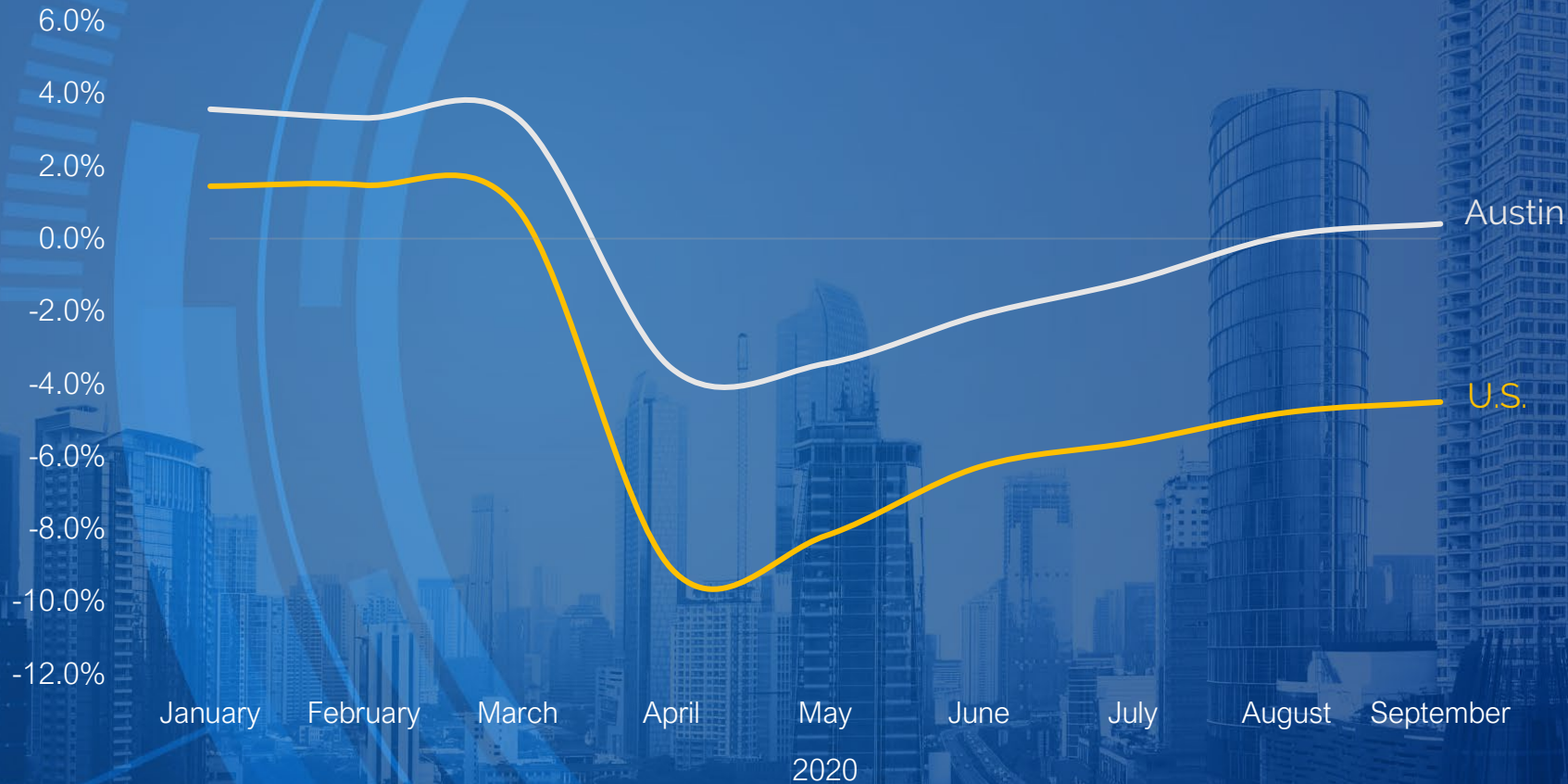
# Major Variance in Impact by Industry

Industry	Jobs to Recover (000s)	Employment to Pre- COVID-19
Financial Activities	162	-1.8%
Retail Trade	483	-3.1%
Health Care	668	-4.0%
Trade, Transportation, Utilities	1,103	-4.0%
Government	942	-4.1%
Manufacturing	647	-5.0%
Construction	394	-5.2%
Professional & Business Services	1,386	-6.4%
<b>U.S.</b>	<b>10,743</b>	<b>-7.0%</b>
Educational Services	355	-9.3%
Mining and Logging	101	-14.1%
Leisure and Hospitality	3,840	-22.8%



# Removing Leisure & Hospitality Paints a Different Picture

Annual Job Growth – Excluding Leisure and Hospitality



Using this analysis:

- Austin is already back to positive job growth
- Dallas, Phoenix and Tampa were within ~2% of turning positive in September
- If the rest of the local economy is strong, L&H jobs could come back quickly after the pandemic



# Wage Growth has Maintained in Stronger Industries



Sources: Current Population Survey, Bureau of Labor Statistics, and Federal Reserve Bank of Atlanta Calculations



# Businesses Thriving in the U.S.

These companies have more employees today than a year ago:

- Stores:
  - Building Material, Garden, Equipment
  - Food and Beverage, General Merchandise Stores
- Computer Equipment
- Delivery Services
- Insurance Carriers
- Investment Firms
- Warehousing and Storage



# Highlights by Location – Tech Soars, Some Businesses Defy Odds

Location	Subsector	Annual Job Growth (Aug 2020)
Austin	Manufacturing	3.8%
Boston	Software Publishers	6.0%
Charlotte	Lenders	8.9%
Dallas	Clothing and Accessory Stores	11.9%
Denver	Mgmt Scientific & Tech Svcs	12.8%
Indianapolis	Food Services and Drinking Places	3.5%
Los Angeles	Data Processing and Hosting	5.8%
Salt Lake City	Construction of Buildings	11.4%



# Locations Impact

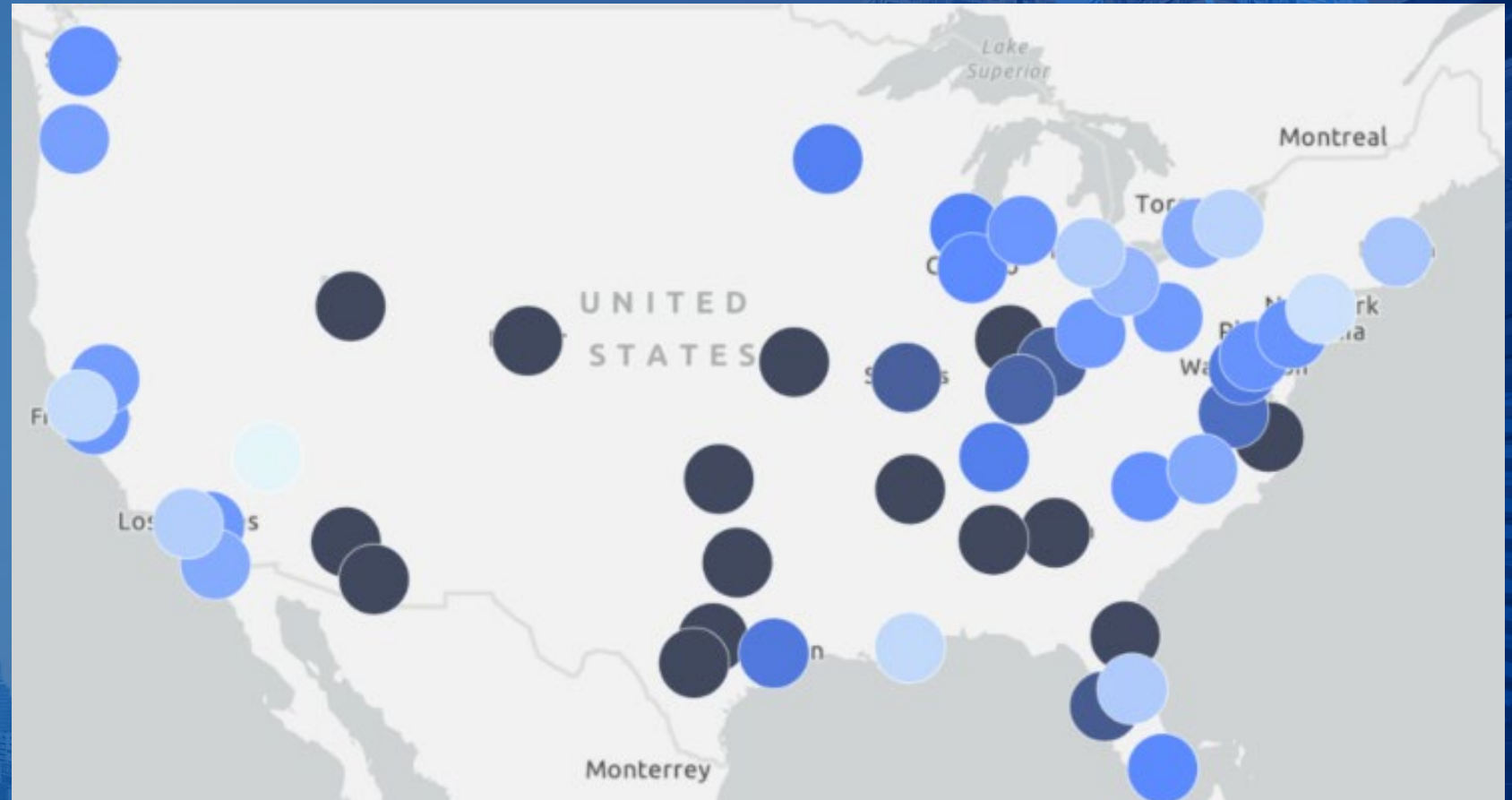
Location	Jobs to Recover (000s)	Employment to Pre- COVID-19
Phoenix	94	-4.2%
Atlanta	129	-4.5%
Dallas	184	-4.8%
Houston	217	-6.8%
Washington, DC	230	-6.8%
Miami	199	-7.3%
Chicago	351	-7.3%
Philadelphia	233	-7.8%
Los Angeles	664	-10.5%
San Francisco	279	-11.2%
New York	1,146	-11.4%
<b>U.S.</b>	<b>10,743</b>	<b>-7.0%</b>



# Locations Impact

On a relative basis:

- Least amount of jobs to recover
- Most amount of jobs to recover





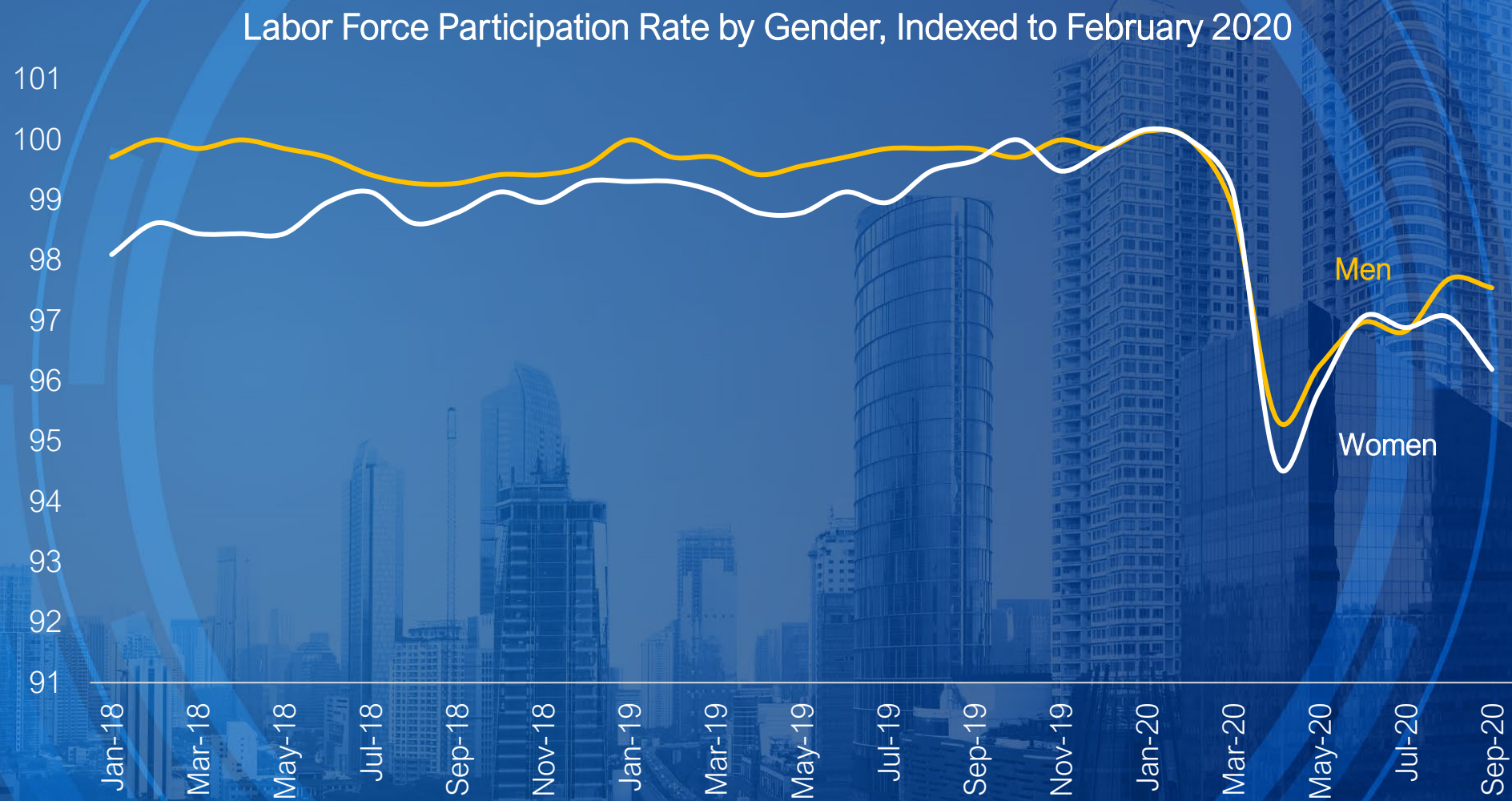


# DIVERSITY: LOOKING DEEPER INTO THE TRENDS

The pandemic has also had an uneven  
impact based on demographics



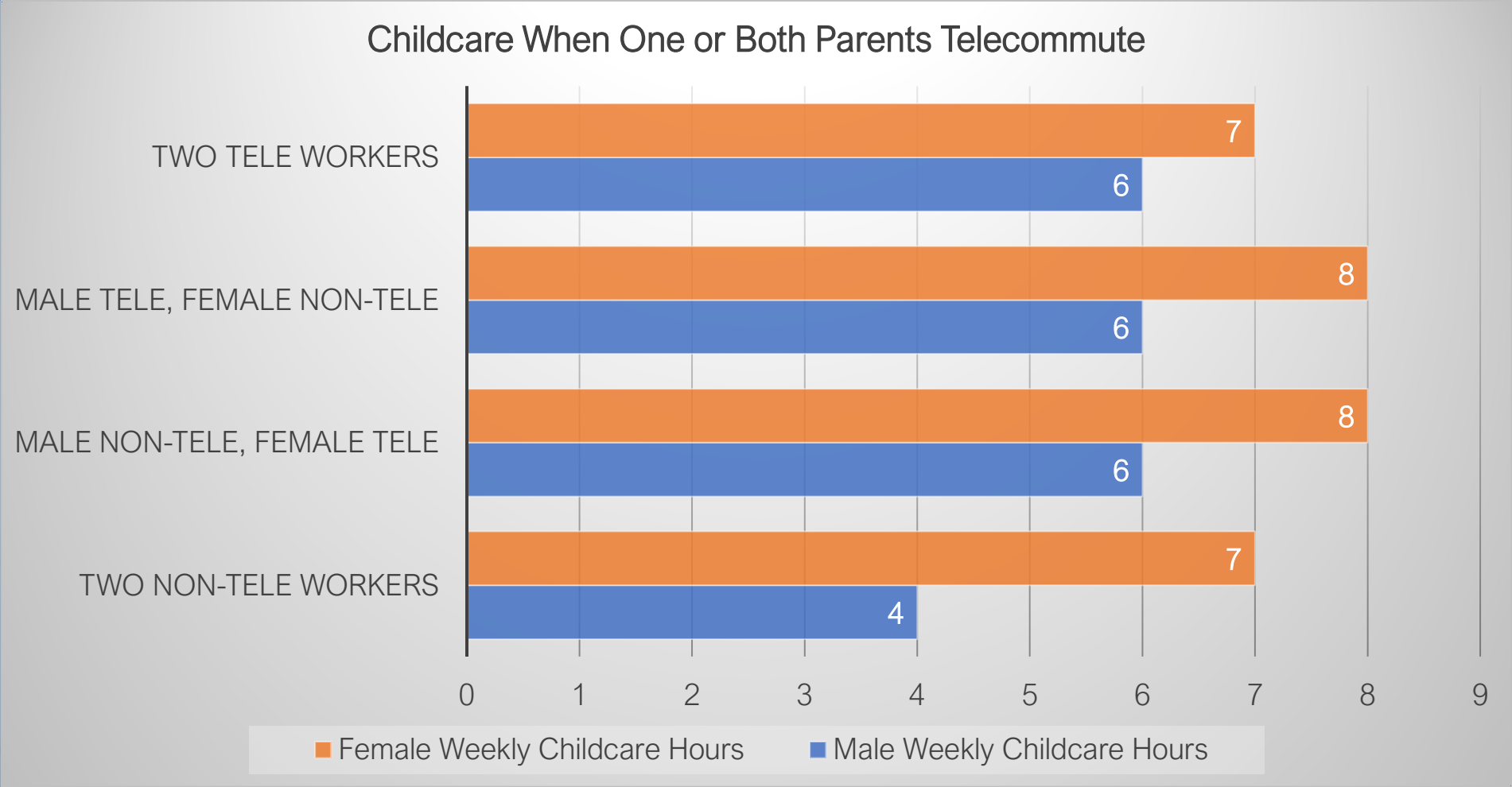
# Women Appear to be Leaving the Labor Force



Sources: LaborIQ® by ThinkWhy; Bureau of Labor Statistics

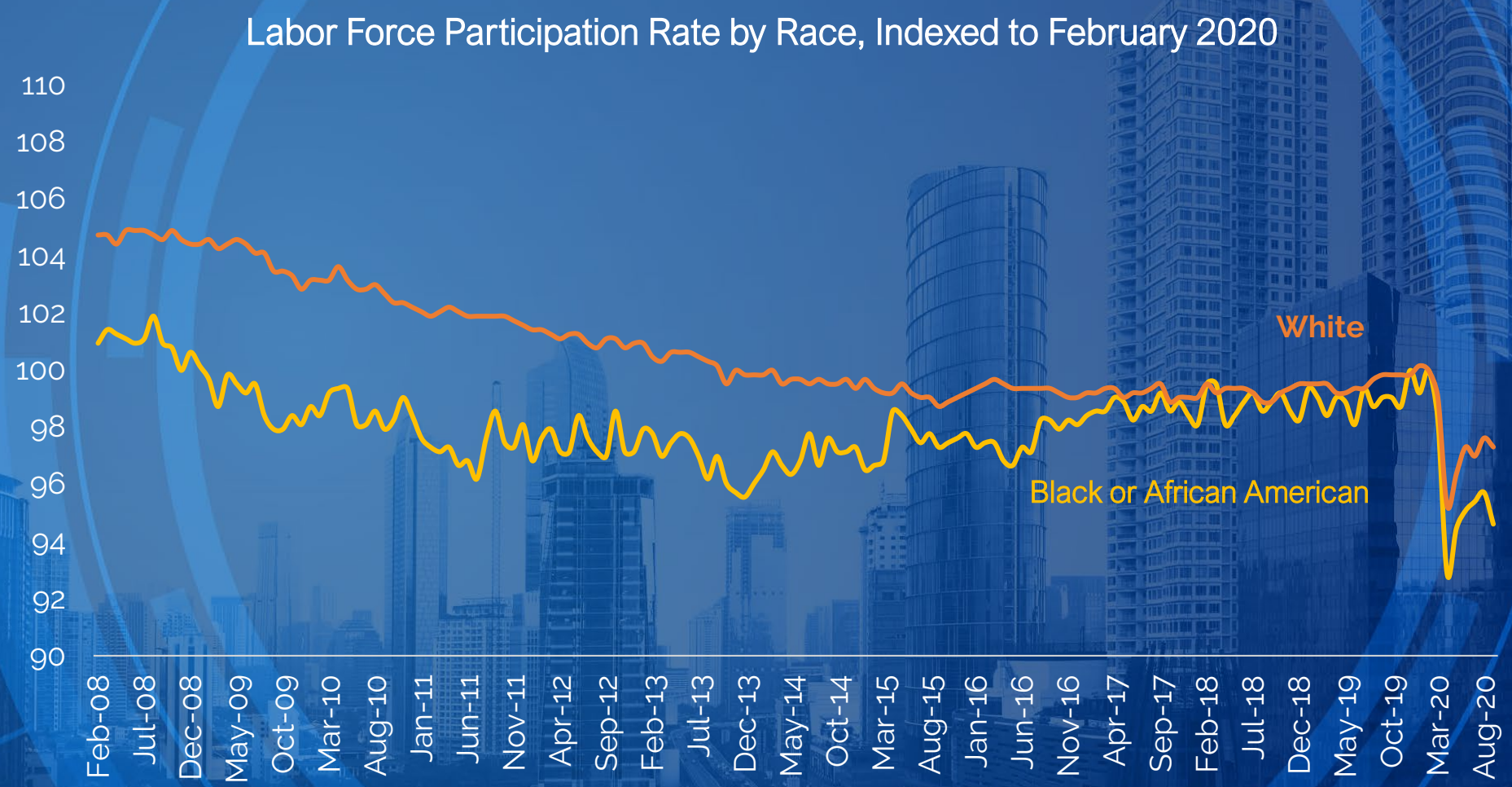


# Before Virus, Women Bore Brunt of Childcare Cost, No Matter the Work Scenario





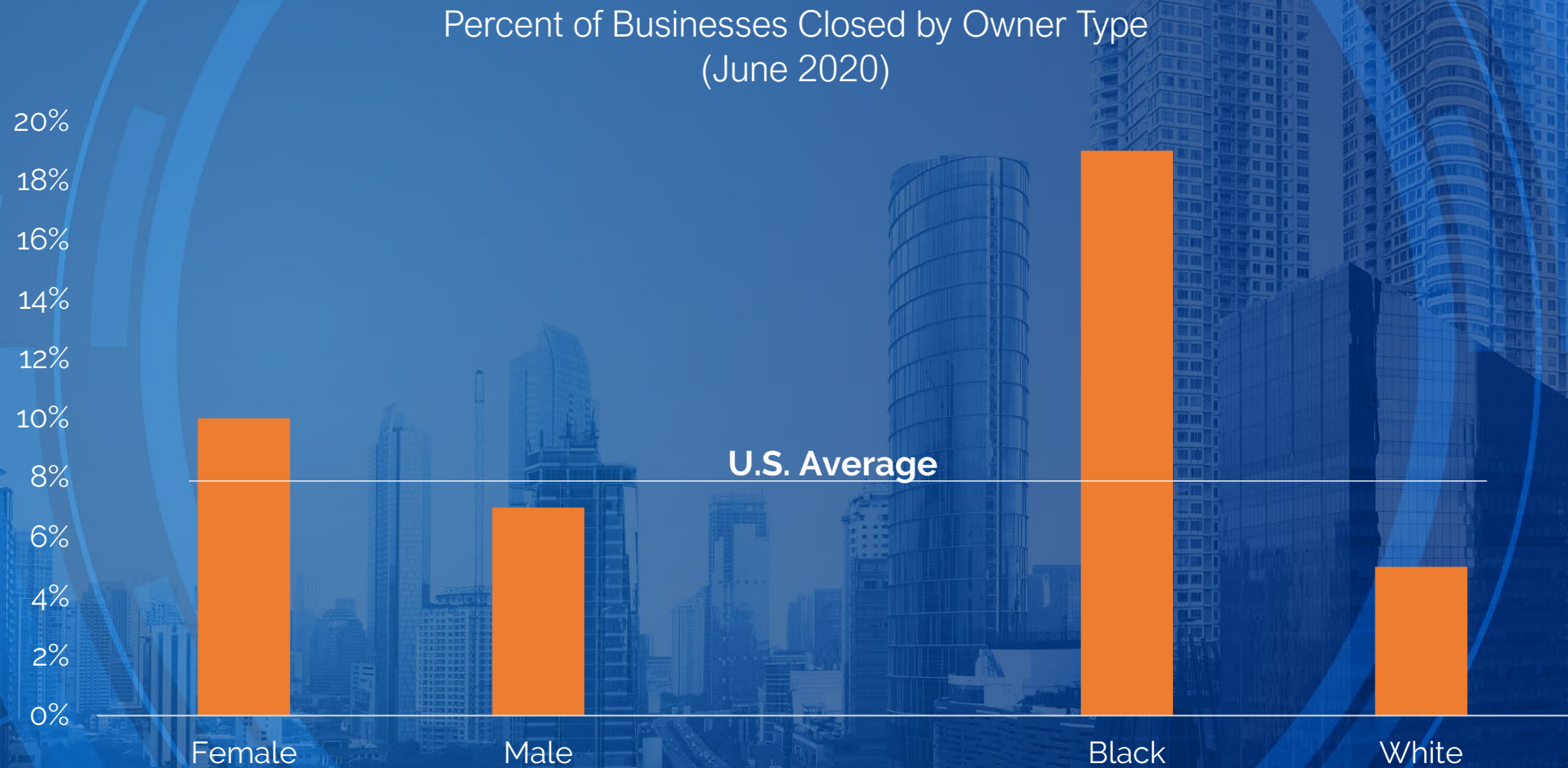
# The Closing Gap in Labor Force Participation by Race Eroded



Sources: LaborIQ® by ThinkWhy; Bureau of Labor Statistics



# Small Business Data Shows Disproportionate Impact



Sources: LaborIQ® by ThinkWhy; National Bureau of Economic Research



# Lingering Impact for College Graduates

- Unemployment rate for 20-24 YO jumped from 6.4% in Feb to 25.7% in April. Sits at 12.5% in Sept compared to overall average of 7.9%
- Evidence suggests an immediate 10% reduction in earnings for recession-era graduates relative to peers who graduated in a better economy
- It could take a decade to close the gap on income loss



# »» OUTLOOK FOR 2021 & BEYOND Industries and Locations





# The Wall Street Journal's Economist Survey in October

**GDP will be back to Q4 2019 level in:**

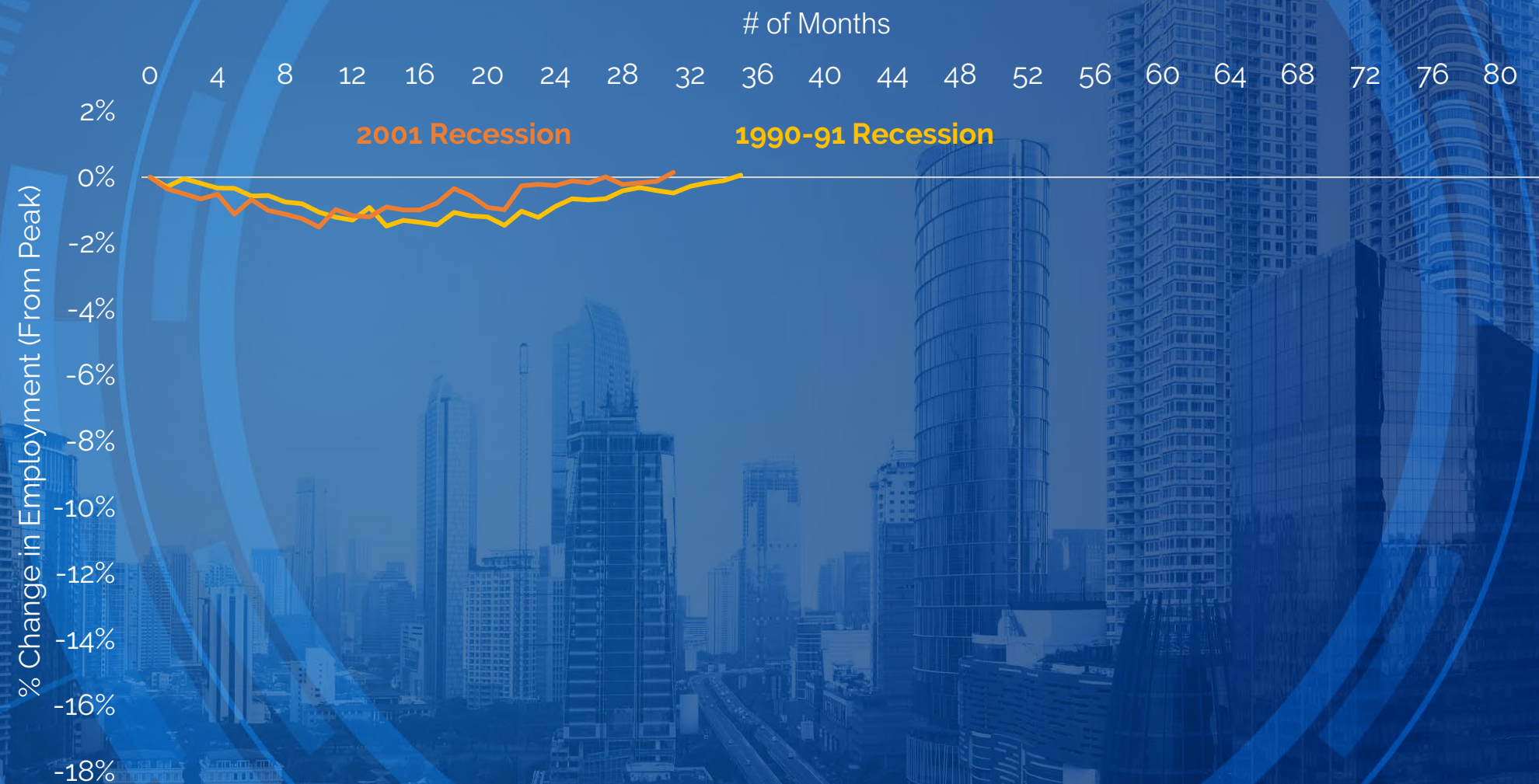
- 57.4% by end of 2021
- 18.5% in Q1 2022

**Jobs will be fully recovered in:**

- 34% in 2022
- 42% in 2023



# Recession Comparison



Sources: LaborIQ® by ThinkWhy; Bureau of Labor Statistics

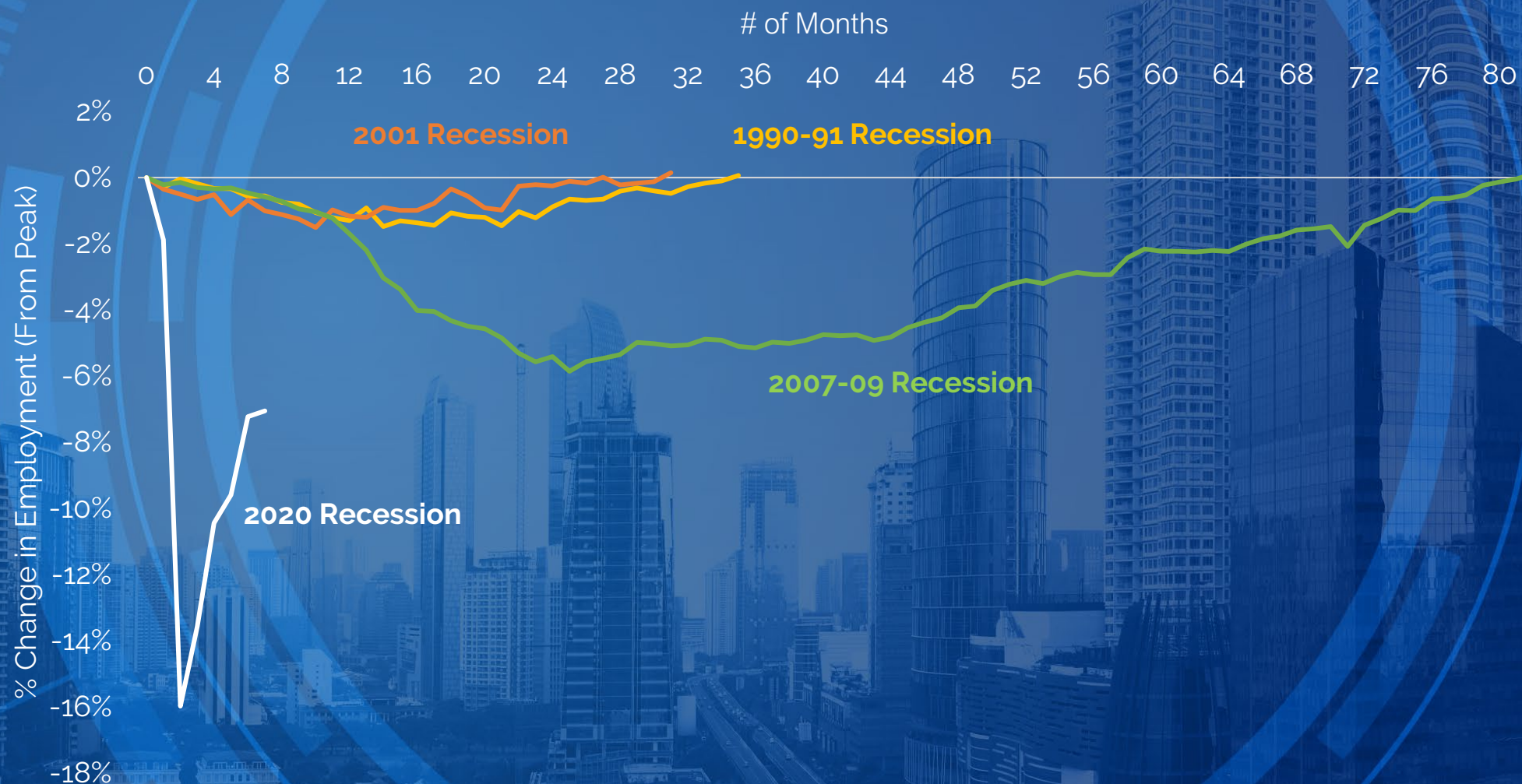


# Recession Comparison



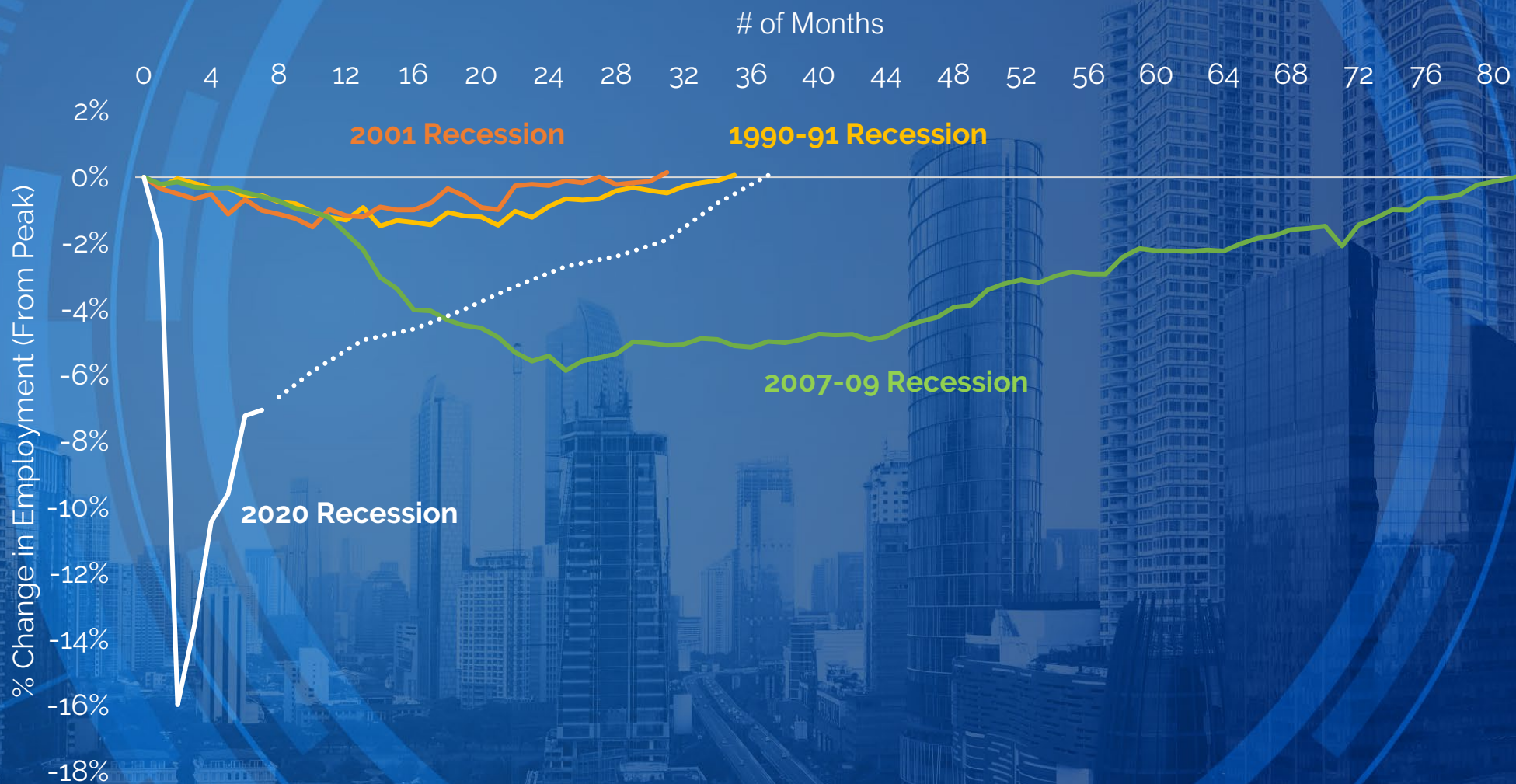


# Recession Comparison





# Recession Comparison: What a Q1 2023 Recovery Would Look Like



Sources: LaborIQ® by ThinkWhy; Bureau of Labor Statistics



# Recovery Timeline by Industry

Industry	Year of Full Recovery
Financial Activities	2022
Retail Trade	2022
Health Care	2022
Construction	2022
Professional & Business Services	2022
Trade, Transportation, Utilities	2023
Manufacturing	2023
<b>U.S.</b>	<b>2023</b>
Educational Services	2024
Government	2024
Leisure and Hospitality	2025



# Recovery Timeline by Location

2022

Atlanta  
Austin  
Charlotte  
Dallas  
Denver  
Phoenix

2023

Chicago  
Orlando  
San Francisco  
Seattle  
Washington, DC

2024

Boston  
Las Vegas  
Los Angeles

2025

New York

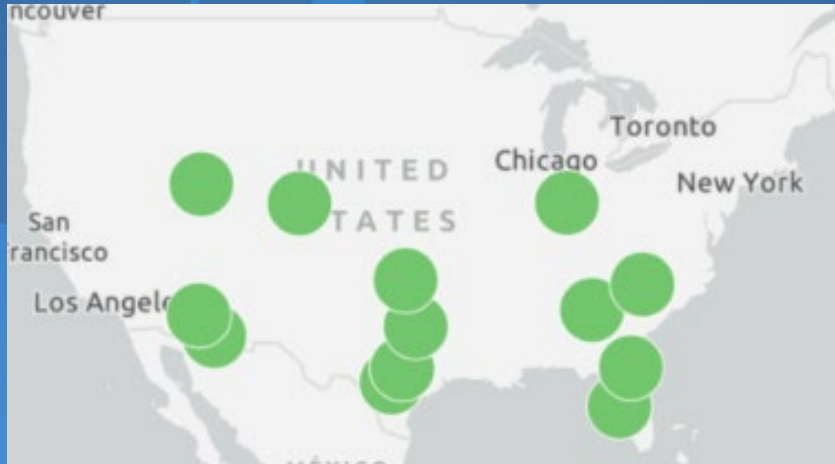
2026

Honolulu



# Year of Full Employment Recovery

2022



2023



2024 and Beyond



Locations in the South and Southwest tend to lead the recovery.

LA, Northeast, and part of Midwest are projected to lag.



# Outlook Should not be Surprising based on Migration Patterns

- U.S. population increased by 18.9 million from 2010-2019.
- The South and West regions accounted for 90% of the growth.
- Texas accounted for 20% of the growth.
- Florida (14%), California (12%) and North Carolina (5%) rounded out half of the nation's population growth during that period.



# Wage Growth Tends to Slow in the Year Following a Recession



Sources: Current Population Survey, Bureau of Labor Statistics, and Federal Reserve Bank of Atlanta Calculations, LaborIQ® by ThinkWhy Forecast



# Risks to Outlook

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- Vaccine – timing, effectiveness and who will take it
- Lack of stimulus to bridge the gap
- Surge in virus along with cold and flu season causing more lockdowns
- Logistics of sourcing, interviewing and training talent fast enough





# Final Thoughts





# Q&A



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