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Here's how Seattle measured up for job growth in 2022

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Cities in the South and the Midwest were the big winners in 2022 job growth, while the West Coast is falling behind.

That's one takeaway from a new analysis of payroll data from Gusto Inc., which found metro areas averaged job gains of about 11.9% in 2022 compared to 2021. The data set isn't equivalent to the U.S. Bureau of Labor Statistics' labor market data but offers another view of the national employment picture.

Seattle's job growth lagged behind much of the country, consistent with other West Coast cities. The Seattle area ranked fifth-worst nationwide in year-over-year job gains with an increase of 8.1%. Ranking just ahead of Seattle was Portland, which had job growth of 8.4% in 2022, according to Gusto's data.

Overall job growth for businesses on Gusto's platform was lower in 2022 than in 2021, but in line with 2019, the year before the pandemic, according to Gusto economist Luke Pardue.

"We are seeing this huge spread of economic activity since the pandemic. We have typically kind of seen this concentration of economic growth in these large clusters, and if we wanted these high paying jobs and to move up the professional ladder, you would move to these large cities and be tied to these cities," Pardue said. "But since the pandemic and remote work, those ties have been severed."

People are choosing factors such as affordability and quality of life over where jobs are traditionally concentrated, a trend that has been evident in migration data.

National trends for job growth in 2022

Rochester, New York, set the pace in 2022 with growth of 17.7% compared to 2021. Charlotte (16.2%), San Antonio (16.1%) and Louisville, Kentucky, (15.9%) weren't far behind.



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Some metros saw big job gains in 2022, but others — like Seattle — are losing steam as economic worries mount.

At the other end of the spectrum were Buffalo, New York (3.5% decline), Sacramento (6.6% growth), San Francisco (7.7% growth) and Winston-Salem, North Carolina (7.9% growth).

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Pardue compared Rochester and Buffalo, noting that Rochester's economy has been able to grow through health care-related work and social assistance, while Buffalo's personal services economy has taken a hit.

But he stressed Buffalo is near the top of the country in terms of remote work, as workers there used the pandemic-related boom in remote work to find opportunities outside their own city. About 23.3% of Buffalo's workforce on Gusto's platform is remote, according to Gusto's remote work tracker.

Even though the Federal Reserve has been working to cool down the hiring market, the labor shortage is likely to persist into 2023 and beyond as Gen Z — a much smaller generation — enters the workforce and older workers retire.

The United States added about 263,000 jobs in November, far above expert estimates of around 200,000. The unemployment rate sits unchanged from at 3.7%.

The labor force participation rate, which is the percentage of working-age Americans actively seeking work or employed, dropped slightly to 62.1% in November, down from 62.2% in October and down from 63.4% in the month before the pandemic.

The closely watched "quit rate," or the number of workers who voluntarily left their jobs, dropped slightly to 2.6% in October, down from 2.7% in September, but still far above pre-pandemic levels. And, despite high-profile layoffs in the tech sector, overall layoffs remain flat.

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