

US Labor Market Overview

August 2024

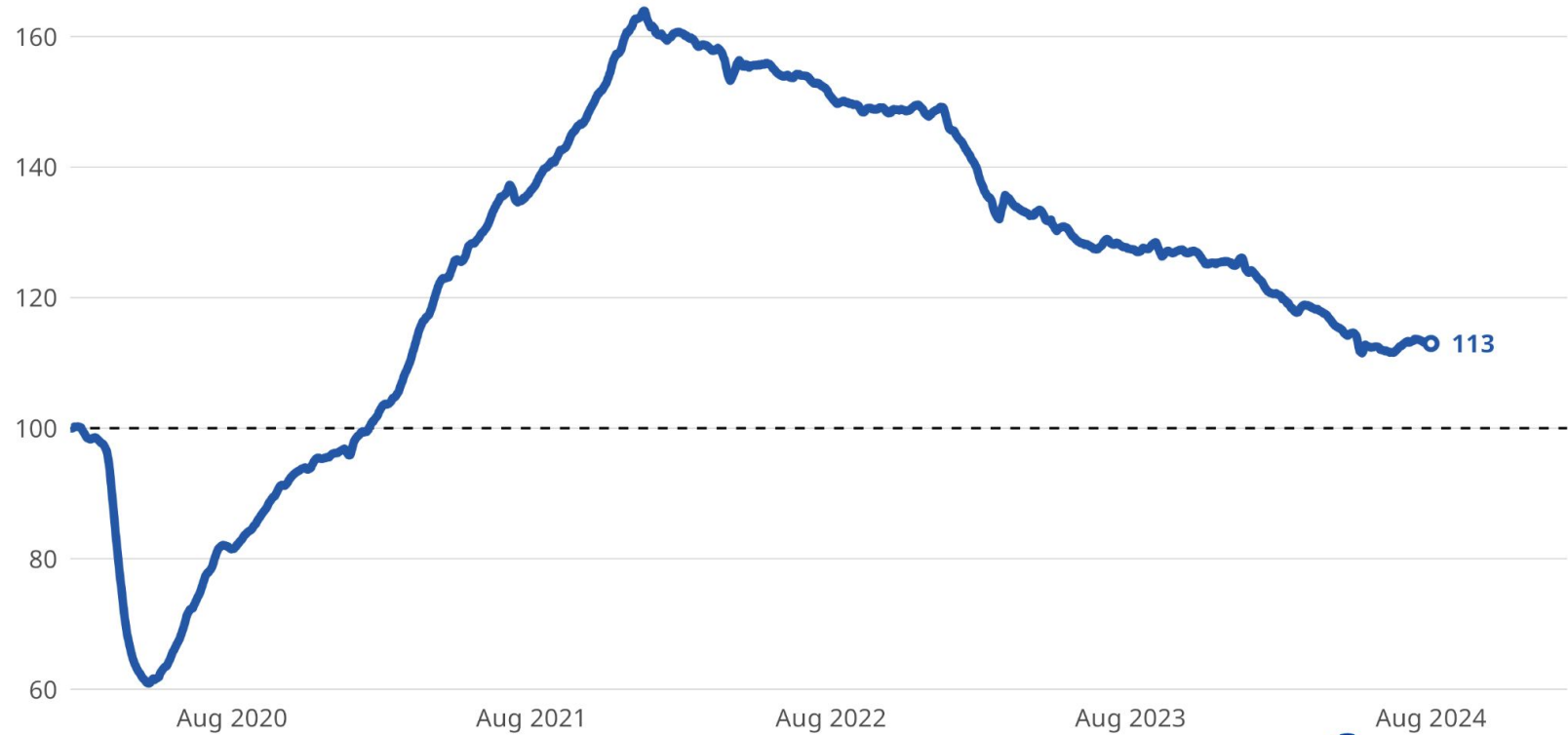
US Labor Market Overview

August 2024

- The US labor market's balance between demand for workers and the supply of job seekers has returned to pre-pandemic levels. The jobs market is in solid condition, but further loosening could mean a large rise in unemployment.
- Job postings and openings remain above their pre-pandemic levels, but the balance between job openings and unemployment has returned to its pre-pandemic relationship.
- The unemployment rate rose quickly in July, but there are reasons for cautious optimism that unemployment will not imminently surge.
- The quits rate is below pre-pandemic levels, and layoffs remain low, suggesting employers are having an easier time retaining current employees.
- Wage growth continues to cool with trends in posted wage growth suggesting more cooling is in the pipeline. At the same time, posted wage growth has recently leveled off, indicating that competition for new hires is steady.

Job postings have moderated

Index (100 = Feb 1, 2020), US, data through August 16, 2024



Source: Indeed Job Postings Index



Job postings on Indeed are down 0.3% from a month ago

Month-over-month growth in Indeed Job Postings Index, United States, Jan 1, 2022 - August 16, 2024

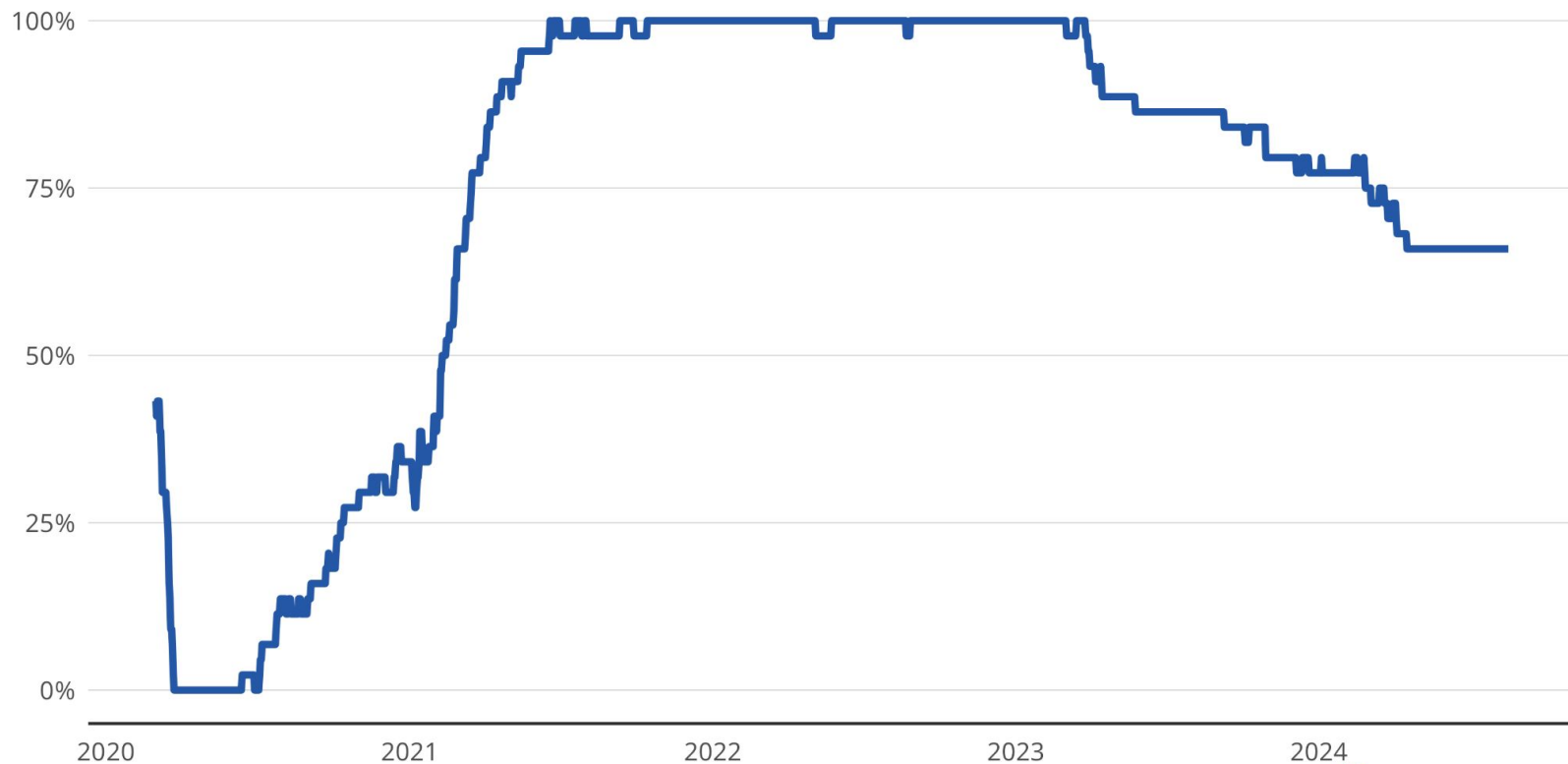


Source: Indeed Job Postings Index



Job postings are elevated in 66% of US sectors

Share of occupational sectors with postings above pre-pandemic baseline, Mar 1, 2020 — August 16, 2024

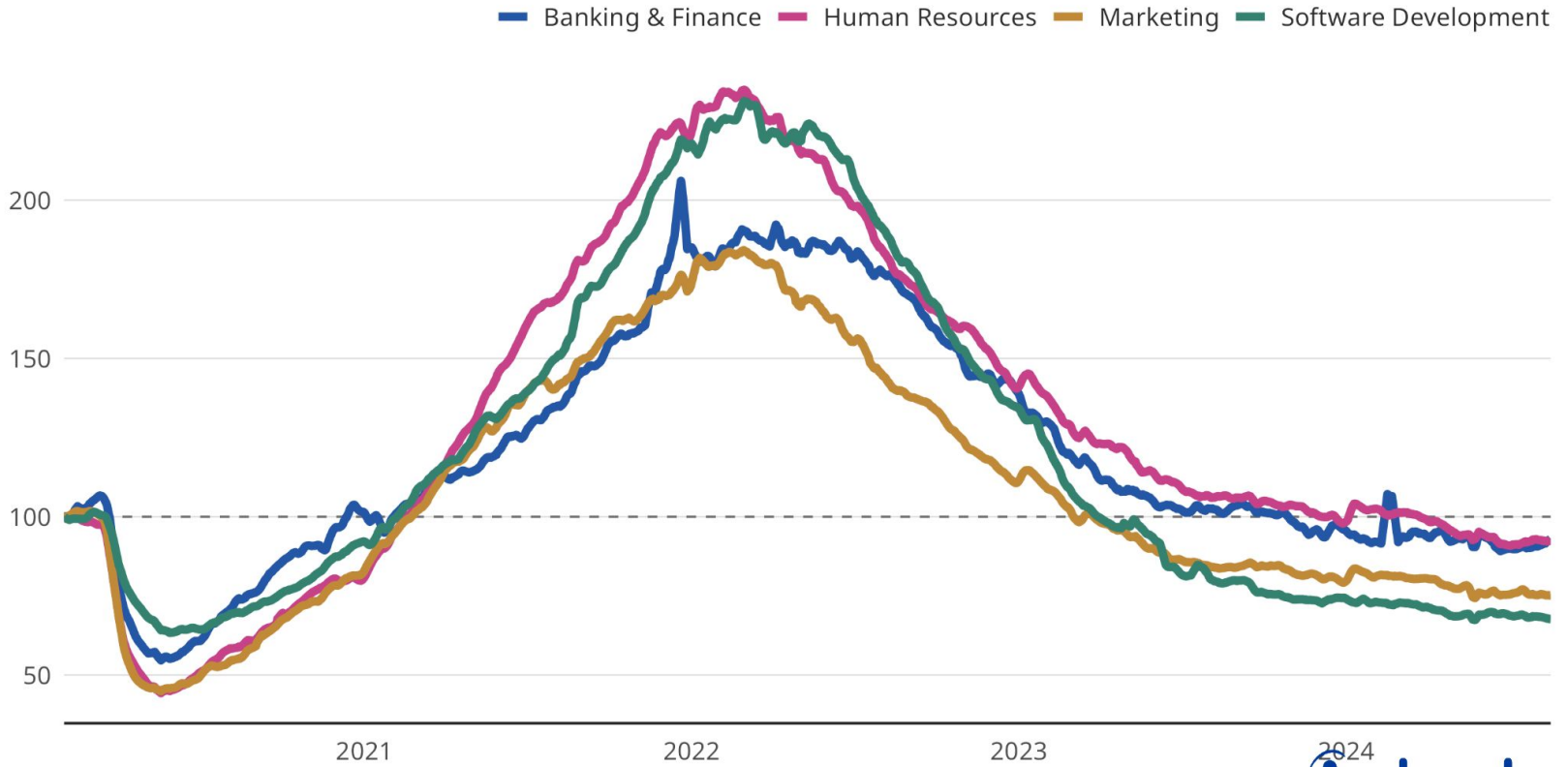


Source: Indeed Job Postings Index



Postings are down most in traditional 'office job' sectors

Index (100 = Feb 1, 2020), United States, through August 16, 2024

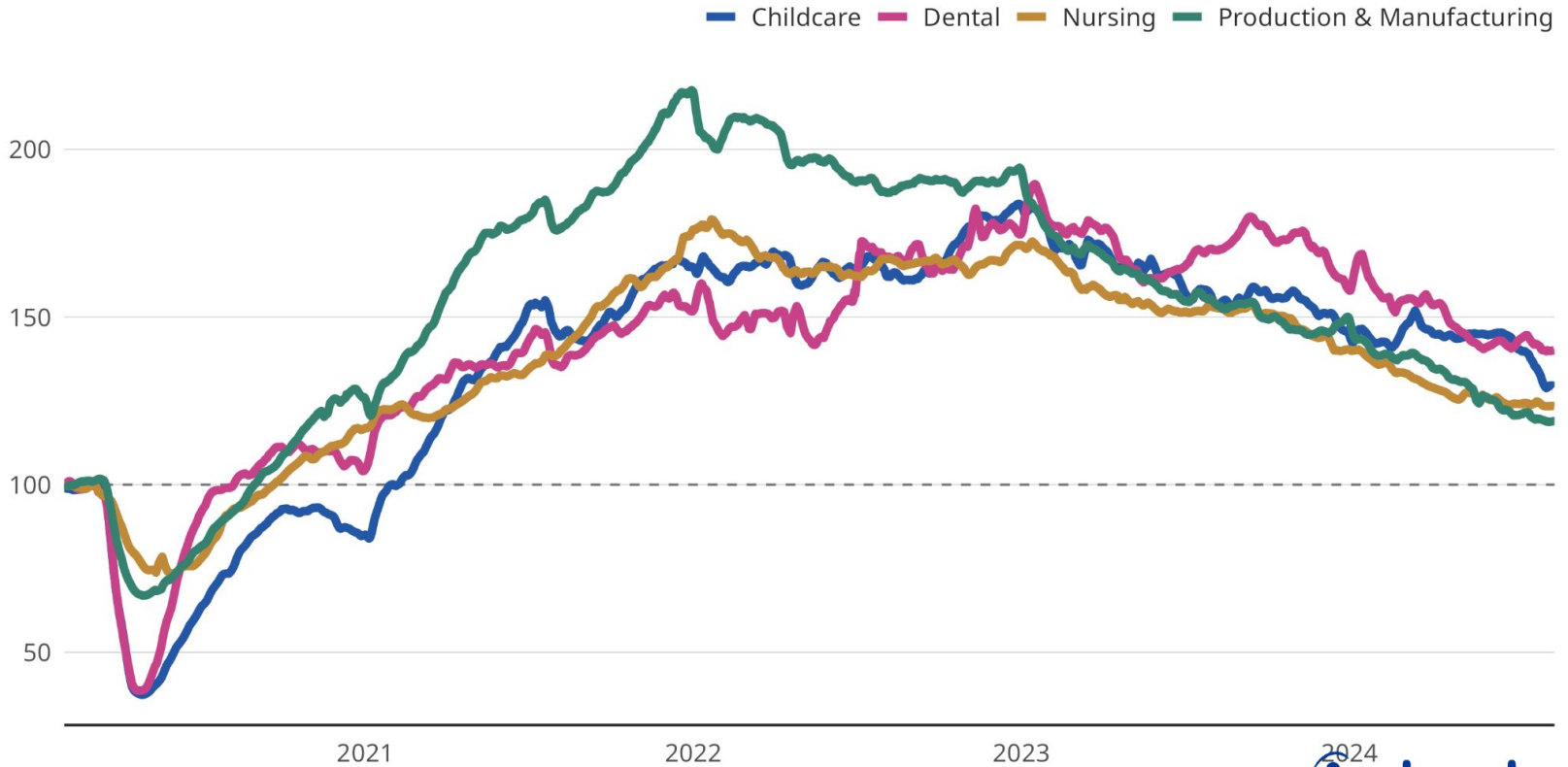


Source: Indeed Job Postings Index



Postings are holding up better in many 'in-person' sectors

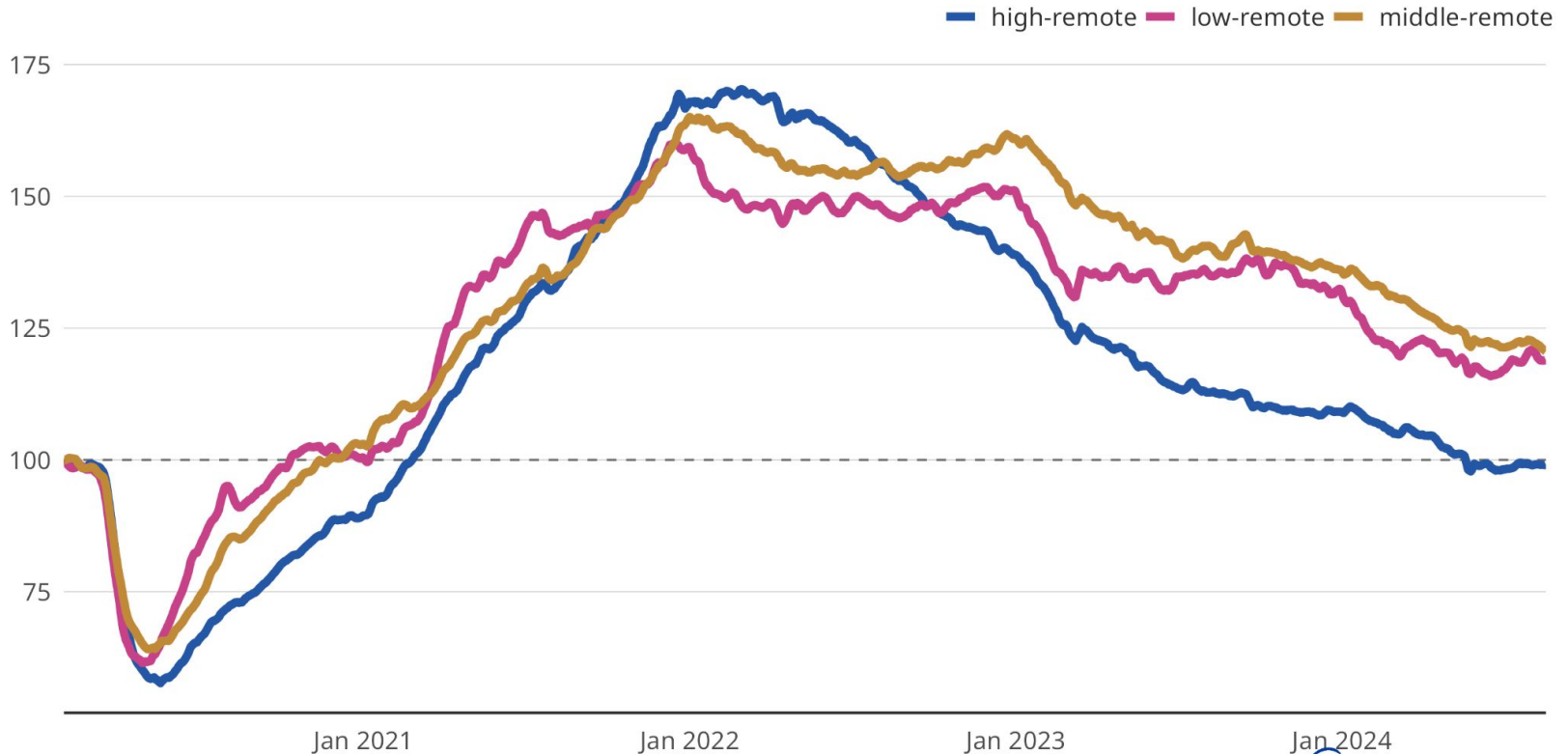
Index (100 = Feb 1, 2020), United States, through August 16, 2024



Source: Indeed Job Postings Index

Postings are weakest in high work-from-home sectors

US Job Postings Index by remote-work tier, data through August 16, 2024

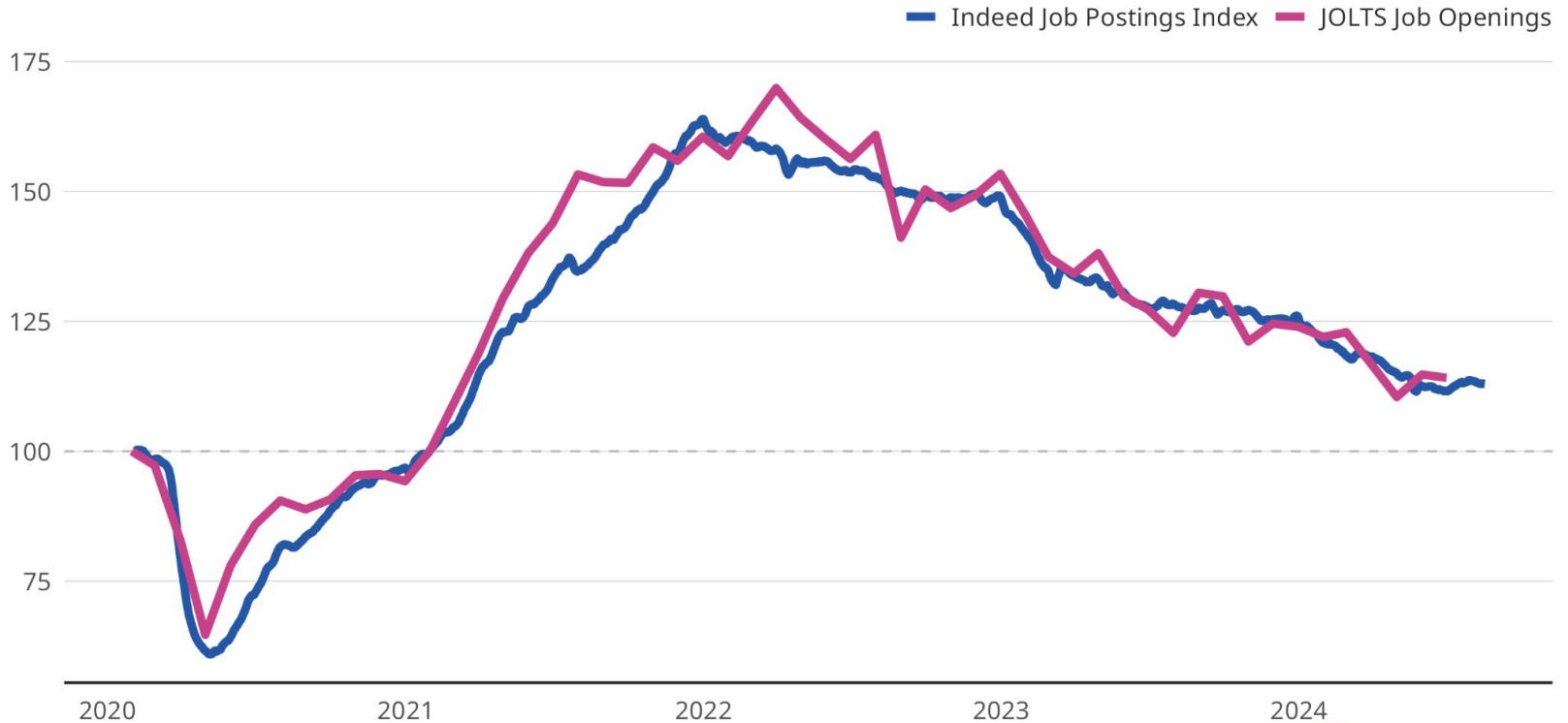


Source: Indeed Job Postings Index



US job openings and postings track each other

Index, Jan 31, 2020 - August 16, 2024

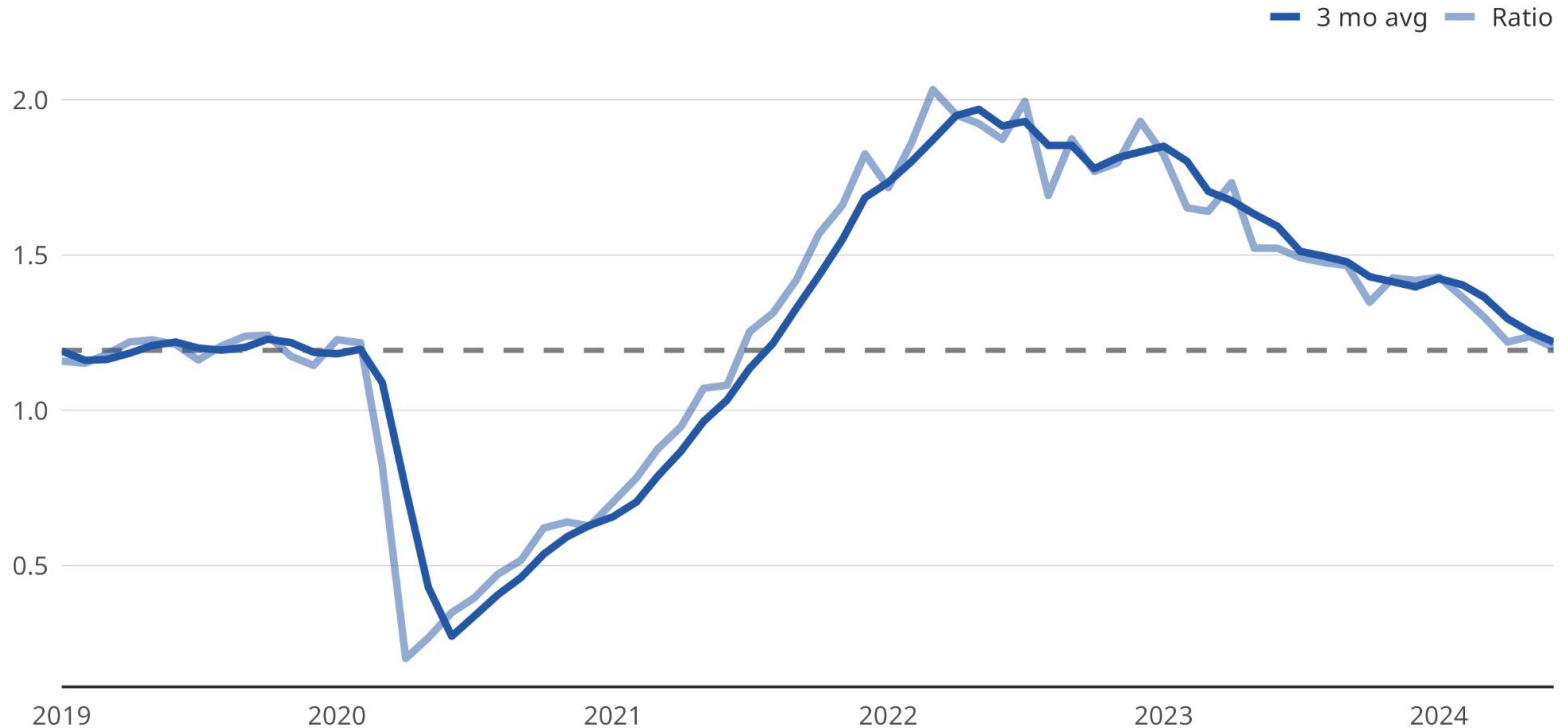


Source: Indeed Job Postings Index, Job Openings and Labor Turnover Survey.
Note: Index is set to 100 = Feb 1, 2020 for Indeed and Jan 2020 (Jan 31, 2020) for JOLTS



The ratio of openings to unemployment is back to 2019 levels

Job openings per unemployed worker, US, Jan 2019 - Jun 2024

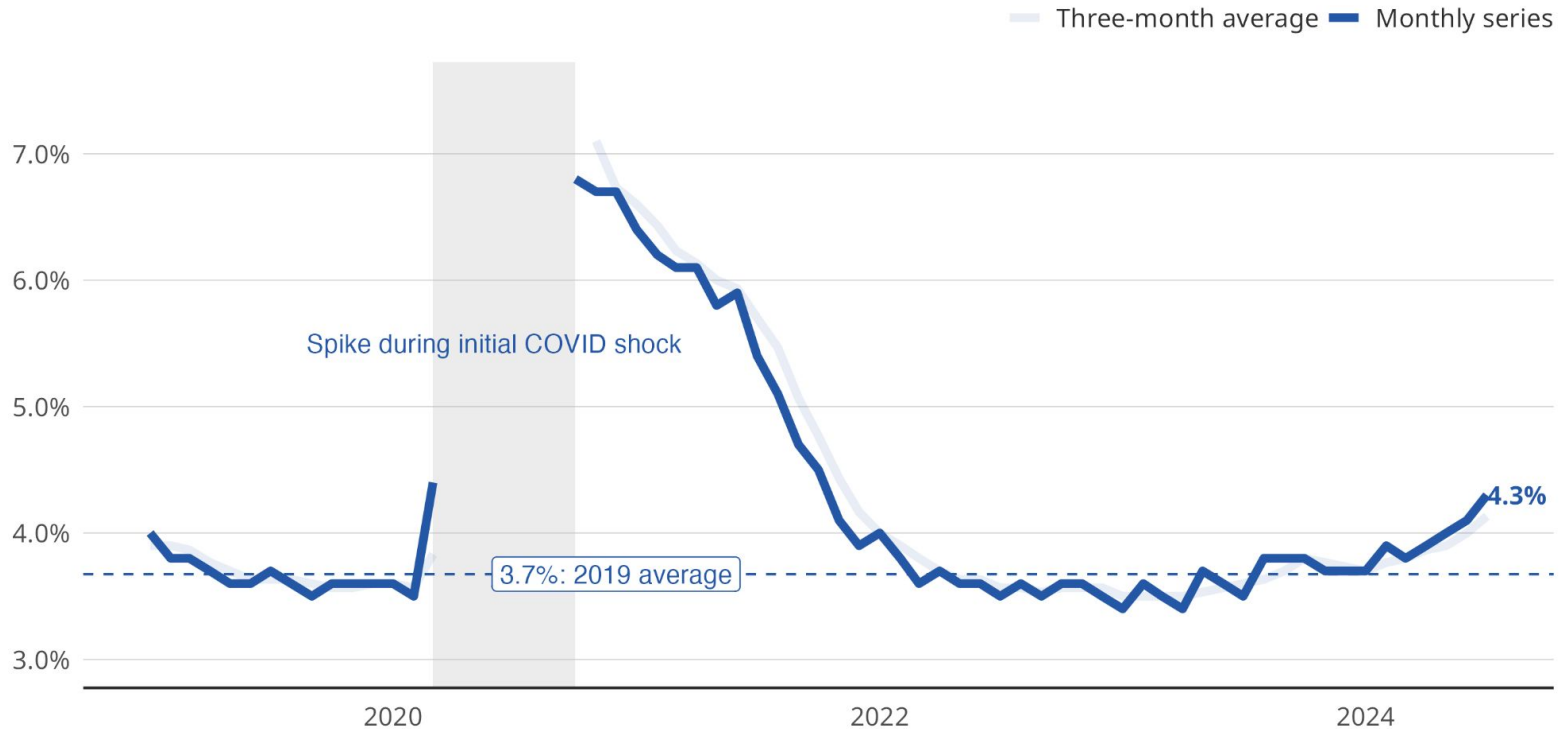


Source: Job Openings and Labor Turnover Survey, Current Population Survey



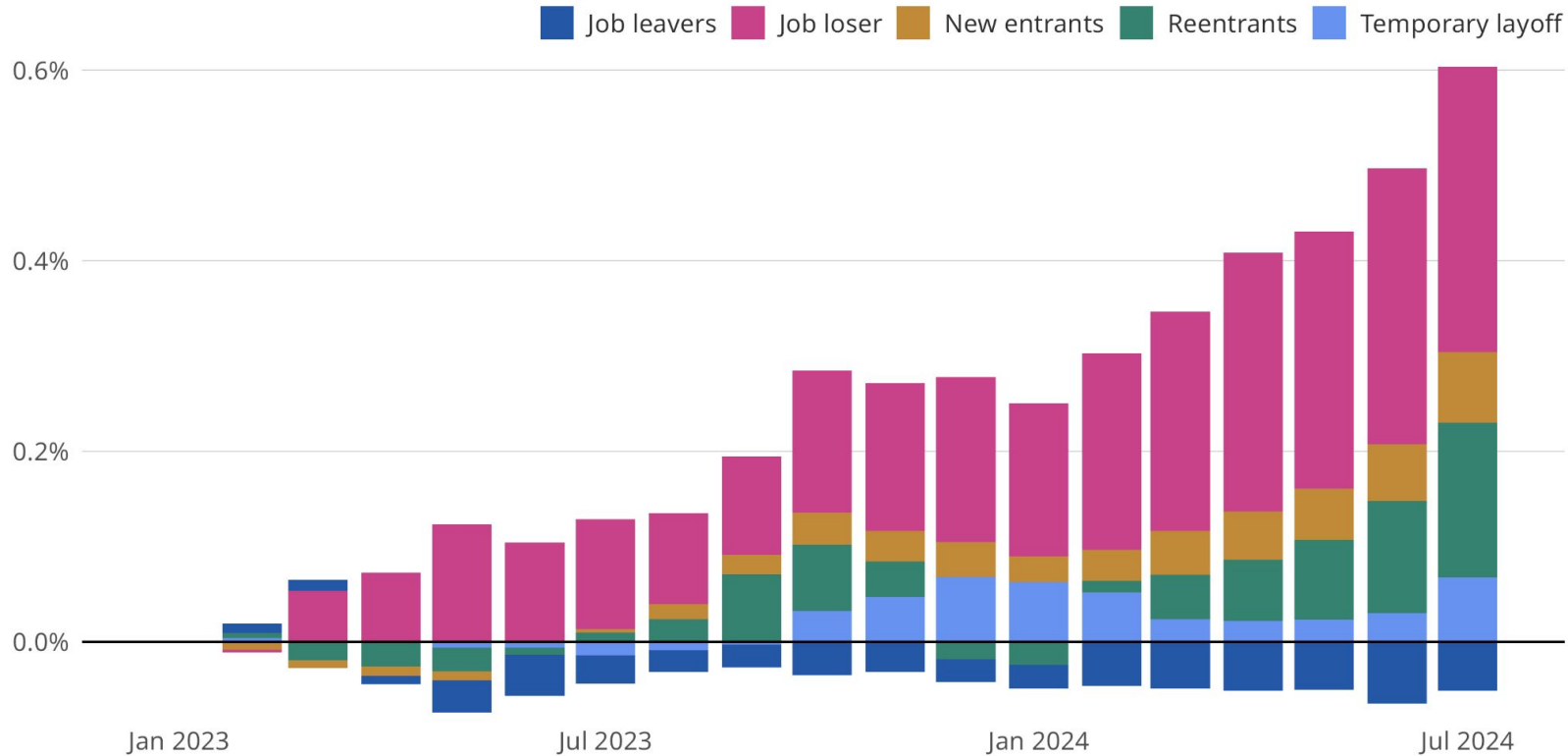
The unemployment rate is starting to pick up speed

Unemployment as % of labor force, US, Jan 2019 — Jul 2024



Job losers and reentrants are leading the rise in unemployment

%-point increase in US unemployment rate since Jan 2023, 3mo avg, data through Jul 2024

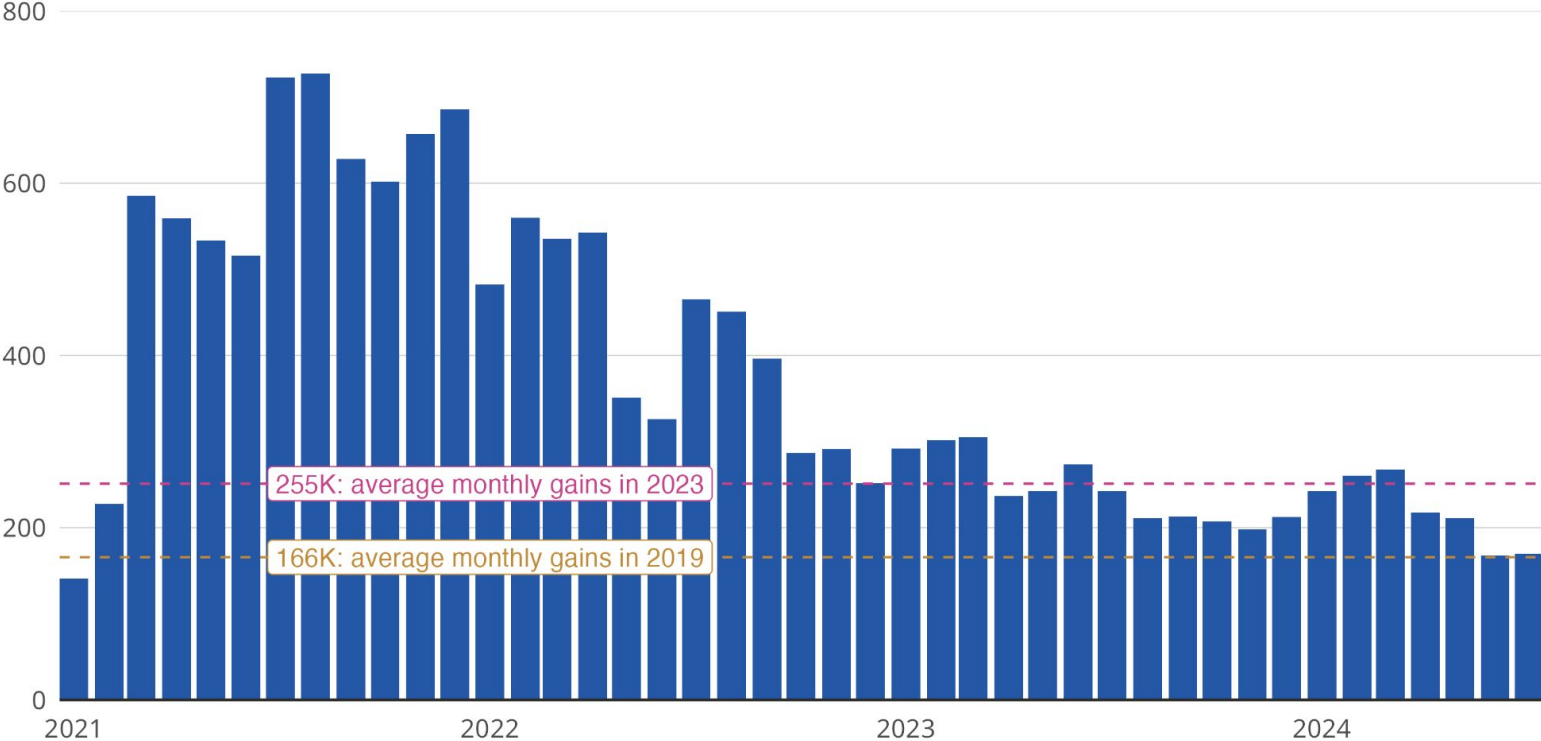


Source: US Bureau of Labor Statistics



Monthly job gains have moderated

Thousands of jobs, 3 month average of monthly change, Jan 2021 - Jul 2024

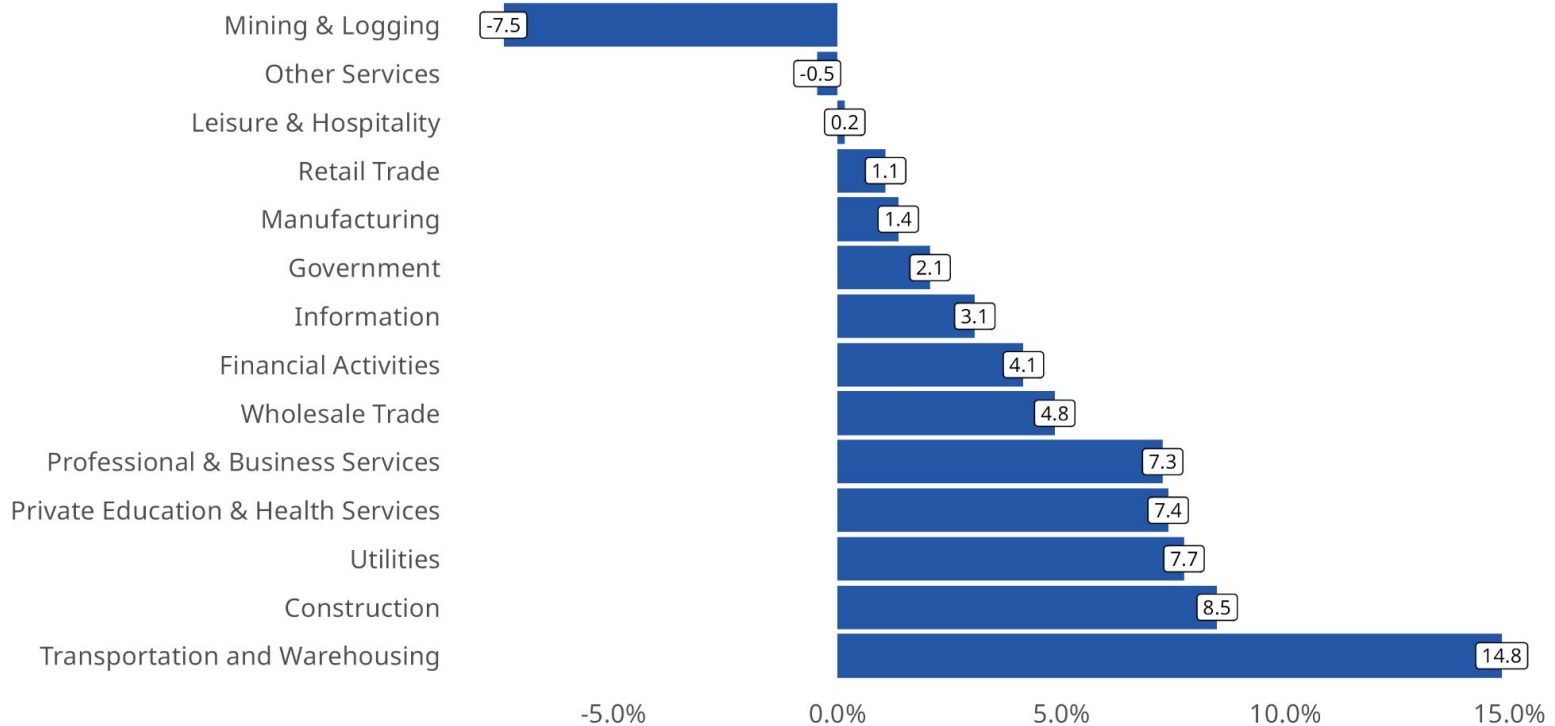


Source: US Bureau of Labor Statistics



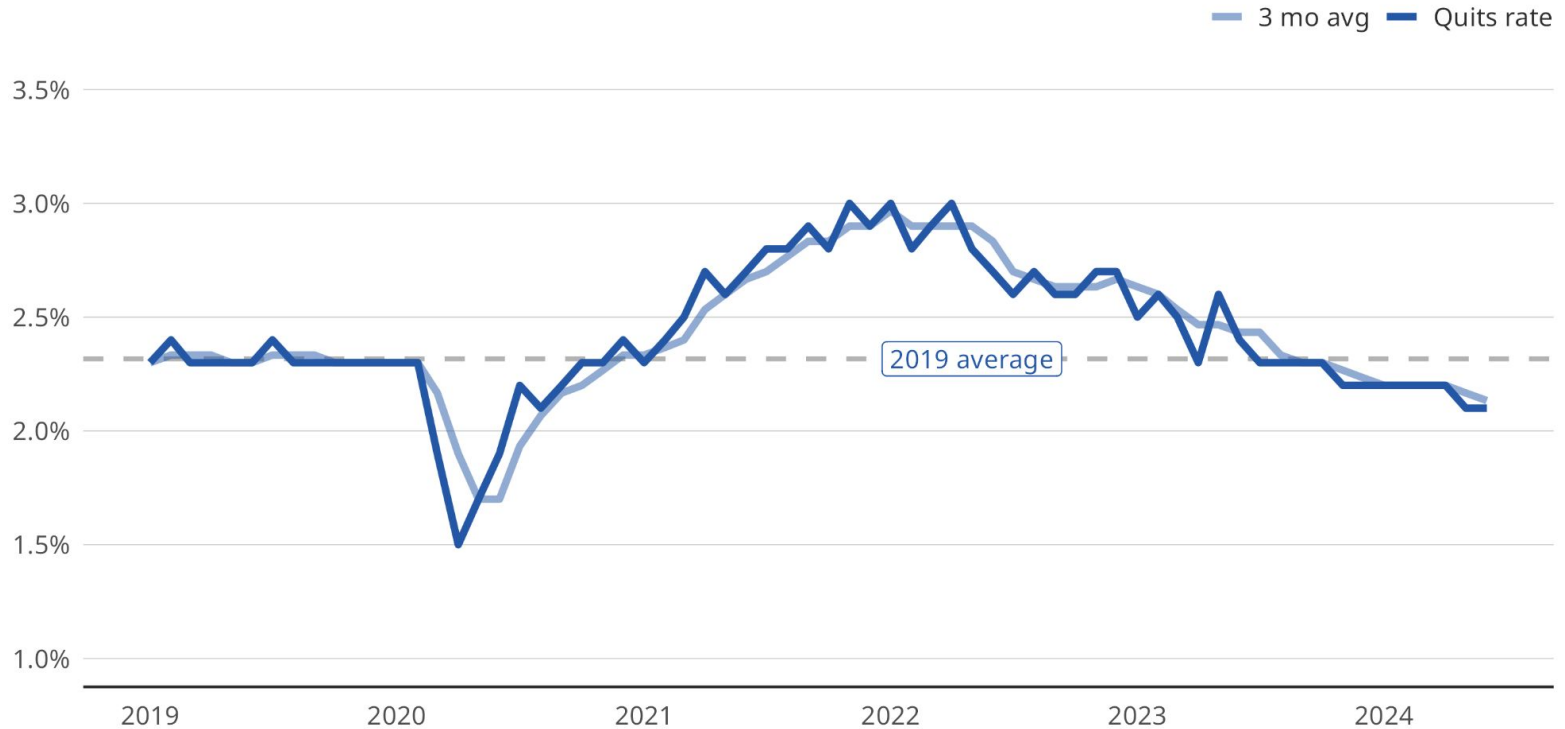
Employment has recovered in almost every sector

Jul 2024, employment, % change since Feb 2020



The quits rate is not stabilizing

Quits as % of employment, Jan 2019 - Jun 2024

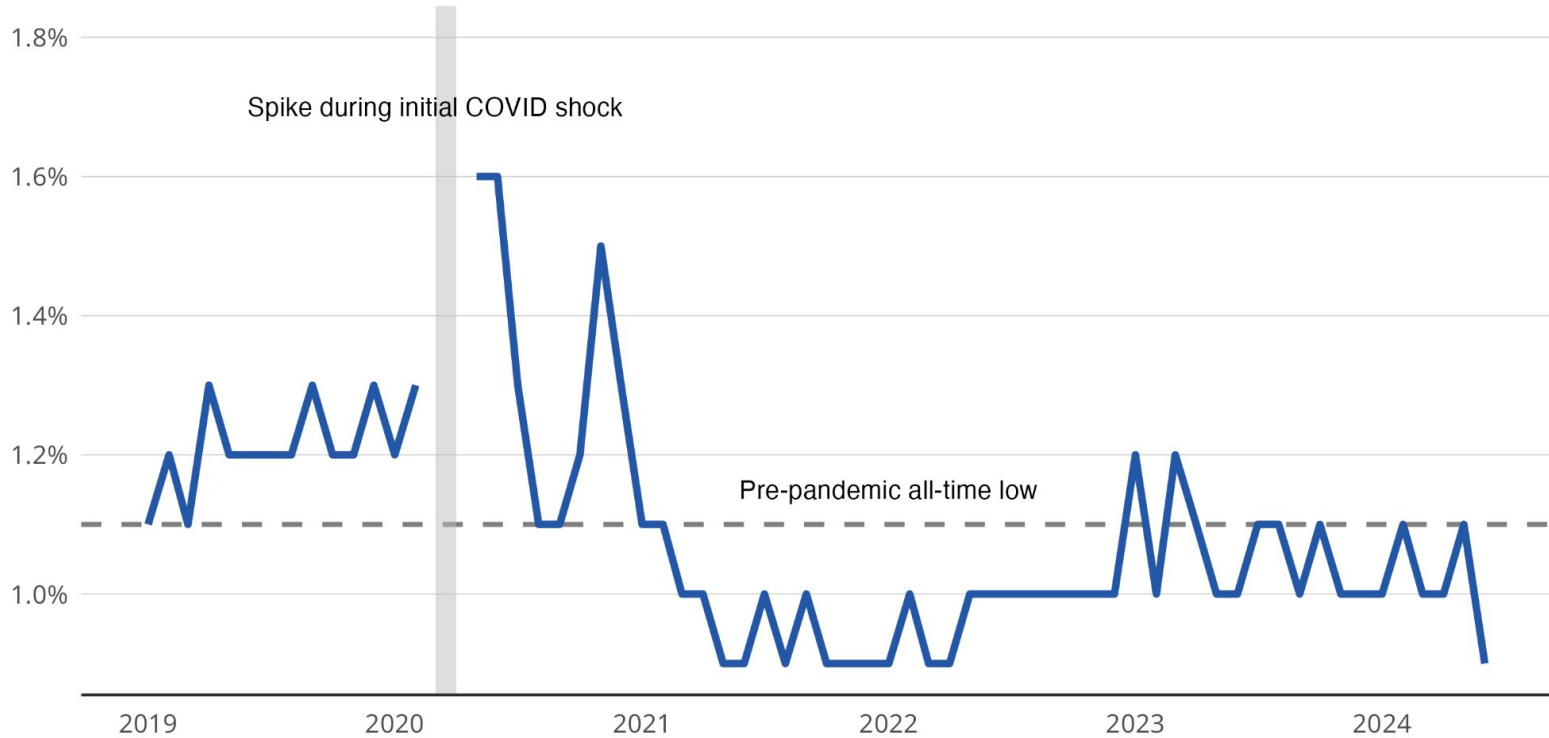


Source: Job Openings and Labor Turnover Survey



Layoffs remain low by historical standards

Layoffs and discharges rate, US, Jan 2019 - Jun 2024

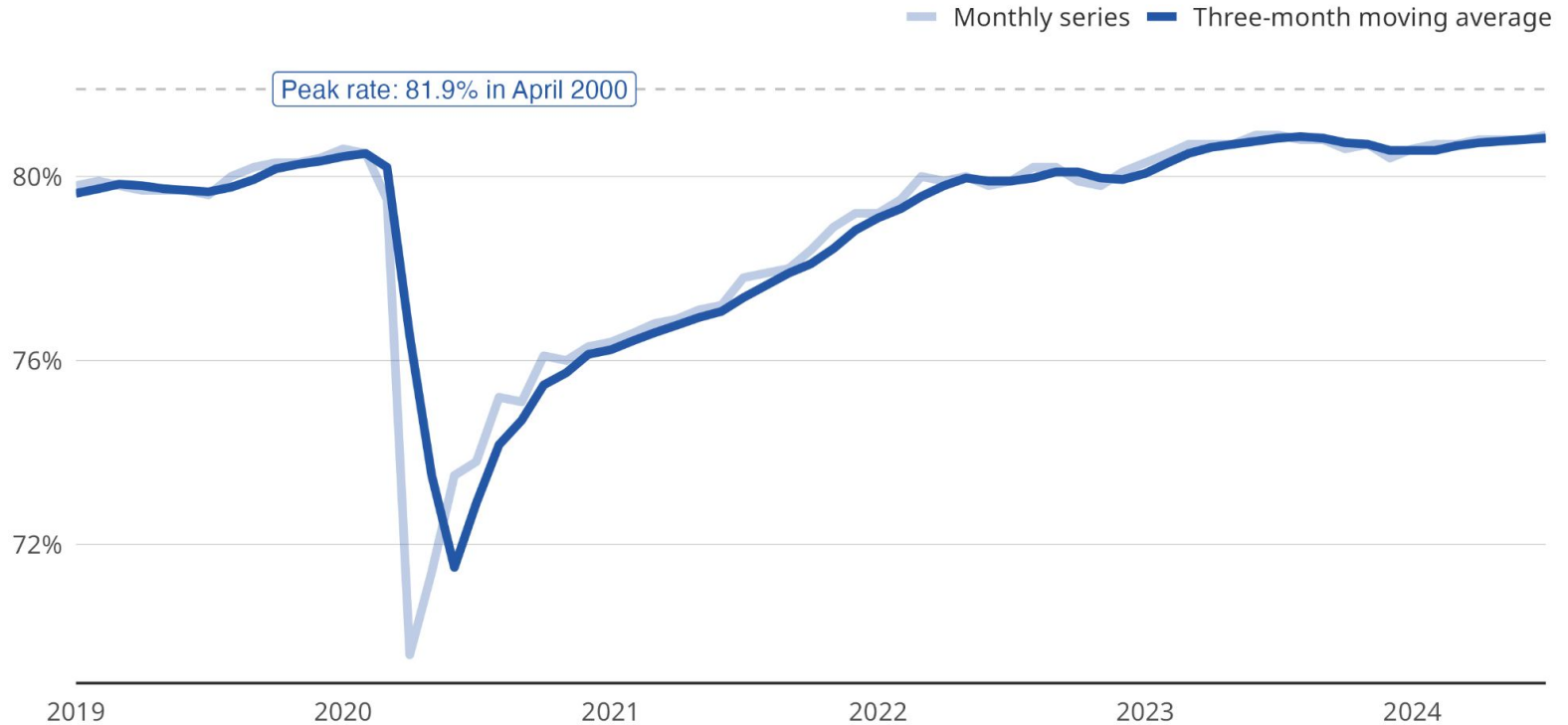


Source: Job Openings and Labor Turnover Survey



The prime-age employment rate is plateauing

Share of people ages 25 - 54 with a job, Jan 2019 - Jul 2024

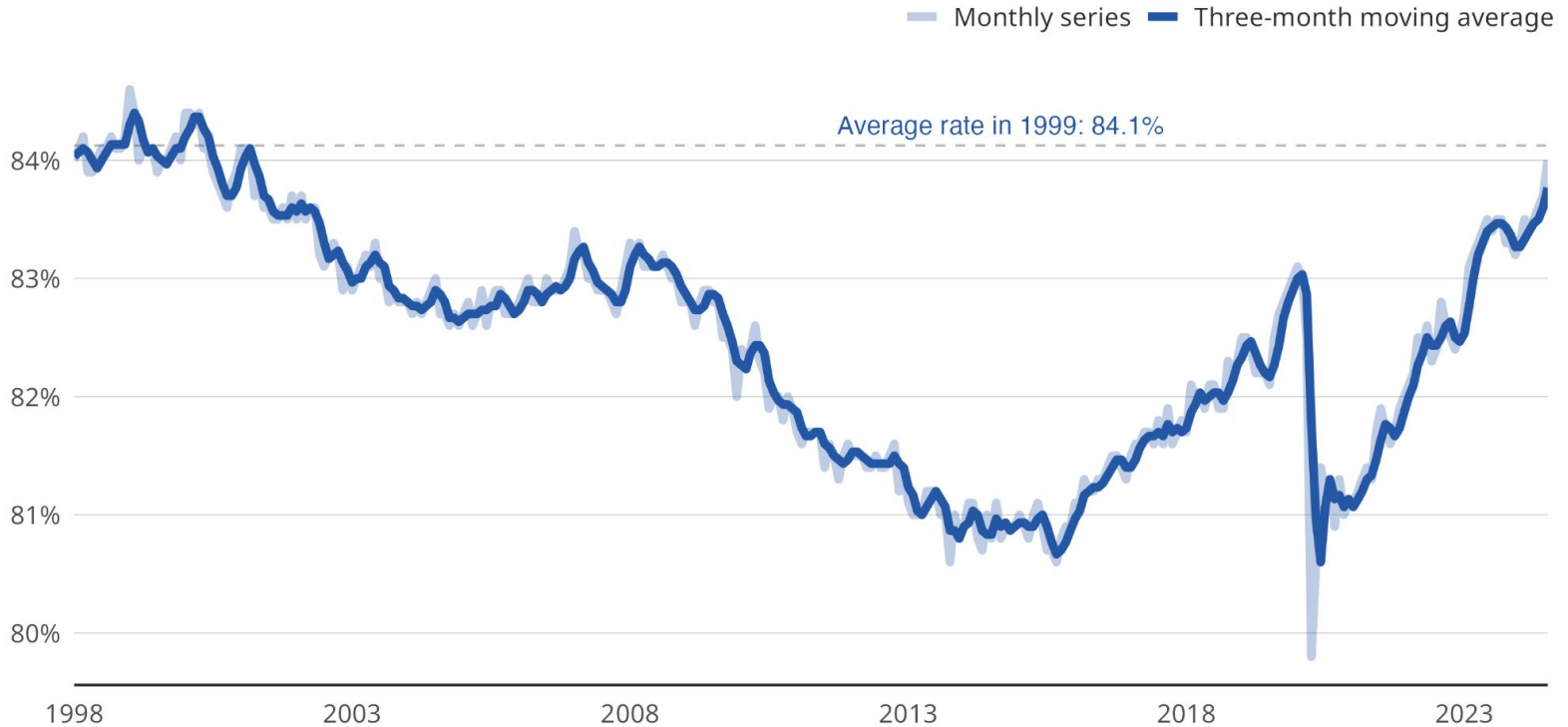


Source: US Bureau of Labor Statistics



Prime-age labor force participation is at a multidecade high

Share of workers aged 25 - 54 in the labor force, Jan 1998 - Jul 2024



Source: US Bureau of Labor Statistics



US posted wage growth is no longer falling

Year-over-year growth in posted wages, Jan 2019 - Jul 2024

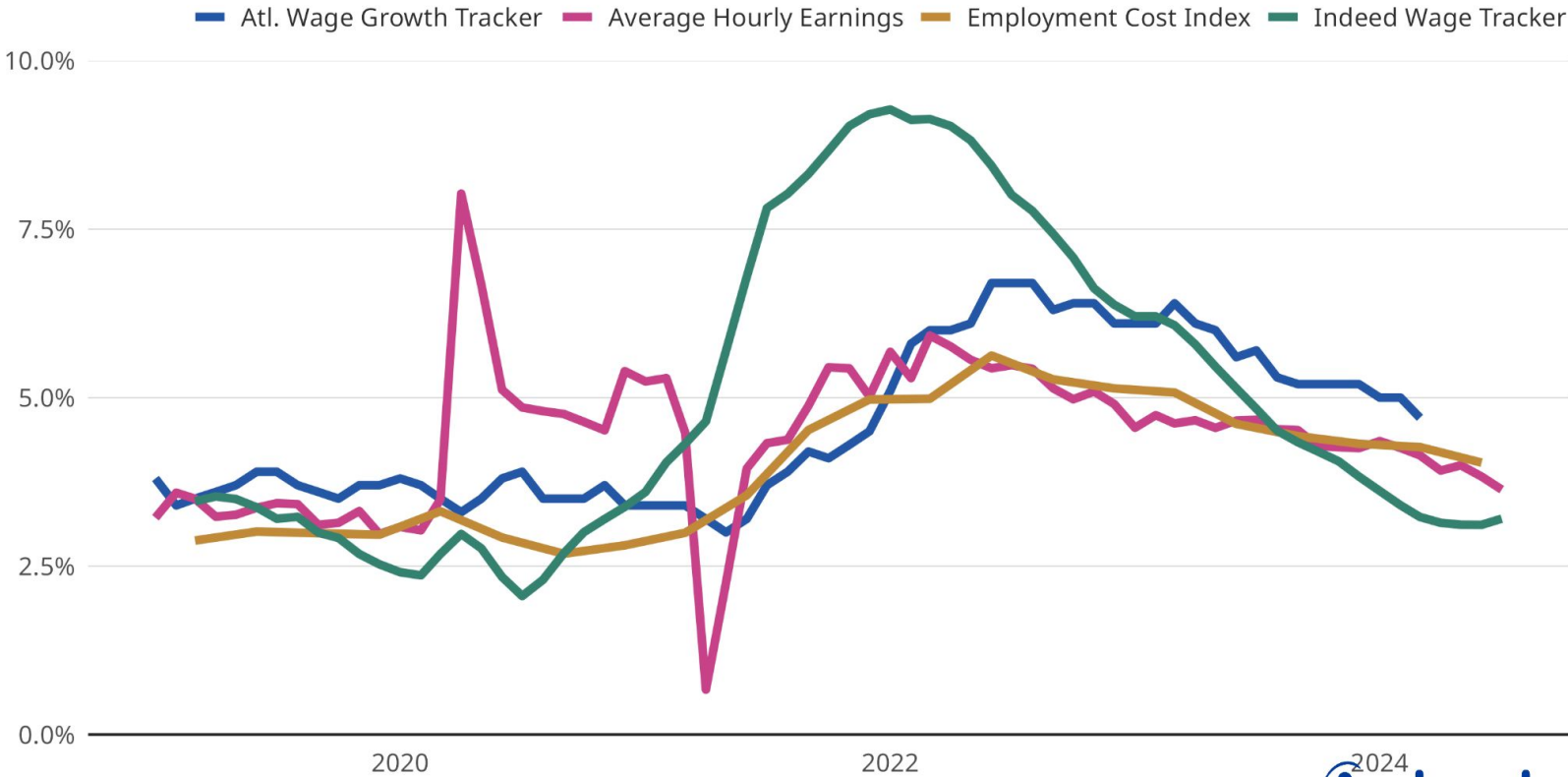


Source: Indeed Wage Tracker



Wage growth is elevated, but trending down

Year-over-year growth, Jan 2019 — Jul 2024

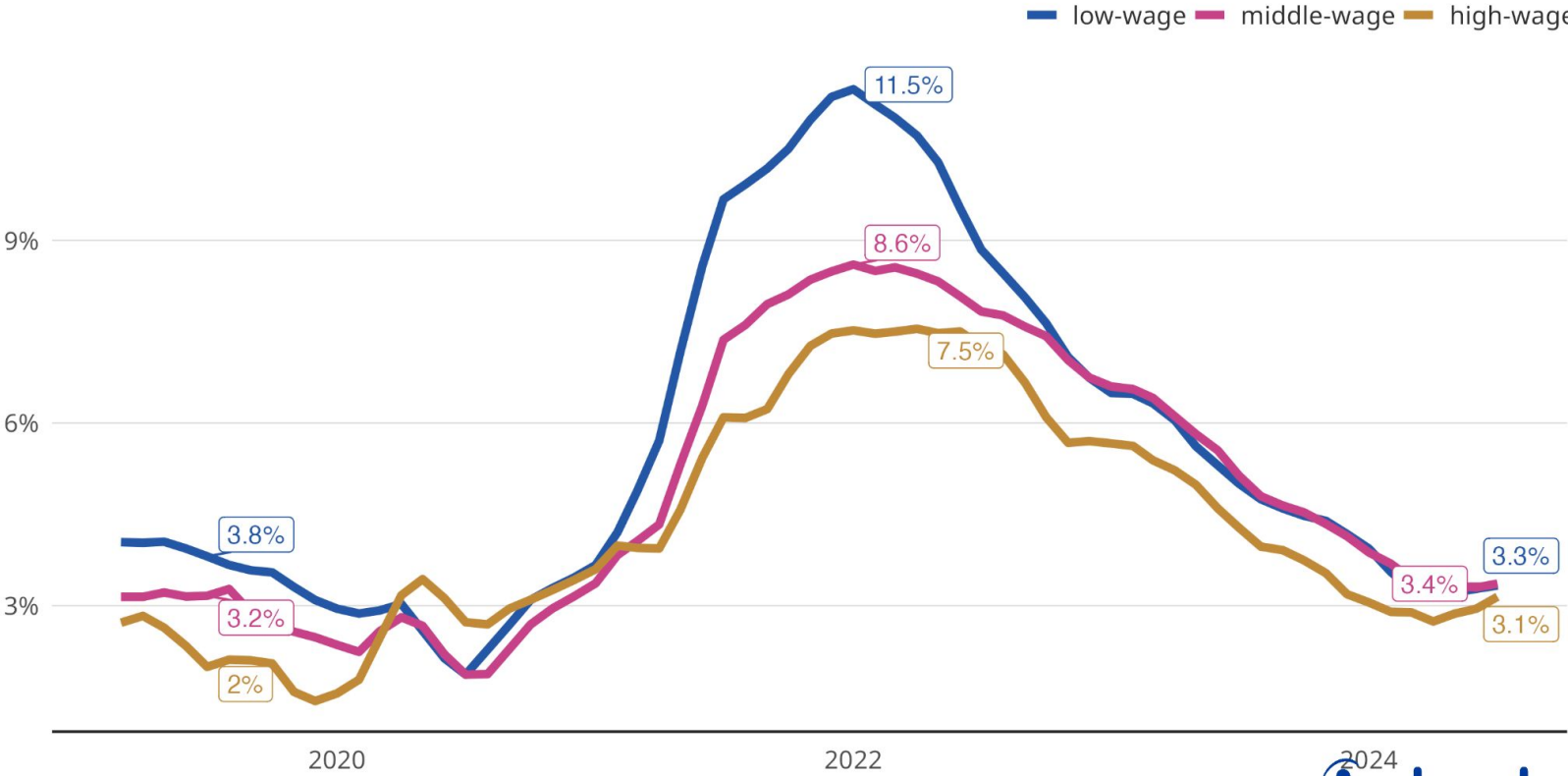


Source: Bureau of Labor Statistics, Federal Reserve Bank of Atlanta, and Indeed



Wage growth is rebounding in higher-wage sectors

Year-over-year growth in posted wages, 3mo avg, Mar 2019 - Jul 2024

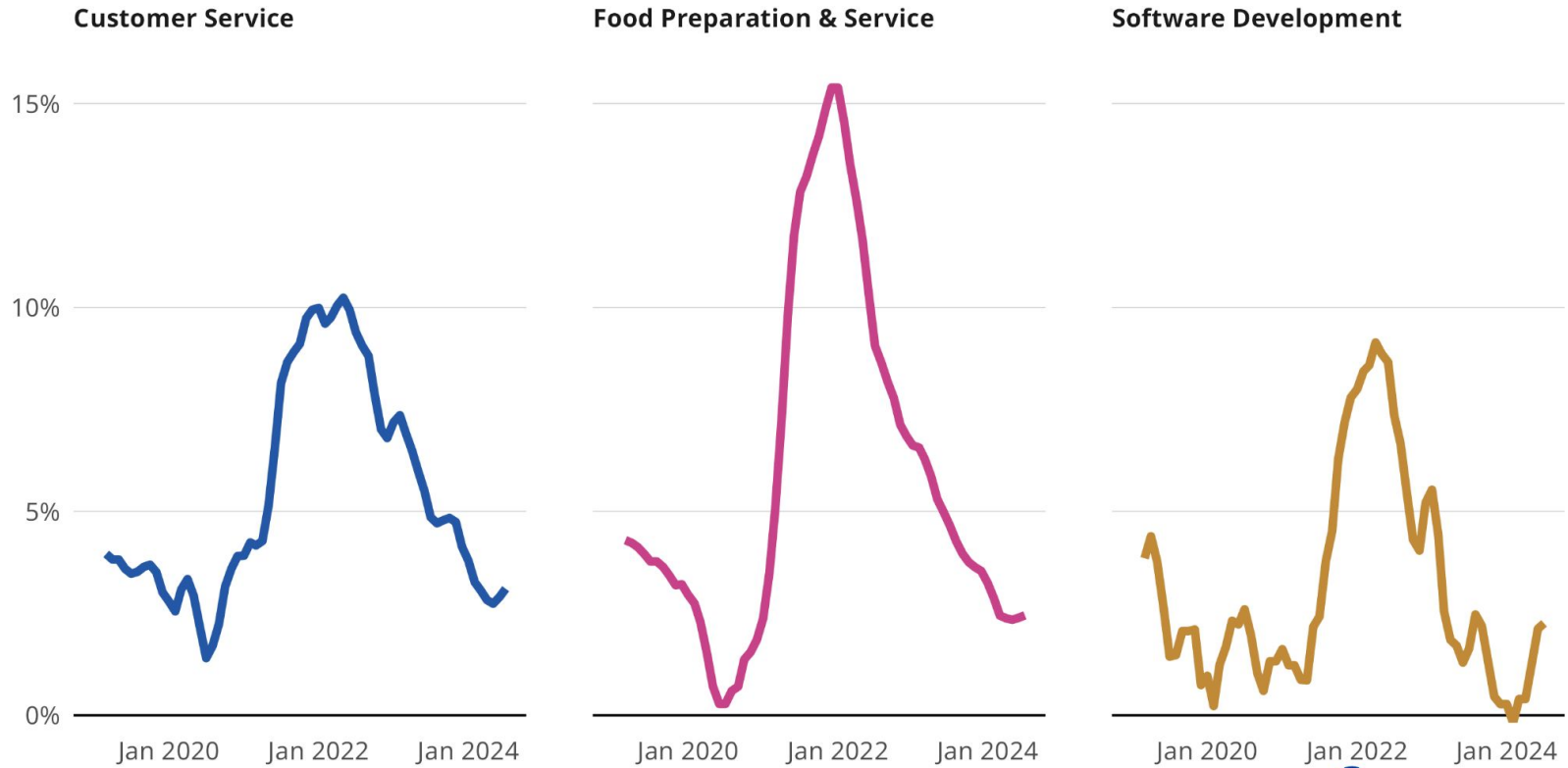


Source: Indeed Wage Tracker. Wage tiers based on a category's median posted wage in 2023



Trends in posted wage growth by occupational sector

Year-over-year growth in posted wages, 3mo avg, Mar 2019 - Jul 2024

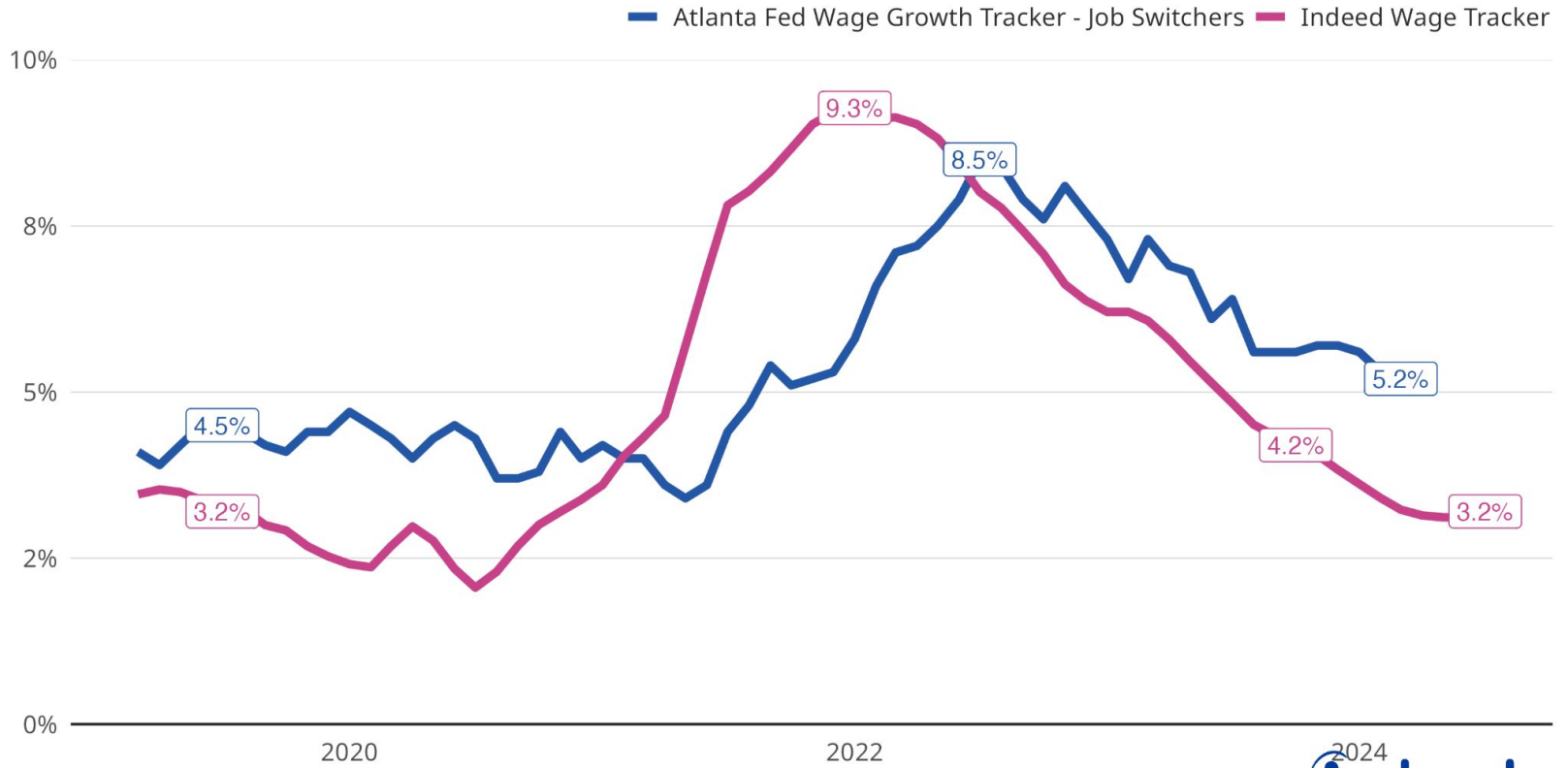


Source: Indeed Wage Tracker



US posted wage growth has led job switcher wage growth

Year-over-year growth, 3 mo moving average, Mar 2019 - Jul 2024

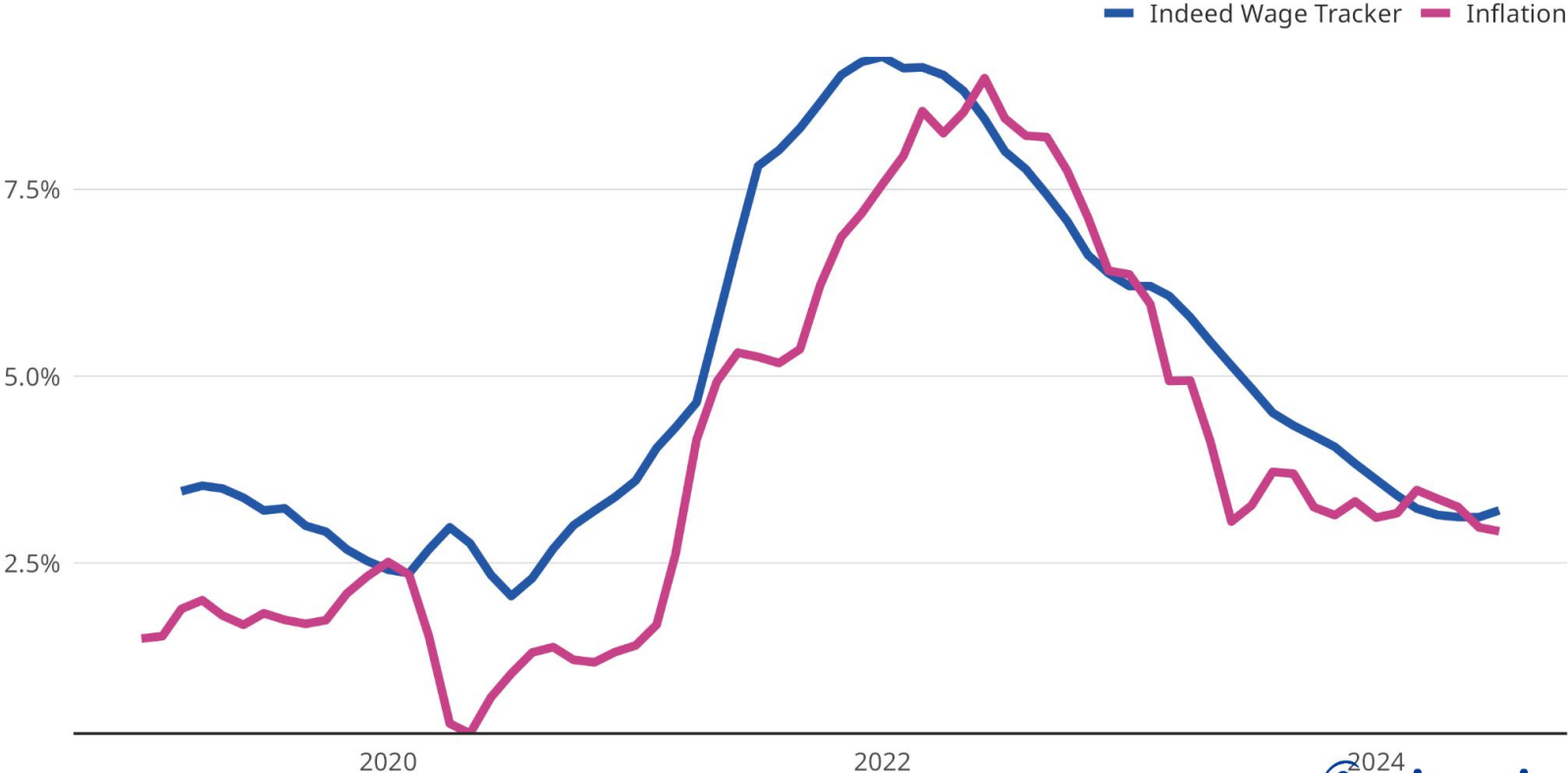


Source: Indeed, Federal Reserve Bank of Atlanta



Inflation is trending down while posted wage growth stabilizes

Year-over-year growth, US, Jan 2019 — Jul 2024

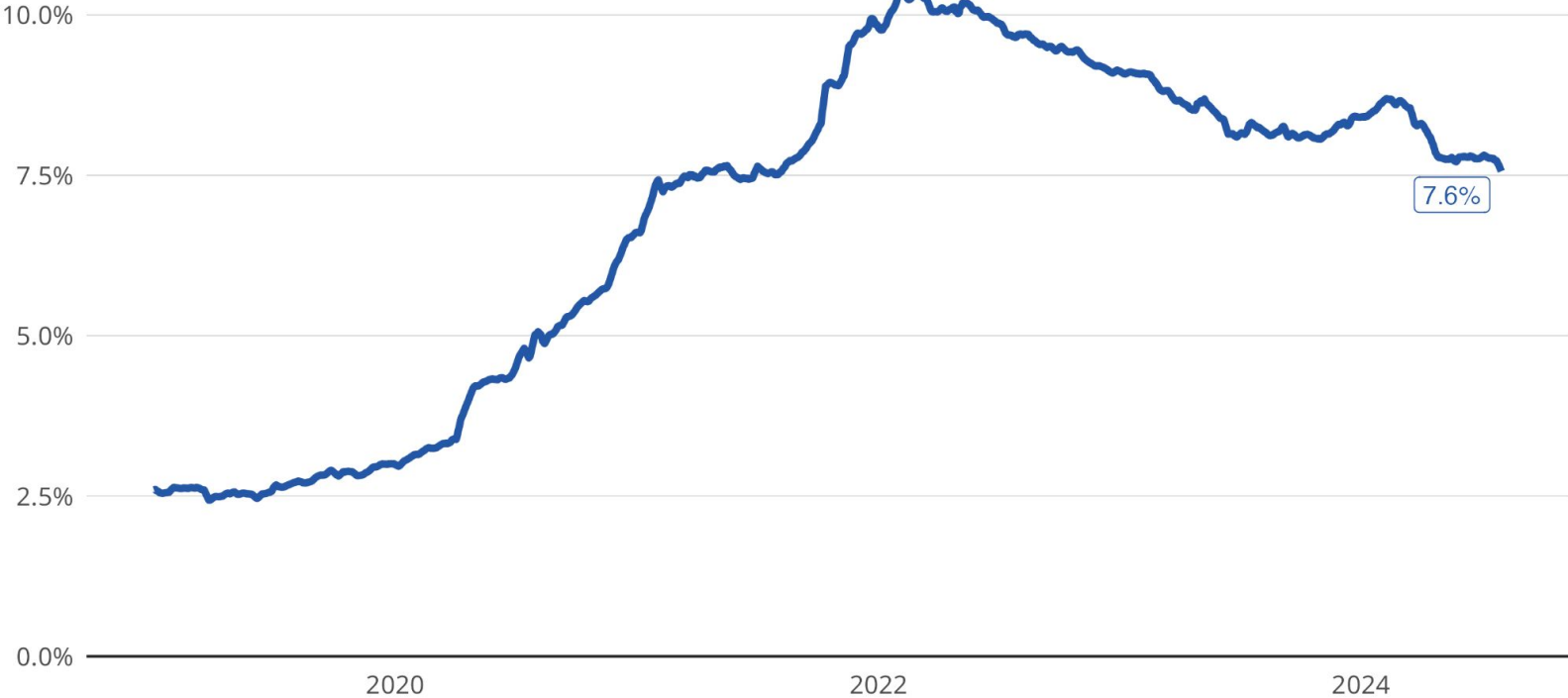


Source: Indeed Wage Tracker, Consumer Price Index



Remote job postings are still elevated in the US

Share of job postings with remote and/or hybrid keywords, Jan 2019 - July 2024

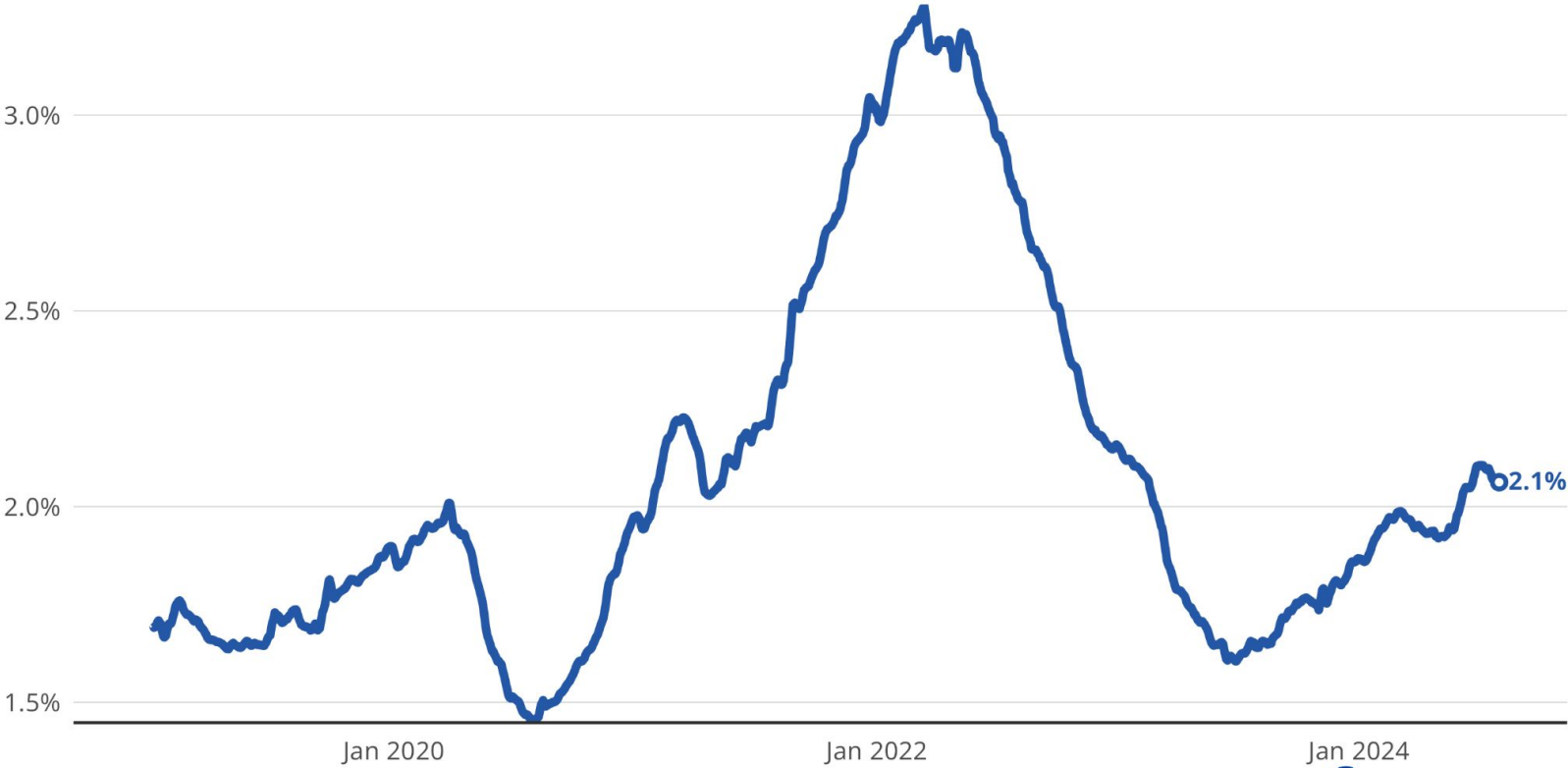


Source: Indeed



AI job postings remain below their 2022 peak

AI jobs as a share of all US job postings, Jan 2019 - Jul 2024

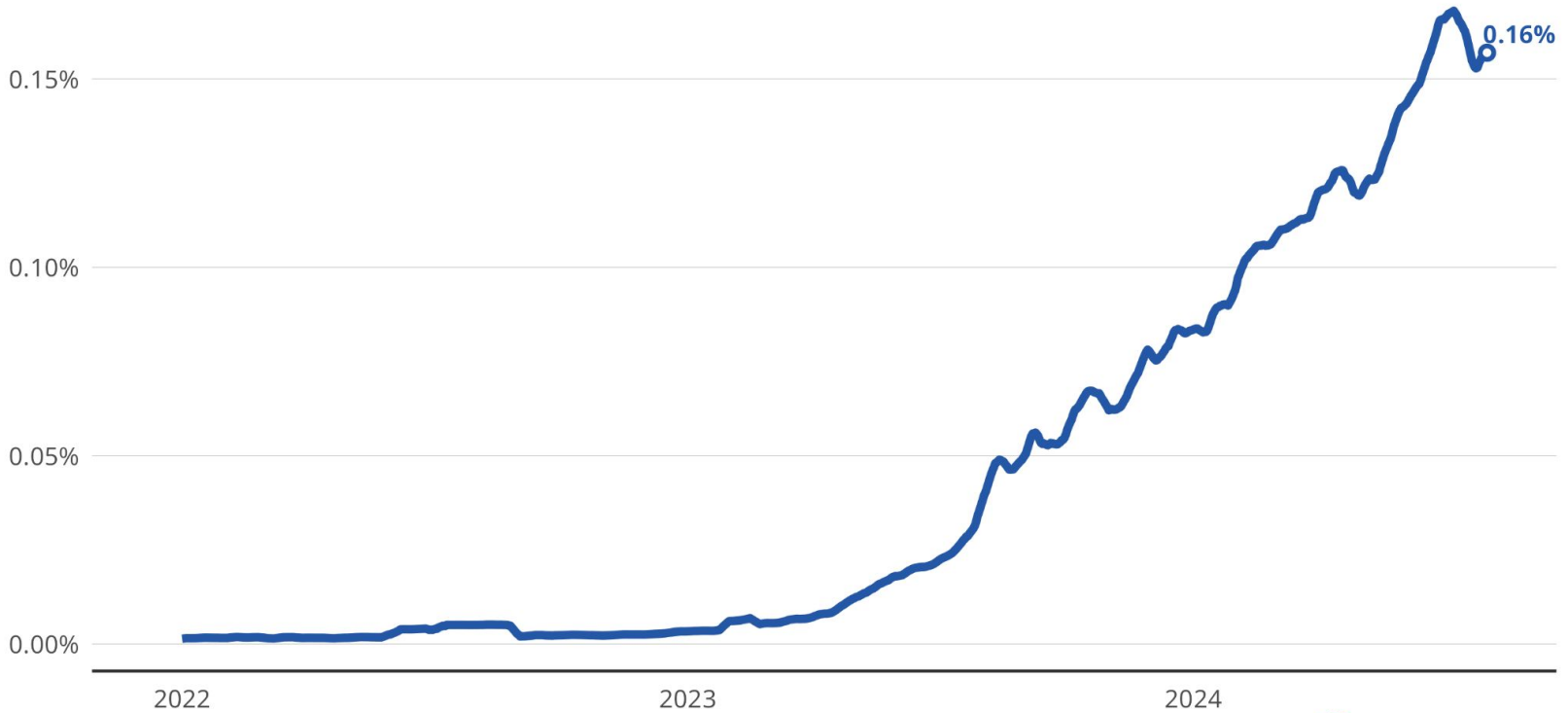


Source: Indeed



Gen AI job postings are rare, but have grown quickly

Generative AI jobs as a share of all US job postings, Jan 2022 - Jul 2024



Source: Indeed

