



September 2021

UNEMPLOYMENT RATE

5.2%

The U.S. economy added 235,000 nonfarm jobs in August, as unemployment dropped from 5.4% in July to 5.2% in August. The professional and business services industry had the largest increase in employment in the private sector adding 74,000 positions, while government jobs decreased by 8,000. Learn more from the recent employment report compiled by the [U.S. Bureau of Labor Statistics](#) and view the [unemployment rate in your state](#).

MAJOR INDUSTRY EMPLOYMENT:

- Construction: - 3,000
- Manufacturing: + 37,000
- Retail Trade: - 28,500
- Transportation and Warehousing: + 53,200
- Information: + 17,000
- Professional and Business Services: + 74,000
- Education and Health Services: + 35,000
- Health Care and Social Assistance: - 4,600
- Leisure and Hospitality: Unchanged
- Government: - 8,000

Question of the Month 

What's the Best Piece of Leadership Advice You've Ever Received?

ANSWER NOW

72% of Companies Prefer to Reskill Employees Over Hiring New Ones

ExpressPros.com – Sept. 8, 2021

A majority of companies (72%) would rather take the time to reskill current employees for production needs than hire new ones from outside the organization, according to a new survey from The Harris Poll commissioned by Express Employment Professionals.

Three-in-five hiring decision-makers (60%) say their companies plan to reskill employees by the end of 2021 with larger companies the most likely to offer reskilling opportunities: 2-9 employees: 26%, 10-49: 45%, 50-99: 63%, 100-499: 76%, 500+: 79%. Among businesses planning to reskill employees, most commonly plan to do this by offering company-led training sessions or programs (67%), partnering with a third-party that offers training or courses (51%) and providing on-the-job training by other employees (50%).

In a rapidly evolving workforce, businesses can see the benefits of reskilling, but this is not limited to only the top brass. "Employees should take the initiative to reskill or upskill on their own, as well, to maximize their career potential," Express CEO Bill Stoller said. "The jobs of tomorrow may require a different skillset, and it's easier to get ahead of it than be left behind."

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The Partial Return to Work - and the (Dis)Comfort Doing So

ExpressPros.com – Aug. 24, 2021

The majority of U.S. workers (81%) are comfortable returning to the office during the COVID-19 pandemic, but 87% still believe their employers can do more to mitigate the virus risks, according to a new survey from The Harris Poll commissioned by Express.

Roughly 3 in 4 workers go to their company's physical workspace at least once a week, with 40% attending every day. Positive sentiments about returning to in-person work have notably increased from the second half of 2020 with 75% saying they feel completely safe in the office compared to 71% at this time last year.

Despite the increased optimism, 87% still believe businesses can do more to make them feel comfortable around colleagues, such as making sure all employees are vaccinated (42%), clear protocols on what will happen if an employee tests positive for COVID-19 (31%) or greater cleaning efforts and social distancing (30%).

By company size, those with 2 - 9 employees are the most likely to say they would be very comfortable going into physical workspaces right now and the least likely to request protocol changes for safety.

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Temporary Employment Drops in August

Staffing Industry Analysts – Sept. 3, 2021

After a gain of 9,700 jobs in July, the U.S. temporary help industry fell by 5,800 jobs in August, according to the Bureau of Labor Statistics. The Bureau also revised June's 35,000 gain in temporary jobs to a gain of 31,000. Sitting at 2.69 million temporary jobs, temporary employment is up year-over-year.

After decreasing in July, the temporary penetration rate, which is the percentage of temporary employment compared to total employment, decreased slightly from 1.83% in July to 1.82% in August.

"The disappointing job numbers illustrate that for the foreseeable future, the overall economy and the labor market will continue to be driven by the state of the pandemic," said SIA President Barry Asin. "We believe that the outlook for staffing and contingent work remains positive as organizations seek ways to respond to changing worker preferences and the need for greater workforce flexibility."

Employment Trends Index Increases in August

The Conference Board – Sept. 7, 2021

After increasing the past five months, The Conference Board Employment Trends Index (ETI) continued to rise in August, increasing from a reading of 109.89 in July to 110.37 in August. The increase can be attributed to positive readings from five out of eight index components, including (in order from the largest contributor to the smallest): "Initial Claims for Unemployment Insurance;" "Industrial Production;" "Ratio of Involuntarily Part-time to All Part-time Workers;" "Job Openings;" and "the Percentage of Firms with Positions Not Able to Fill Right Now."

"The growth rate of the Employment Trends Index slowed in the past two months, reflecting the Delta variant's impact on economic activity, especially in in-person services," said Gad Levanon, Head of The Conference Board Labor Markets Institute. "We continue to monitor two trends which could put a damper on employment growth. First, the number of new COVID-19 infections continues to increase, holding back economic and job market recovery.

"Second, the labor market continues to experience historical recruiting difficulties. According to a survey of the National Federation of Independent Business, 50 percent of small employers reported difficulty filling positions in August, an all-time high accompanied by rapidly rising wages. Towards the end of 2021, these severe labor shortages may ease as enhanced unemployment benefits expire and schools reopen, leading more workers to return to the labor market."

Consumer Confidence Drops in August

The Conference Board – Aug. 31, 2021

After a downwardly revised decrease in July, U.S. consumer confidence continued to decline in August. The Conference Board's Consumer Confidence Index decreased to 113.8 in August, down from a reading of 125.1 in July. The short-term outlook of consumers decreased as the Expectations Index was down sharply from 103.8 in July to 91.4 in August. The Present Situation Index, which shows current views on business and labor conditions, decreased from 157.2 in July to 147.2 in August.

The report also found that 54.6% of respondents felt jobs were currently plentiful, down from 55.2% in July, while the amount of those who said jobs were hard to get was up from 11.1% in July to 11.8% in August.

"Consumer confidence retreated in August to its lowest level since February 2021 (95.2)," said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. "Concerns about the Delta variant—and, to a lesser degree, rising gas and food prices—resulted in a less favorable view of current economic conditions and short-term growth prospects. Spending intentions for homes, autos, and major appliances all cooled somewhat; however, the percentage of consumers intending to take a vacation in the next six months continued to climb. While the resurgence of COVID-19 and inflation concerns have dampened confidence, it is too soon to conclude this decline will result in consumers significantly curtailing their spending in the months ahead."

Economy

Inflation Slows in August, Still Remains High

Wall Street Journal – Sept. 14, 2021

After increasing by its fastest pace in 13 years and staying high in July, inflation cooled slightly in August. According to the Labor Department, the consumer price index decreased from 0.9% month over month in June and 0.5% in July to a seasonally adjusted 0.3% in August. The index rose 5.3% in August compared to August 2020, down from a year-over-year gain of 5.4% in July. Core prices, excluding the volatile food and energy categories, rose 4% year over year, lower than July's year-over-year 4.3% increase. Experts believe higher costs are being passed to consumers, lowering the overall household-spending power as real wages dropped 0.5% even after adjusted for rising prices.

"We could see further declines in virus sensitive components in coming months," said Laura Rosner-Warburton, senior economist at MacroPolicy Perspectives, "although lingering supply chain issues will likely produce continued upward pressure on goods prices, including used cars."

Compared to pre-pandemic levels, the inflation rate was 1.8% in March 2020. The Federal Reserve's average inflation goal is 2%.

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