



U.S. employment outlook hits 10 year low

- *Hiring plans decline across all 12 sectors with those in wholesale and retail trade and construction reporting most significant reductions*
- *Manpower report has bad news for Bakersfield, but fairly good news for Fresno, Sacramento and Stockton*
- *Some early signs of optimism emerge*

Employers in the U.S. report significant declines in hiring plan for the third quarter, according to the ManpowerGroup (NYSE: MAN) employment outlook survey of more than 7,700 U.S. employers conducted in April and May and released Tuesday.

Hiring plans in wholesale and retail trade and construction show steepest declines from the previous quarter reflecting the impact of the shelter in place orders across the country. In contrast, employers in education and health services (+13 percent) and transportation and utilities (+4 percent) report the most positive outlooks as

frontline workers continue to be in high demand both through and after the pandemic peak.

In 18 percent of businesses surveyed across the West, employers expect to grow payrolls during the July to September period. With 13 percent of employers anticipating a decline and 59 percent expecting no change, the resulting net employment outlook is +5 percent. But once data are adjusted to allow for seasonal variation, the outlook decreases considerably quarter-over-quarter and year-over-year, and is the weakest reported since 2010

Moderately weaker hiring plans are reported in three sectors: education & health services, information and nondurable goods manufacturing.

Employers in four of the West's industry sectors report considerably weaker labor markets in comparison with the second quarter of 2020: construction, financial activities, other services and wholesale & retail trade.

Outlooks decline sharply in five of the West's industry sectors when compared with the previous quarter: government, leisure & hospitality, durable goods manufacturing, professional & business services and transportation & utilities.

Regionally, Fresno is among the metro areas that Manpower predicts will see double-digit employment

growth. Manpower puts Fresno at 14 percent, along with the Buffalo, Saint Louis and Tampa metros.

Sacramento is predicted to see an 11 percent growth, while Stockton may see employment grow by 7 percent in the third quarter, the report says.

The only other Central Valley metro included in Manpower's look at the 100 largest metros in the U.S. – Bakersfield – is predicted to have a net loss of jobs of 7 percent, one of the worst showings in the country, exceeded only by the Dallas and Miami metros.

Employers were also asked when they expect hiring to return to pre-COVID-19 levels. An optimistic 60 percent said before the end of 2020, with many expecting a return before the end of summer. Employers in education, construction and government expect the shortest COVID-19 hiring impact while those in the professional sector including law firms, accountants and consultants are most uncertain.

“The past weeks and months have seen the labor market transform overnight, with many industries halting hiring instantly, while others including healthcare, ecommerce and logistics saw immediate growth,” says Becky Frankiewicz, president of ManpowerGroup North America.

“These numbers reveal the depth of the impact this crisis has had on hiring intentions across our country, yet we are beginning to see very early signs for cautious optimism,” Ms. Frankiewicz says. “As states open up essential roles remain in demand, as well as tech skills including software & app developers, and even new roles like temperature checkers and contact tracers. It is encouraging to see so many employers predict a return to pre-pandemic hiring though we must remember any signs of recovery are fragile. Now is the time for everyone to join together to rebuild confidence and create opportunities for everyone as America gets safely back to work.”