

# 2023 Mid-Year Outlook



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LaborIQ®

June 7, 2023

# LaborIQ<sup>®</sup>

Compensation recommendations  
for HR and recruiting leaders!



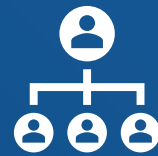
Today's Market  
Compensation



88 Million Salary  
Data Points



388 U.S. Markets



20 Experience &  
Education Levels



Labor Market  
Forecasts



1600+ Industries &  
Business Characteristics



Accountant



Denver-Aurora-Lakewood, CO

Denver, CO [See all cities in this metro](#)



Bachelor's Degree

1 - 2 years

Company Details

Compare a Salary

Annual

Hourly



Guided Tours



## Recommended Salary

↑ \$91,472

6.8% higher than the national recommended base salary of \$85,628



## Current Supply



## Salary Forecast

↓ \$91,417

Expected to decrease \$55 by Q4 2024 (0.1%)



## Median Salary

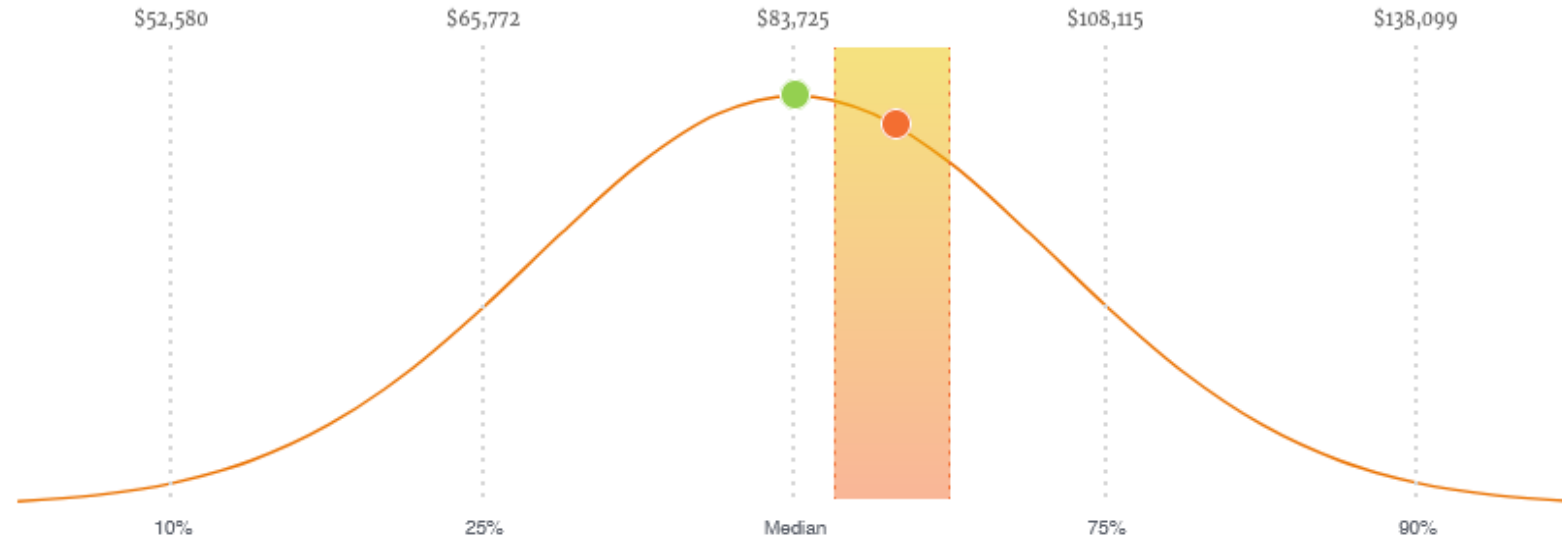
↑ \$83,725

7.1% higher than the national median salary of \$78,196



## Accountant Recommended Salary

How to Use



# Connect with us!

## Jay Denton

Chief Analytics Officer. LaborIQ®



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## Mallory Vachon

Senior Economist. LaborIQ®



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[Watch a demo!](#)



# *Today's Agenda*

- Labor market overview
- Housing market impacts
- Inflation & wage growth
- Job gains & 2023 forecast
- Job openings & turnover
- Pay transparency



# *Labor Market Overview*

A Surprisingly Strong Start to 2023



*Through the first five months of the year  
the labor market has blown away most  
economic forecasts...*

*but performance varies significantly by  
industry.*

*Jay Denton, Chief Labor Market Analyst, LaborIQ*

# What's driving labor market conditions?

Talent shortage persists



Unemployment at 70-year lows



Wage growth slowly decelerating



Job losses constrained to certain industries



Businesses backfill open roles and add new jobs



Layoffs reach "normal" levels



Voluntary turnover down, but still elevated





# Strong Start for the Labor Market in 2023

## Breaking Down May's Jobs Report

**1.6M**<sub>YTD</sub>  
339K May



### NET NEW JOB GAINS

- More than 50% larger than 2016-2020 average.
- Businesses have confidence to add new roles.
- Job gains have consistently exceeded forecasts.

**3.7%**



### UNEMPLOYMENT RATE

- Ticked up due to layoffs.
- Still, talent supply remains low based on long-term norms.

**4.3%**



### 12-MONTH WAGE GROWTH

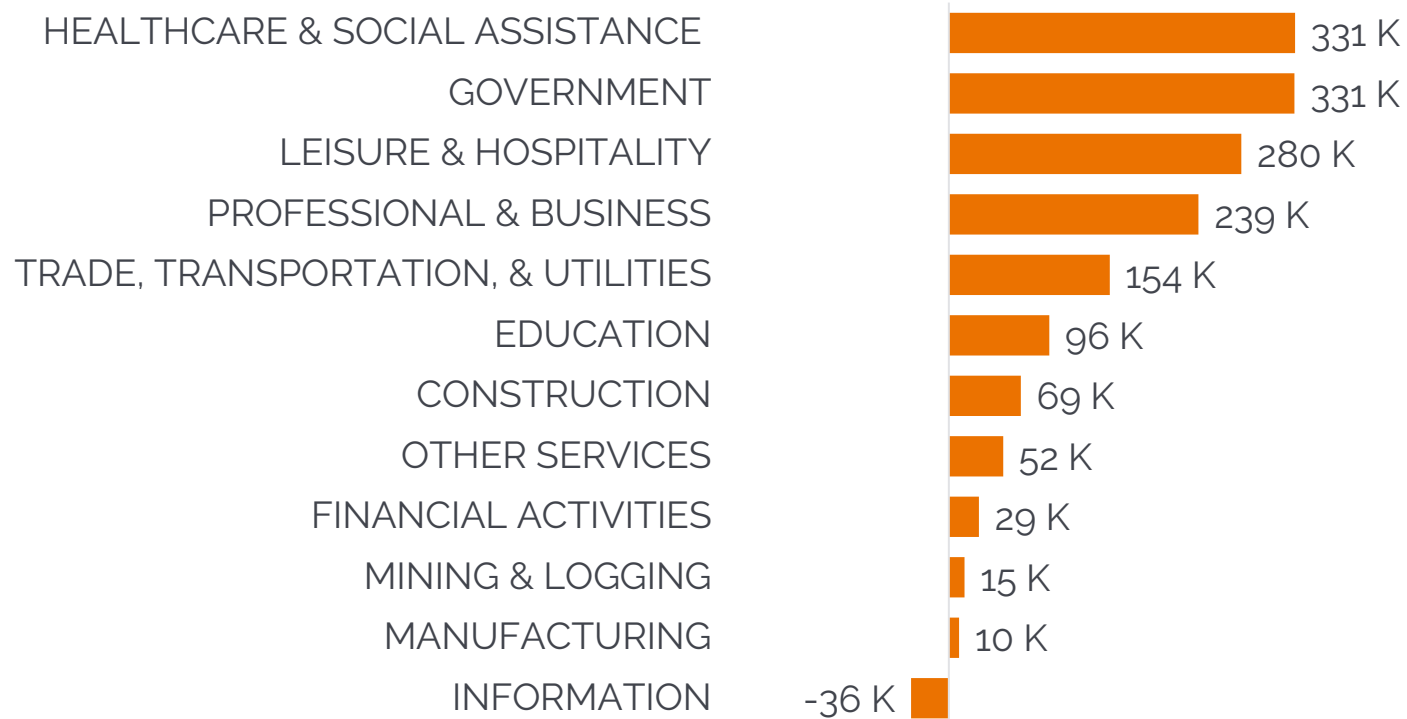
- Has been in this range all year.
- Trending better, but talent demand continues to put upward pressure on wages.

# Industry Momentum

Jobs added this year (through May)

## INDUSTRY JOB GAINS

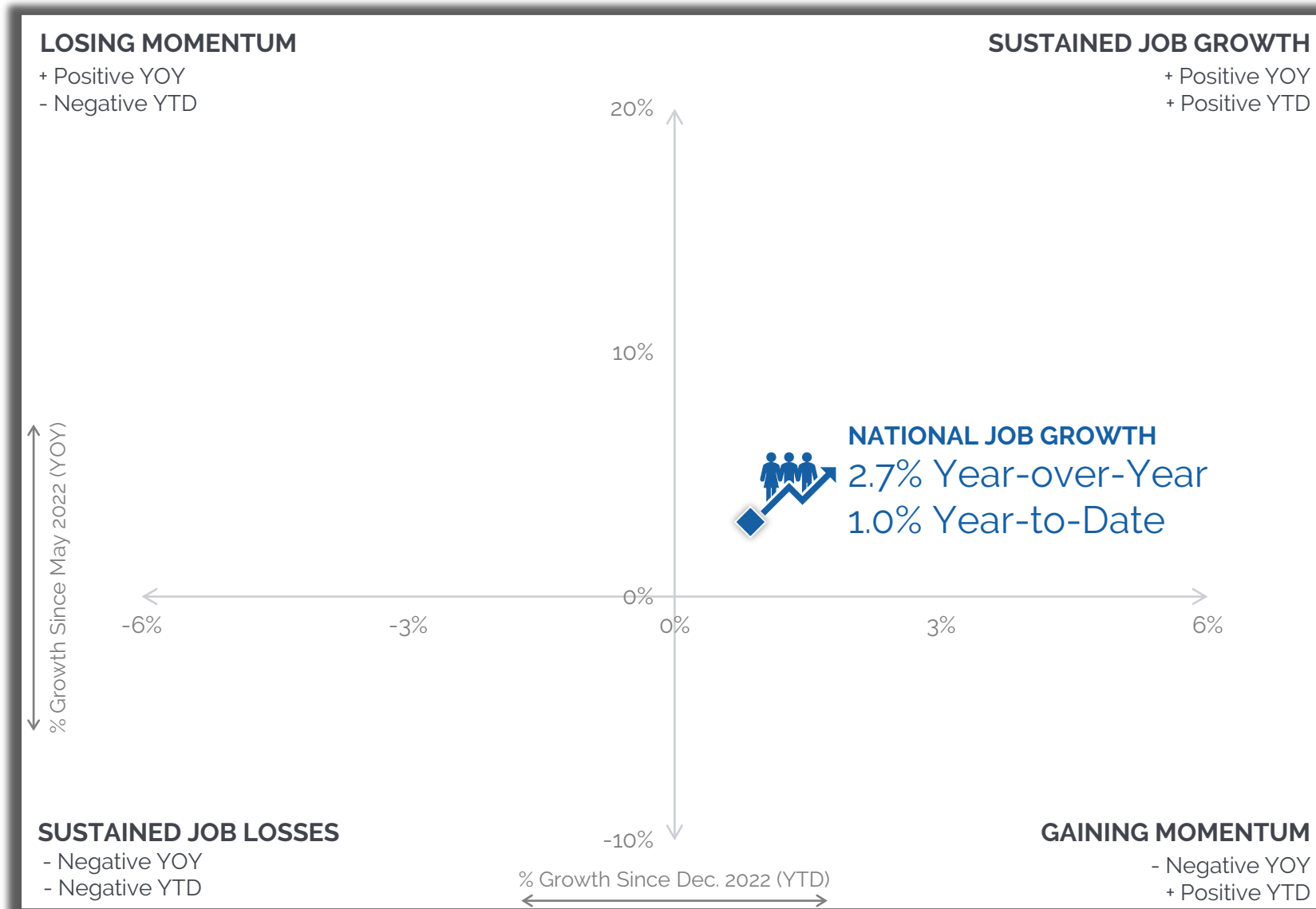
YEAR-TO-DATE



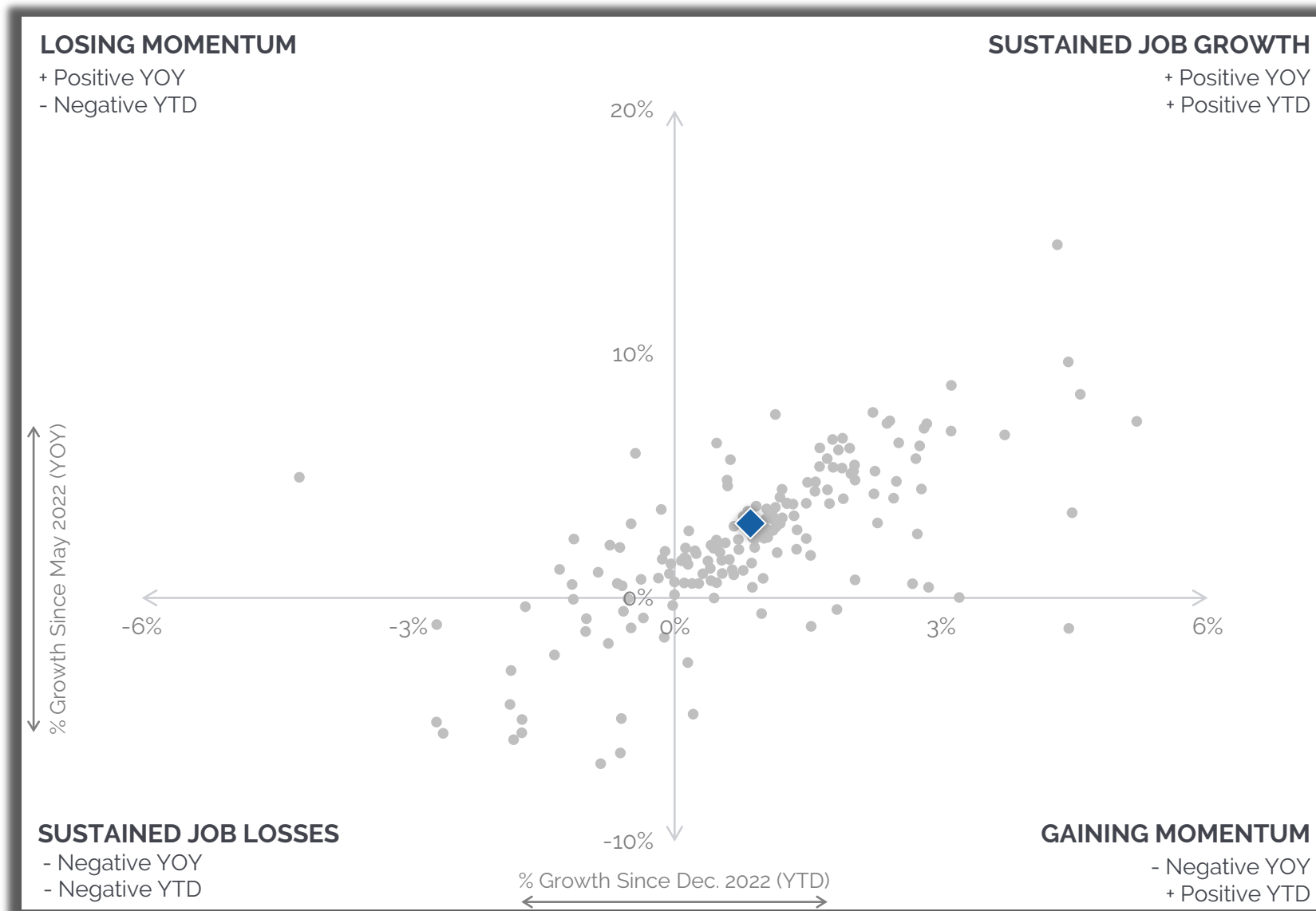
Many of the industries at the top of the list have a large concentration of office (“white collar”) jobs despite some articles that say otherwise.

Information is the only industry with fewer people employed now than at the start of 2023.

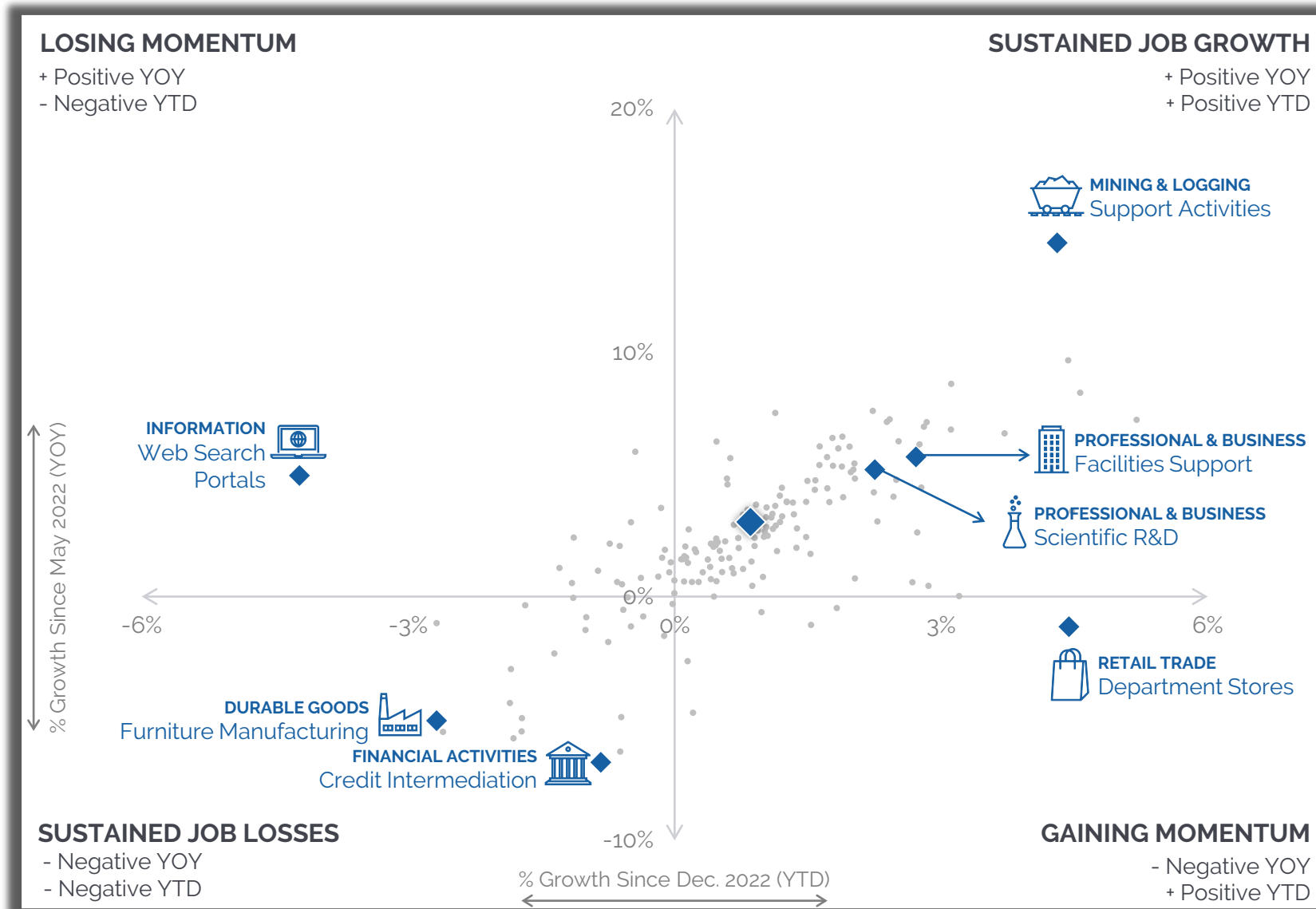
# What industries have job growth momentum?



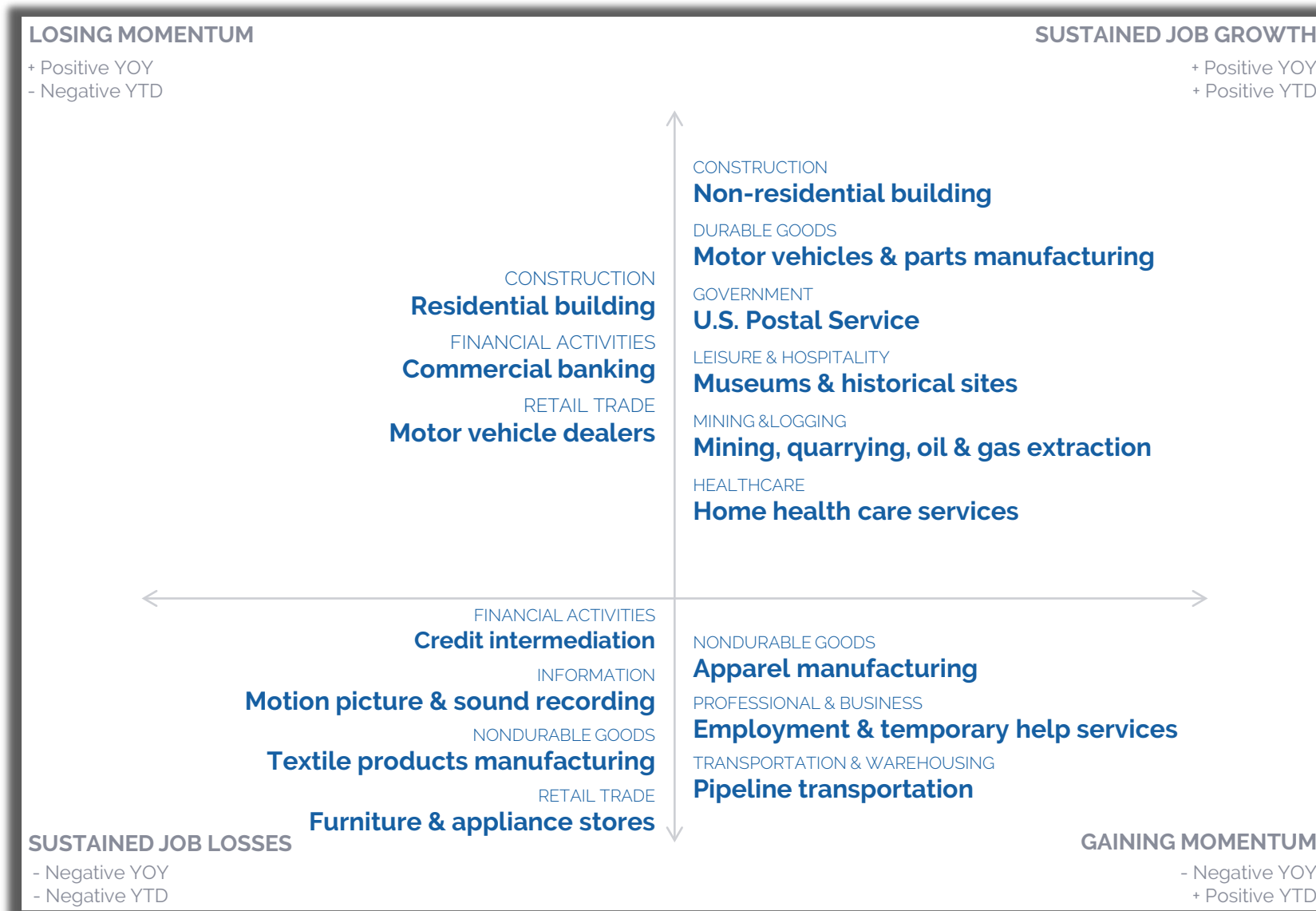
# What industries have job growth momentum?



# What industries have job growth momentum?



# What industries have job growth momentum?





# *Housing Market*

How can housing impact the talent supply?

# Housing Market Trends



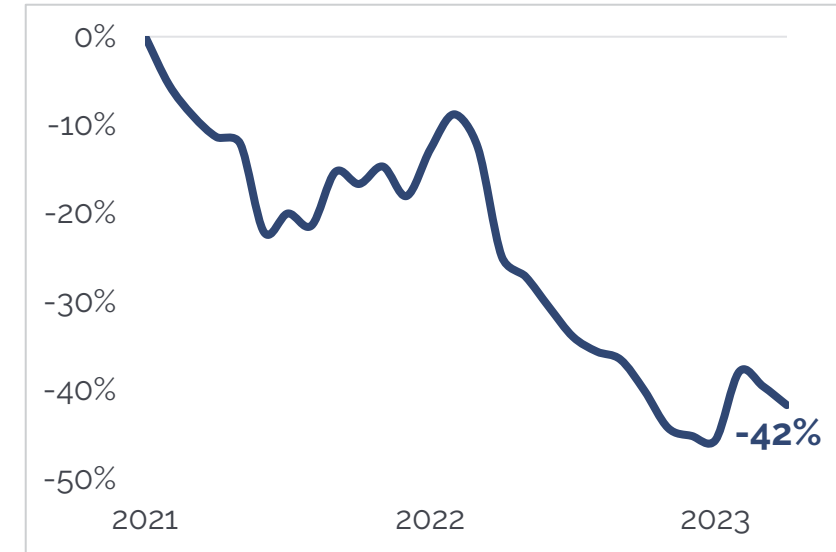
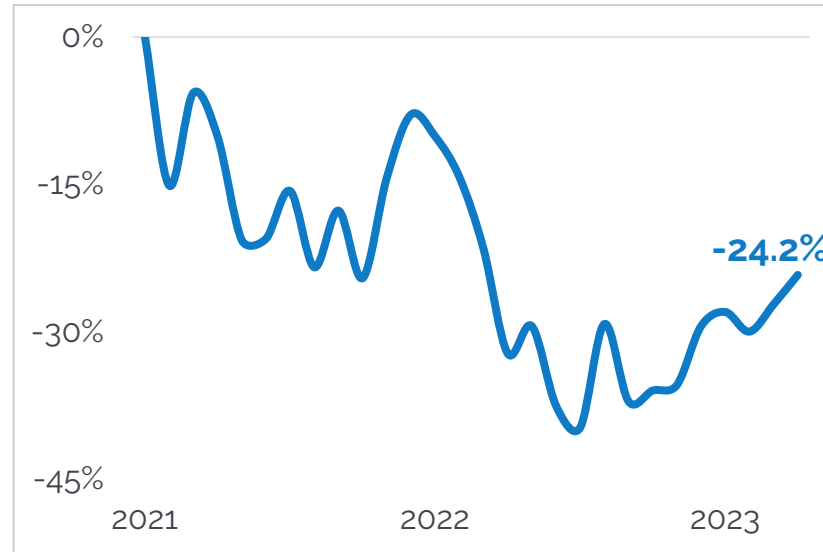
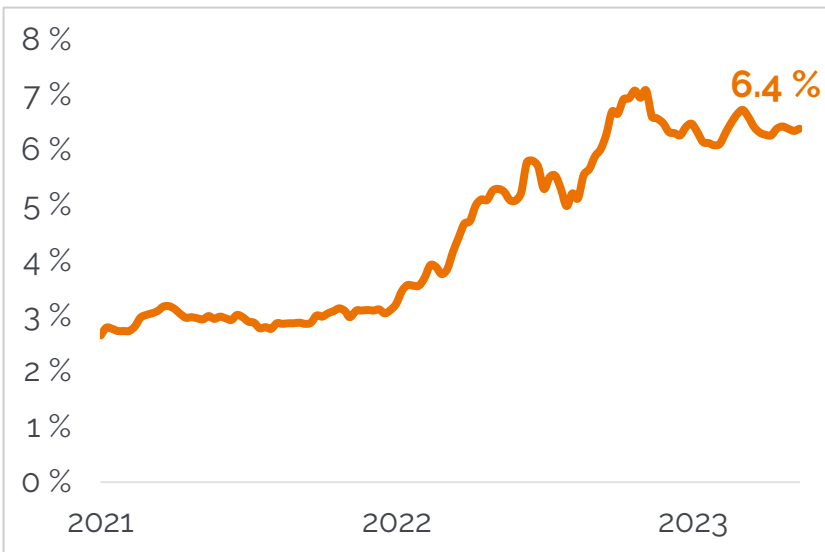
**AVERAGE MORTGAGE RATES**  
30-DAY AVERAGE



**NEW SINGLE-FAMILY HOME SALES**



**EXISTING SINGLE-FAMILY HOME SALES**

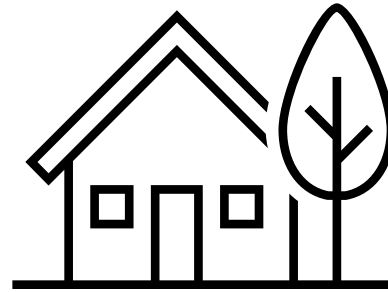




# Mortgage Rate Impact

Simple calculation using Zillow's mortgage calculator

- 30-year fixed rate mortgage
- 20% down
- Insurance and taxes included

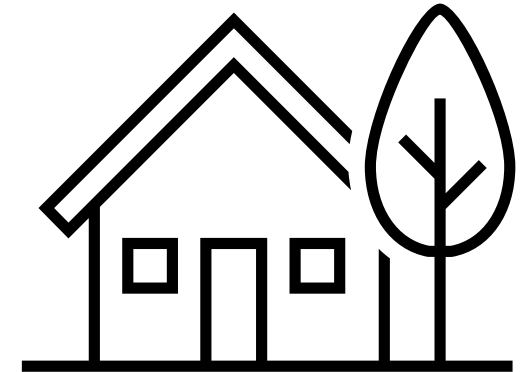


Today

**\$575,000**

**6.58%** interest rate

**\$3,287** per month



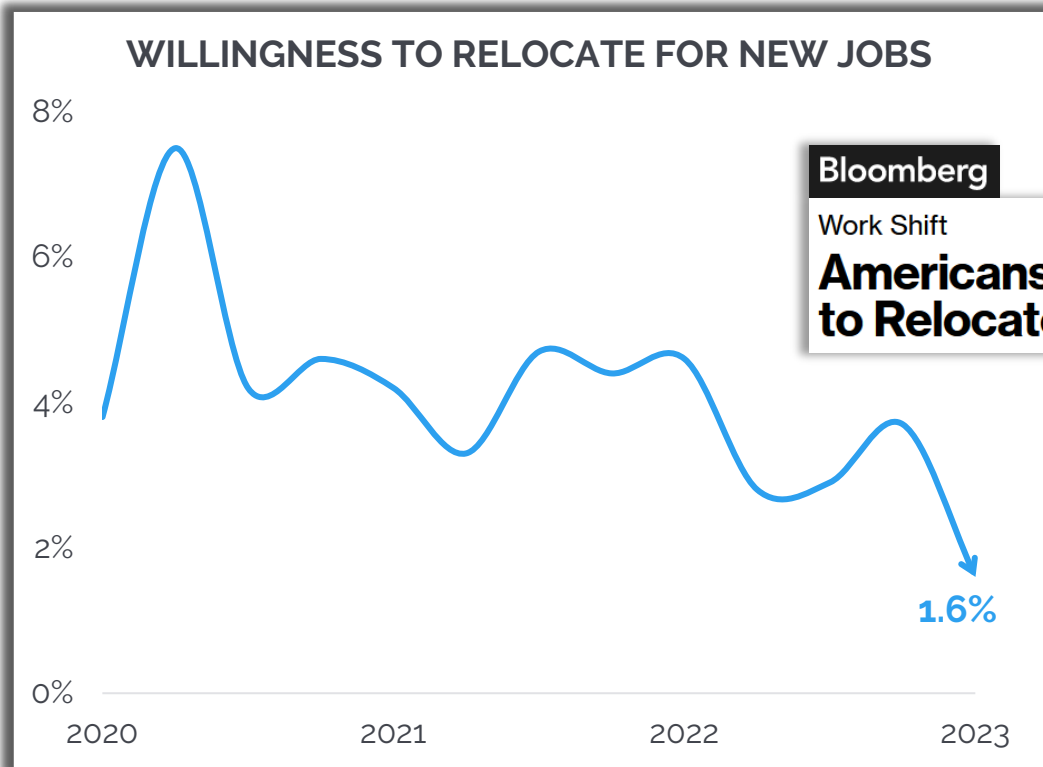
2020-2021

**\$750,000**

**3%** interest rate

**\$3,441** per month

# How will housing market trends impact hiring?



HR BREW

Employees who spent big on pandemic home offices may not want to leave them

Research shows remote-work fueled housing demand during the pandemic, a trend that could make some employees reluctant to leave their home offices.

Bloomberg

Work Shift

Americans Have Never Been So Unwilling to Relocate for a New Job

THE WALL STREET JOURNAL

MANAGING YOUR CAREER

We Asked Workers Why They're Not Coming Back to the Office

Terrible commutes. Expensive child care. Employees explain why they will keep working from home.

Inc.

SUBSCRIBE

LEAD

Candidates Who Say They're Open to Relocating, But Really Aren't And three other tricky workplace dilemmas.

INSIDER

HOME > REAL ESTATE

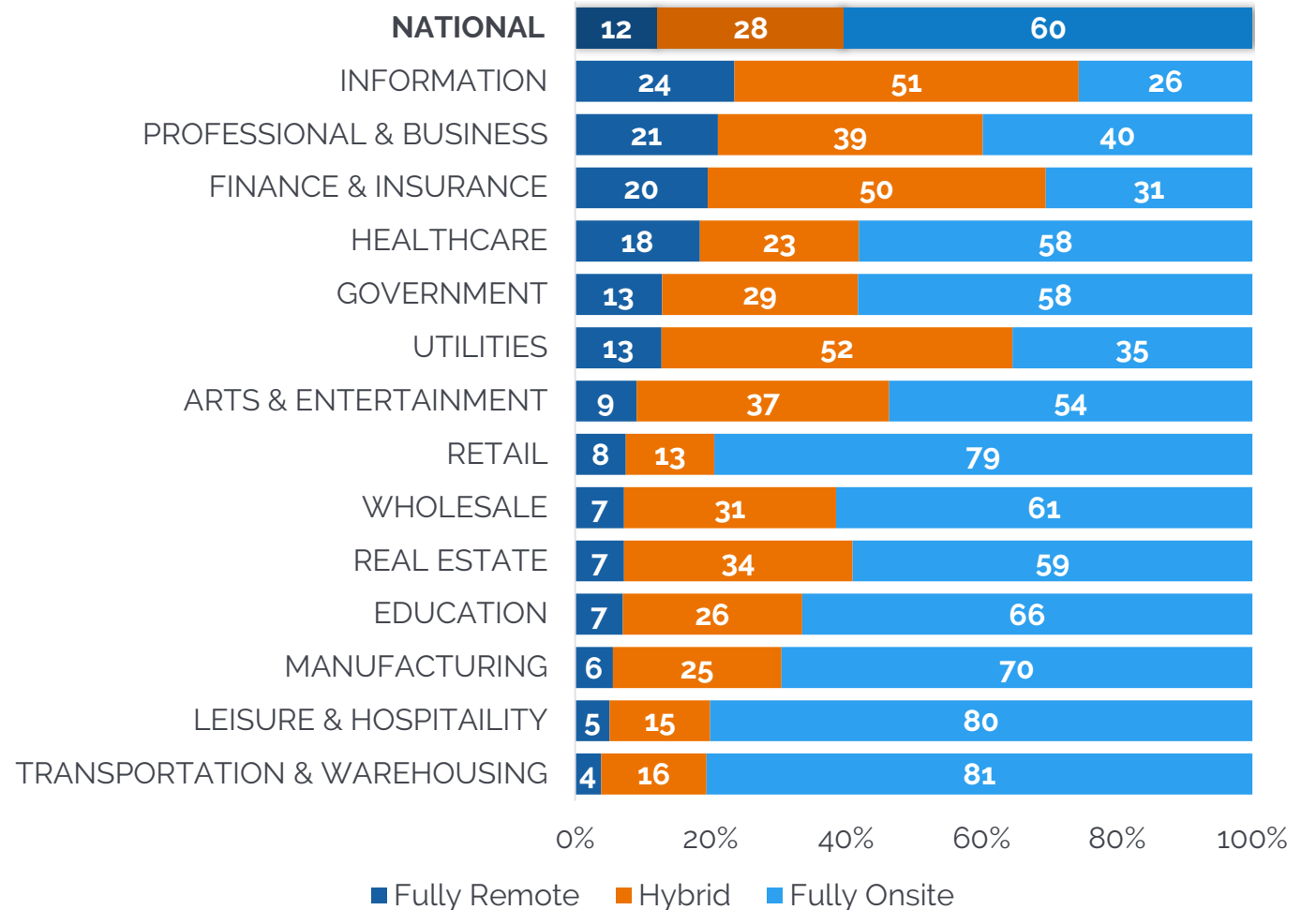
Many people who bought homes far away but are now getting called back to the office are pretty much screwed

# What share of workers is fully onsite?

60%

Share of *Fully Onsite*  
U.S. Workers

## REMOTE STATUS BY INDUSTRY



Note: Work locations status as of May 2023

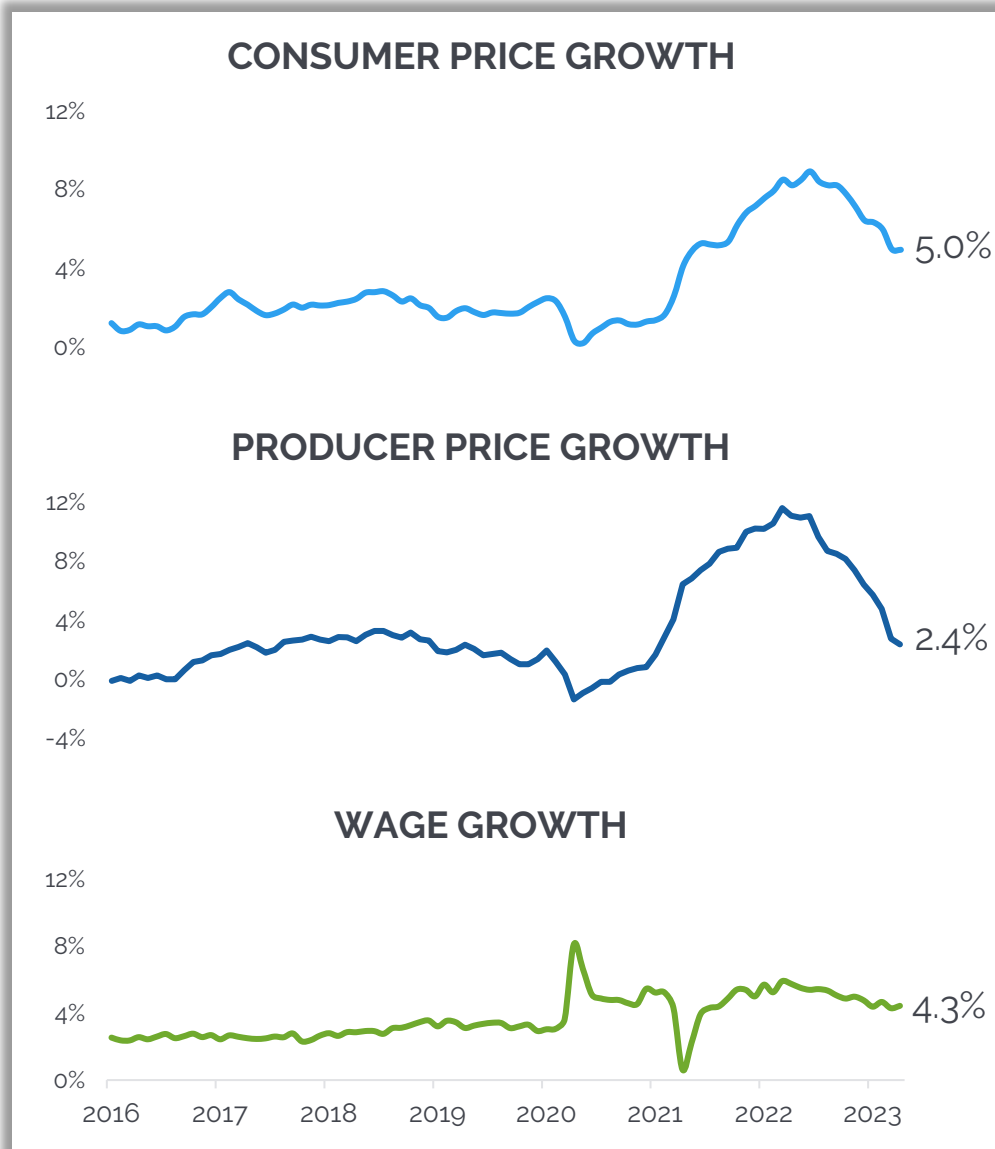
Source: wfhresearch.com; Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, "Why working from home will stick," NBER Working Paper 28731.



# *Rising Costs*

Inflation & Wage Trends in 2023

# Inflation is Cooling



## CONSUMER PRICE INDEX

Key measure of headline inflation. Change in the cost of a basket of consumer goods and services, including food, shelter, transportation and energy.

## PRODUCER PRICE INDEX

Change in the cost of intermediate goods and services that businesses face in production.

## WAGE GROWTH

12-month change in average hourly earnings. Compensation is often the largest expense for a business.

# CPI Changes for Specific Goods




## *Getting Less Expensive*

- Butter 
- Cheese
- Coffee 
- Eggs
- Medical services 
- Textbooks & educational supplies
- Tires





## *Sustained Price Decreases*

- Computer software & accessories 
- Fresh fruit 
- Fuel oil 
- Health insurance 
- Household furniture 
- Sporting goods 
- Televisions 
- Used cars & trucks 

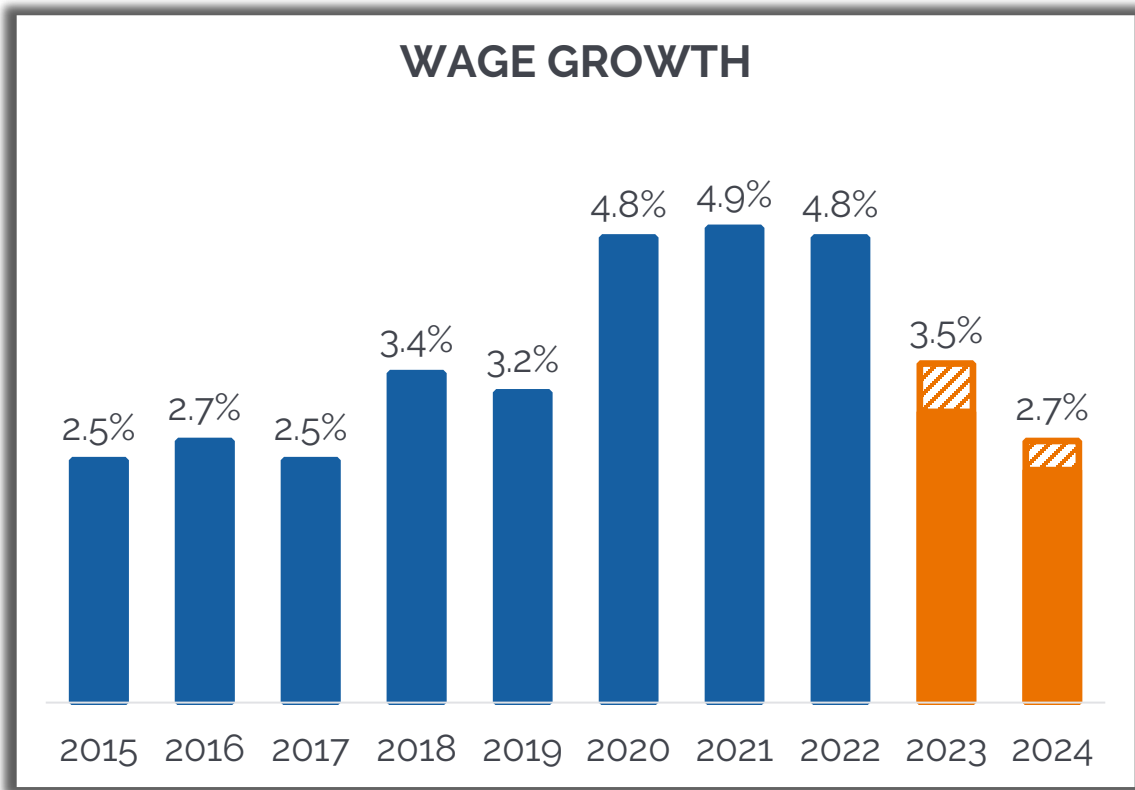
## *Sustained Price Increases*

- Apparel 
- Food away from home 
- Food from vending machines 
- Motor vehicle insurance
- Pet food & veterinary services
- Tools, hardware & outdoor

## *Getting More Expensive*

- Appliances 
- Computers & smart home assistants 
- Gasoline & motor fuel 
- Housewares 
- Video equipment 

# Outlook for Wage Growth



Wage growth projected to **moderate** through 2024

The job market will **remain competitive** as talent shortages persist

Companies paying below market rate will still be at risk of losing talent



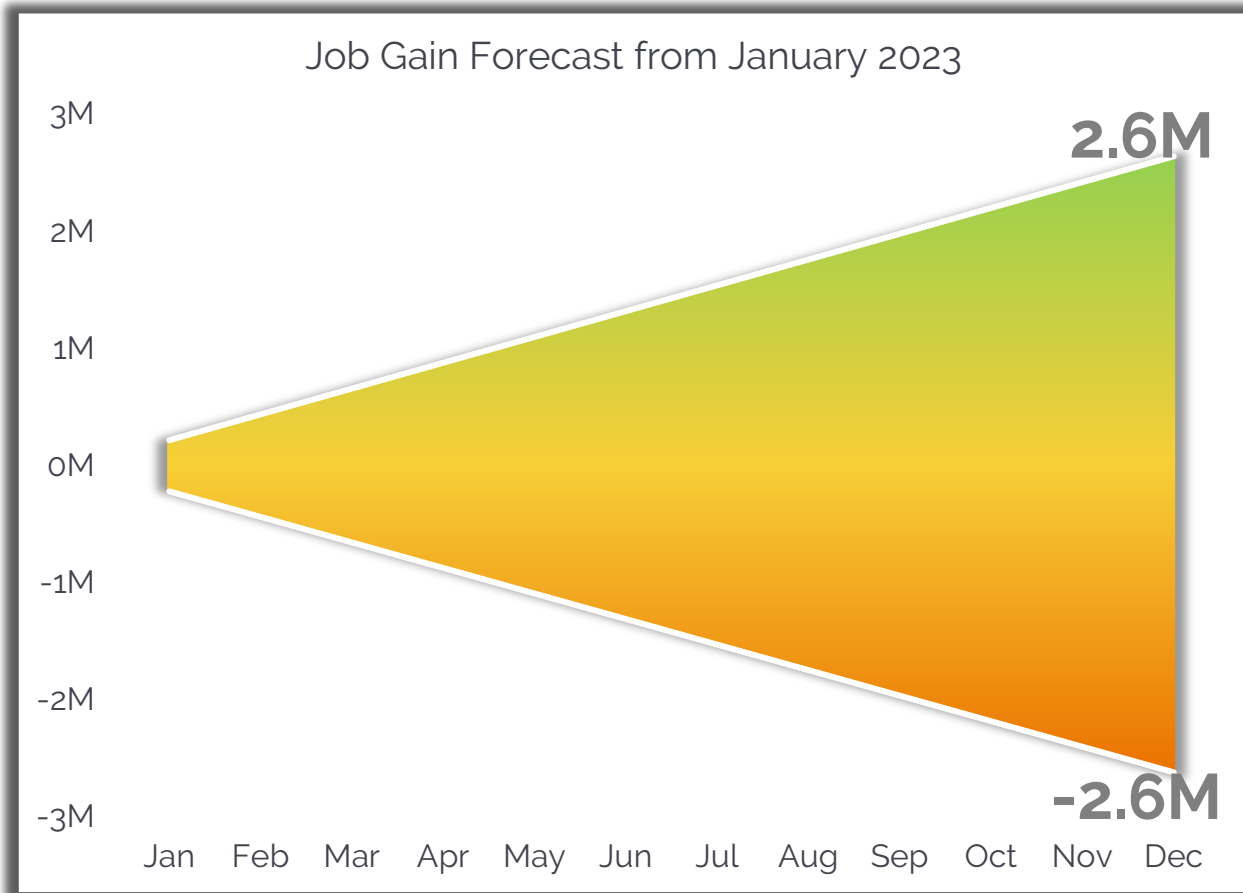
# *Job Gains*

2023 Expectations vs. Reality



# Job Gains

2023 Projections from *Wall Street Journal* Survey in January



Heading into 2023, the outlooks from leading economists were all over the board.

If you are a business, it's difficult to plan your people strategies with such an uncertain future.

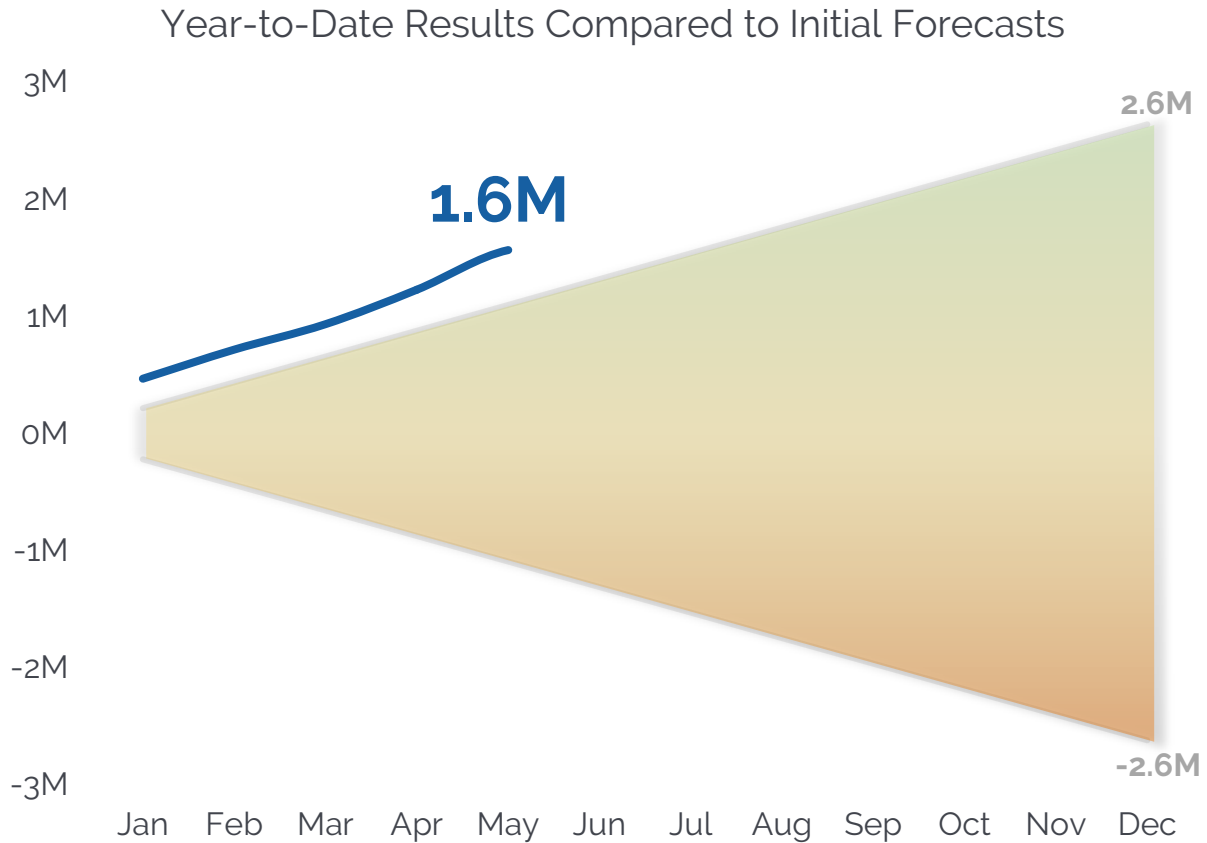
This challenge has weighed on HR teams as they've had to adapt to the difference between expectations and reality.

*Note: Outliers have been removed*

*Sources: LaborIQ®; Bureau of Labor Statistics; The Wall Street Journal*

# Job Gains

Results have exceeded expectations



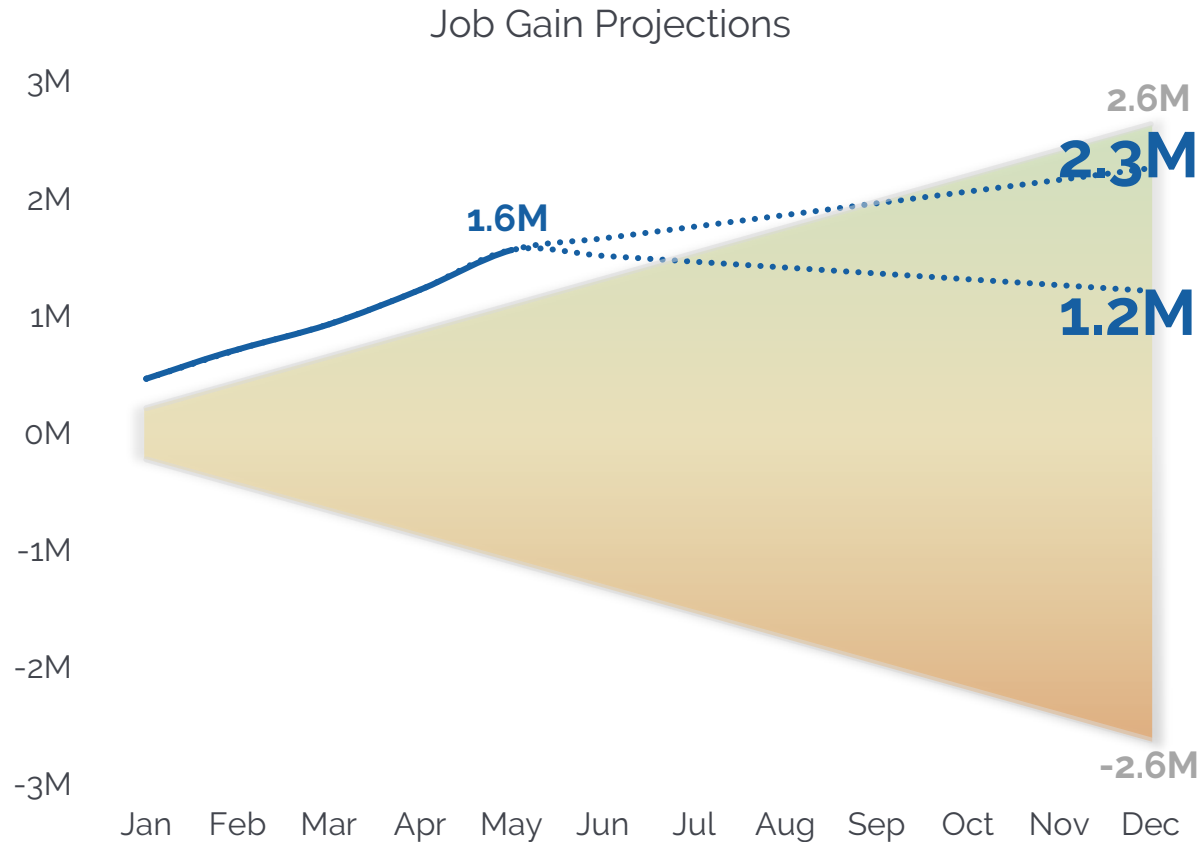
The job market has been much stronger than anticipated even though some industries have struggled.

*Note: Outliers have been removed.*

*Sources: LaborIQ®; Bureau of Labor Statistics; The Wall Street Journal*

# Job Gains

## Possible Scenarios to Close Out 2023



LaborIQ expects the pace of job gains to moderate.

It is also possible that more industries begin to feel the impact of a slowdown, and job losses could occur.

*Note: Outliers have been removed.*

*Sources: LaborIQ®; Bureau of Labor Statistics; The Wall Street Journal*



# *Job Openings & Turnover*

Do pessimistic headlines match the data?

# Hiring and Turnover Levels

## 2023 Averages

10.1M Job Openings Per Month

6.2M Hires Per Month

3.9M Quits Per Month

1.7M Layoffs Per Month

*How does this compare  
to previous trends?*

# Job Openings, Hires and Quits Down, Layoffs Up from 2022

## 2023 Averages

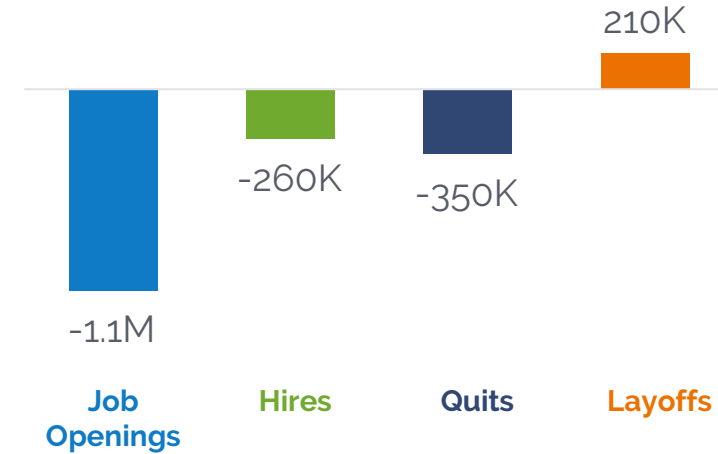
10.1M Job Openings Per Month

6.2M Hires Per Month

3.9M Quits Per Month

1.7M Layoffs Per Month

Compared to 2022  
*Hottest Labor Market on Record*



# Comparing to Pre-pandemic Levels Gives Perspective

## 2023 Averages

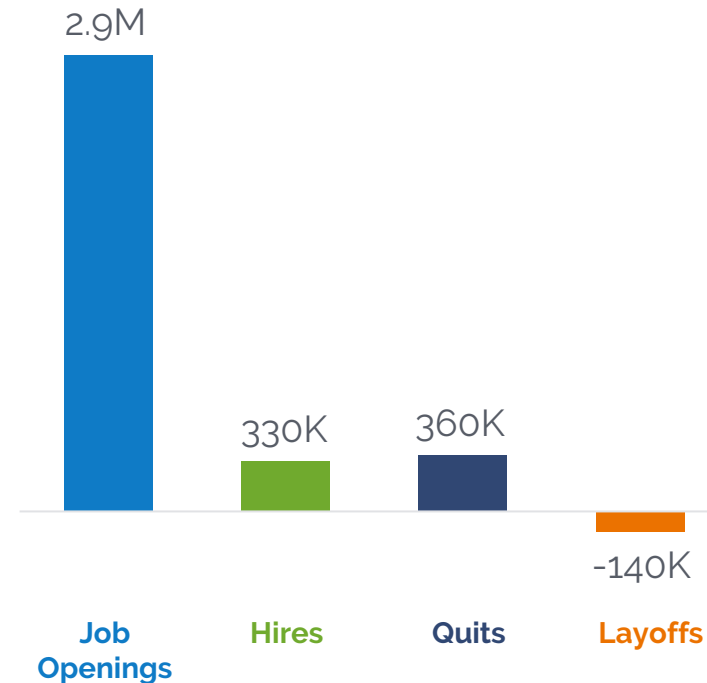
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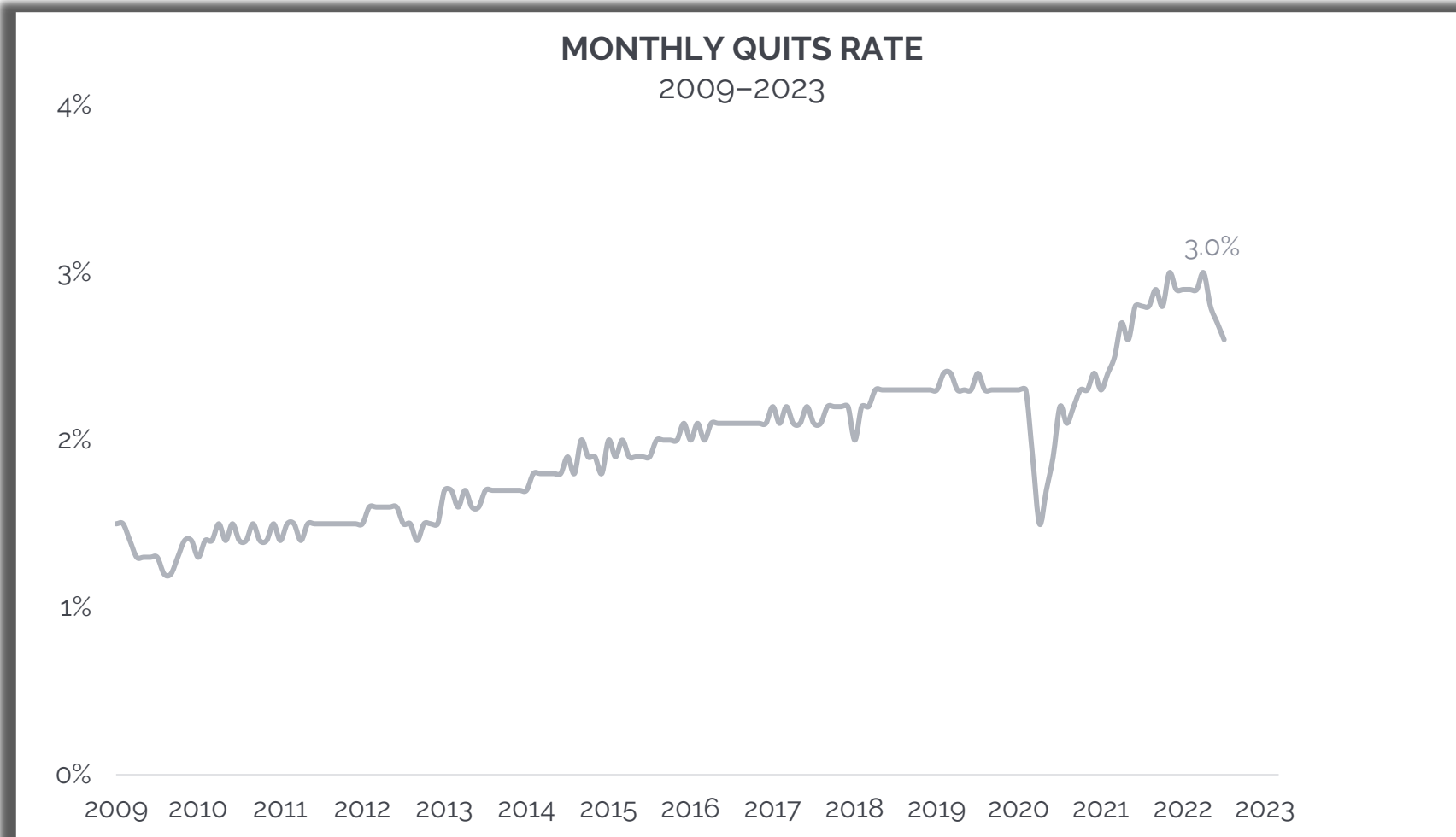
3.9M Quits Per Month

1.7M Layoffs Per Month

Compared to 2019  
*The Last Stable Labor Market*



# Voluntary Quits Start to Decline



Poaching has become more prevalent since the Great Recession

Quits have risen steadily as recruiters pull employees away from their current employers

But... it's becoming slightly harder to get people to leave jobs compared to the peak in 2022



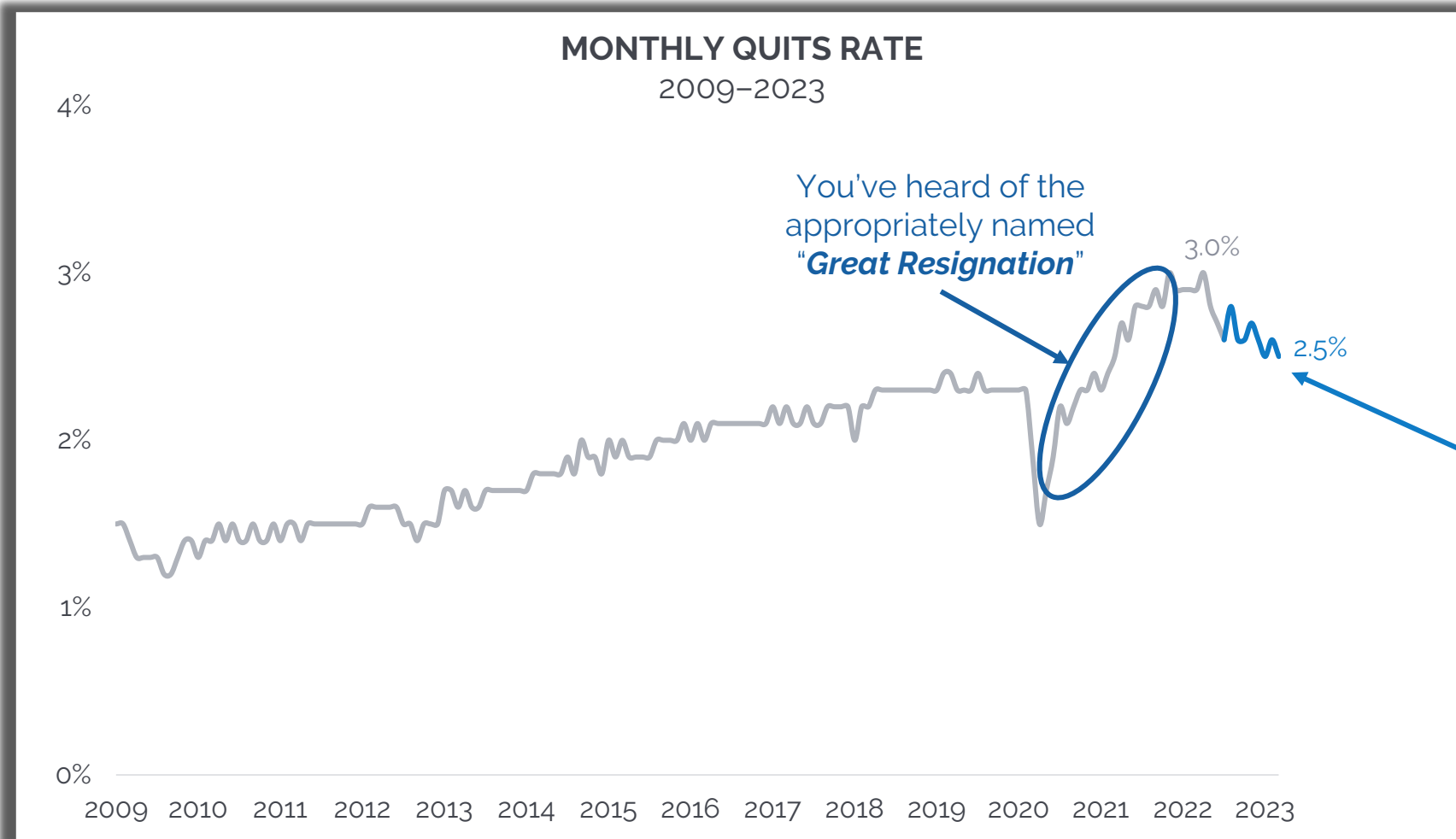
# Great Resignation Subsiding... for Now



Quits skyrocketed during 2021-2022

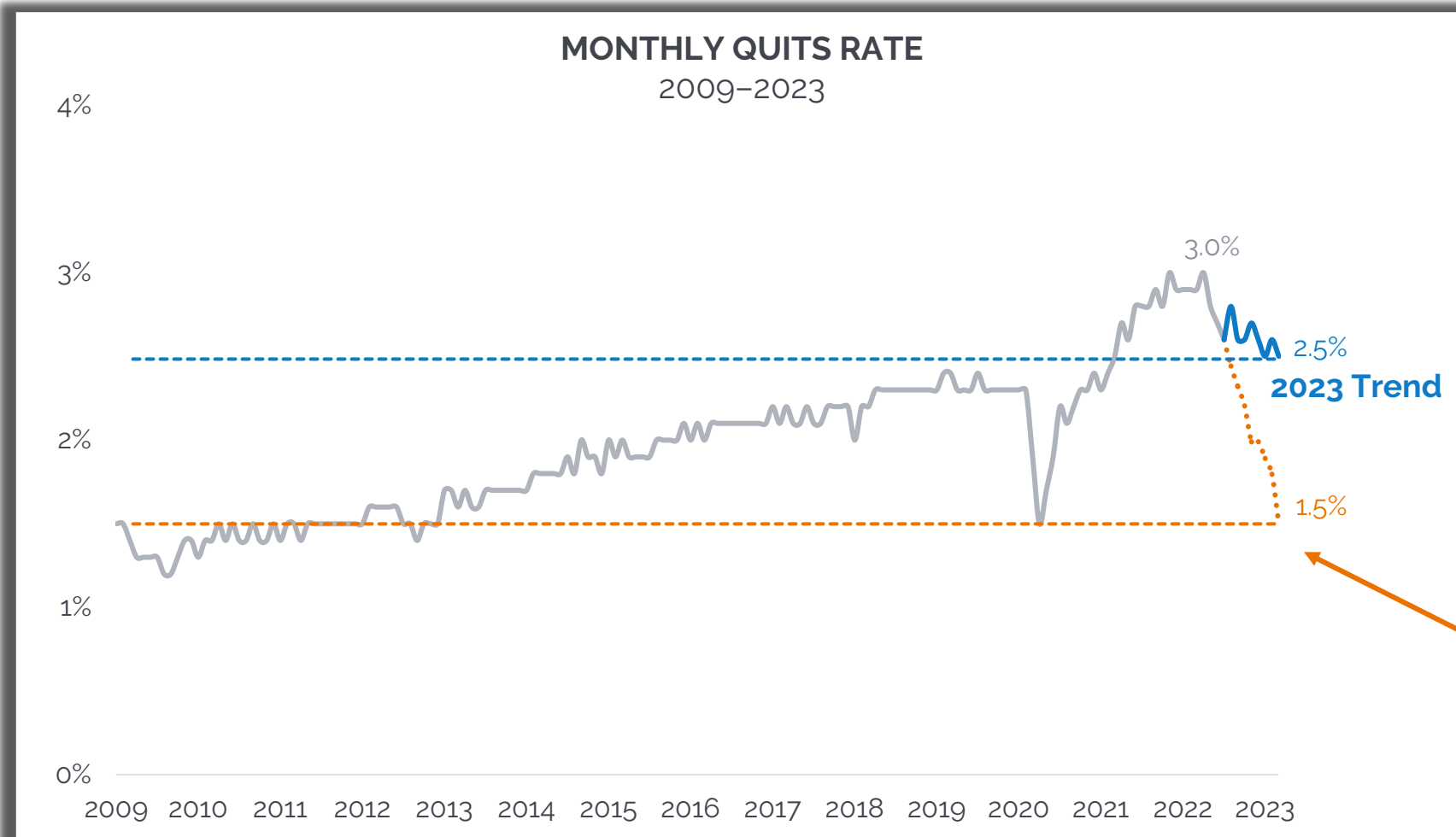
Note, layoffs were at an all-time low during that period

# Voluntary Quits Decline, but Not the Big Stay



But did you know the decline in quits has been called the "**Big Stay**"?

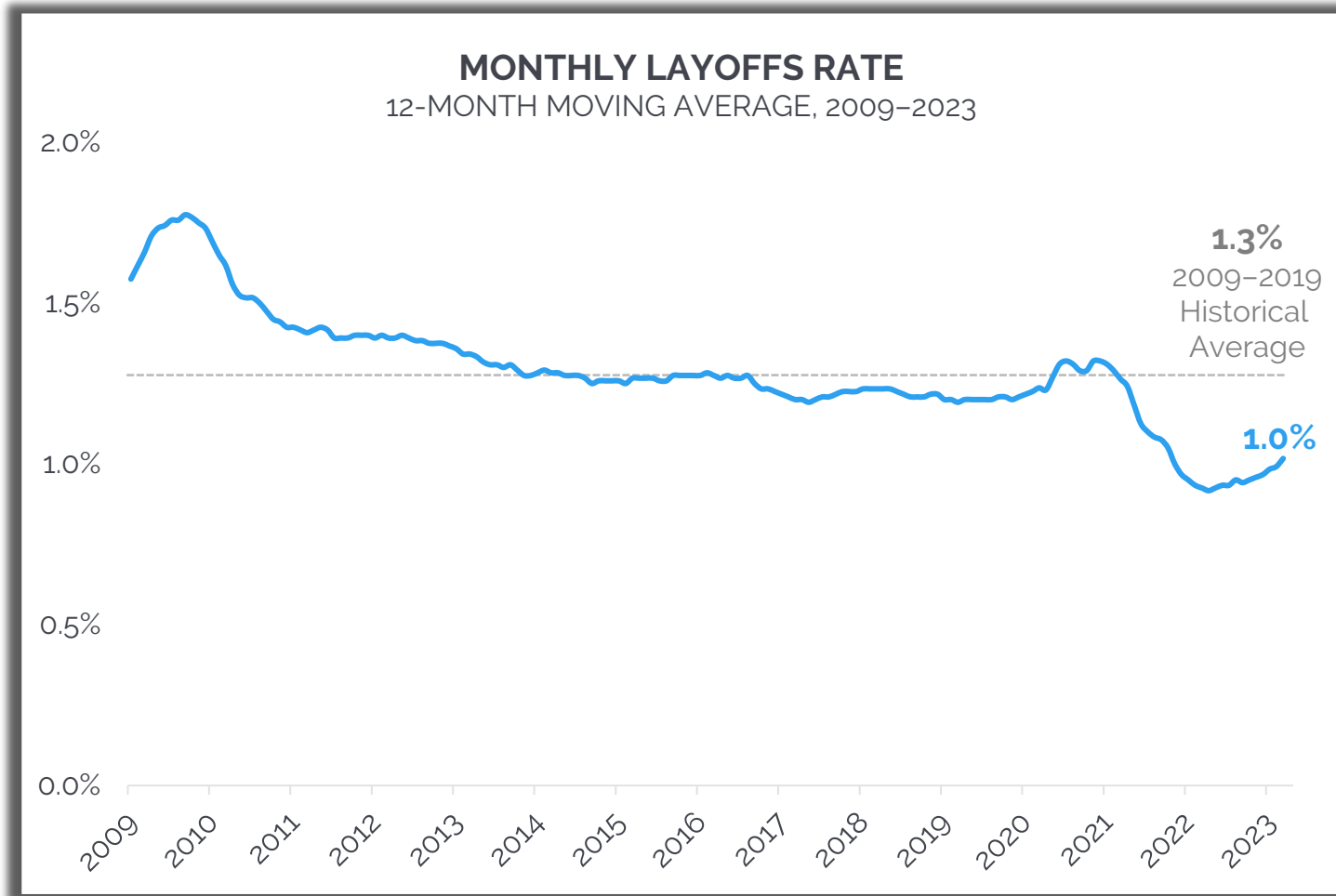
# Voluntary Quits Decline, but Not the Big Stay



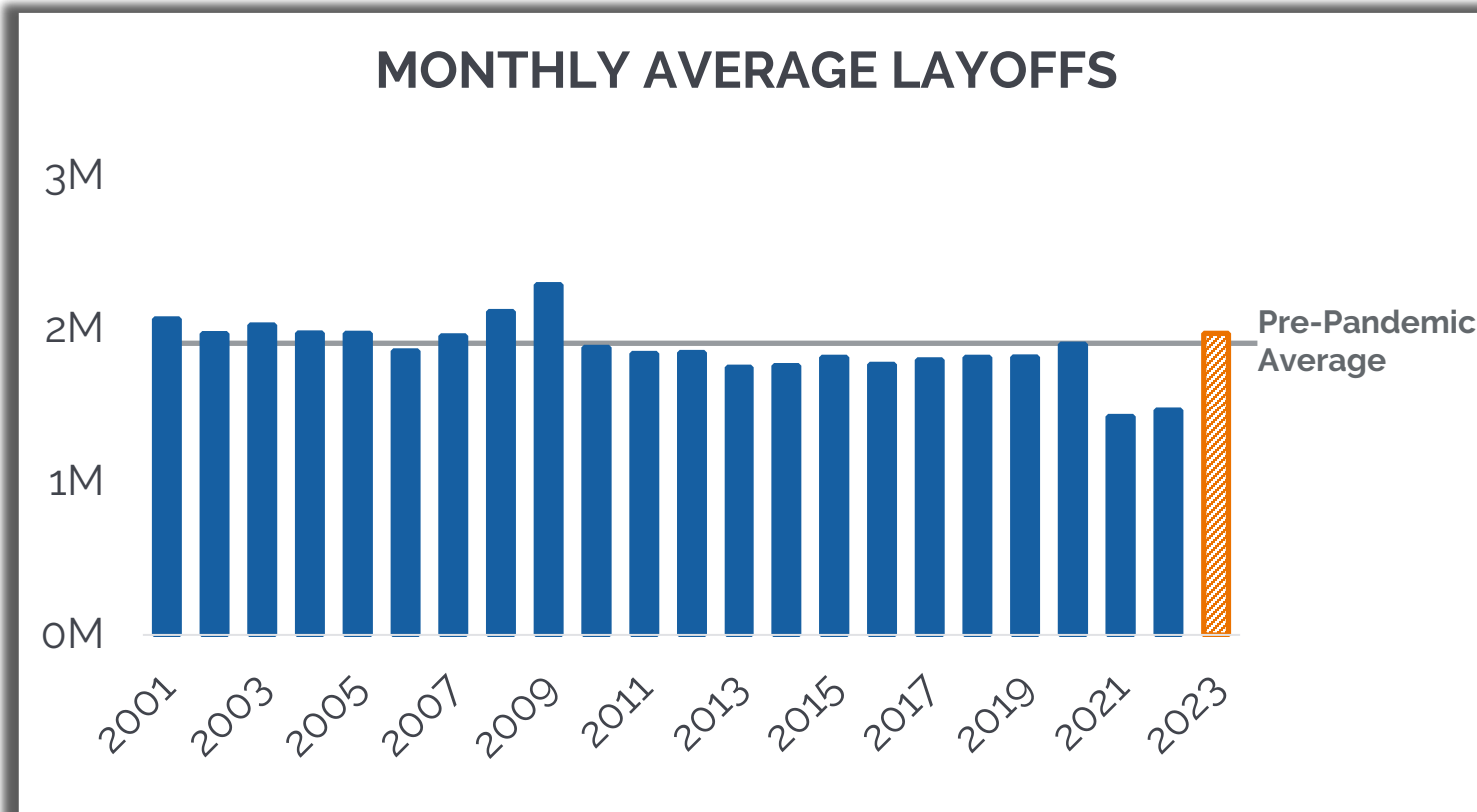
This trend would deserve the name "**Big Stay**", but we are from it.

# Layoffs Starting to Increase

But Still Below Historic Norms



# Layoffs Remain Near Historic Lows



## *The Full Story*

While some companies have reduced headcount by 30% or more, many businesses are in the 1-2% monthly range.

Unemployment insurance claims are do not show an unusual spike.

Most businesses have hiring or backfill levels that exceed layoffs.

# Labor Market Remains Tight

# 3.7%

National Unemployment Rate  
March 2023

## Market Supply



Significant  
Shortage

Significant  
Surplus



Legal

**0.1%**



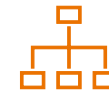
Healthcare  
Practitioners

**1.0%**



Architecture  
& Engineering

**1.8%**



Management

**1.8%**



Tech

**2.0%**

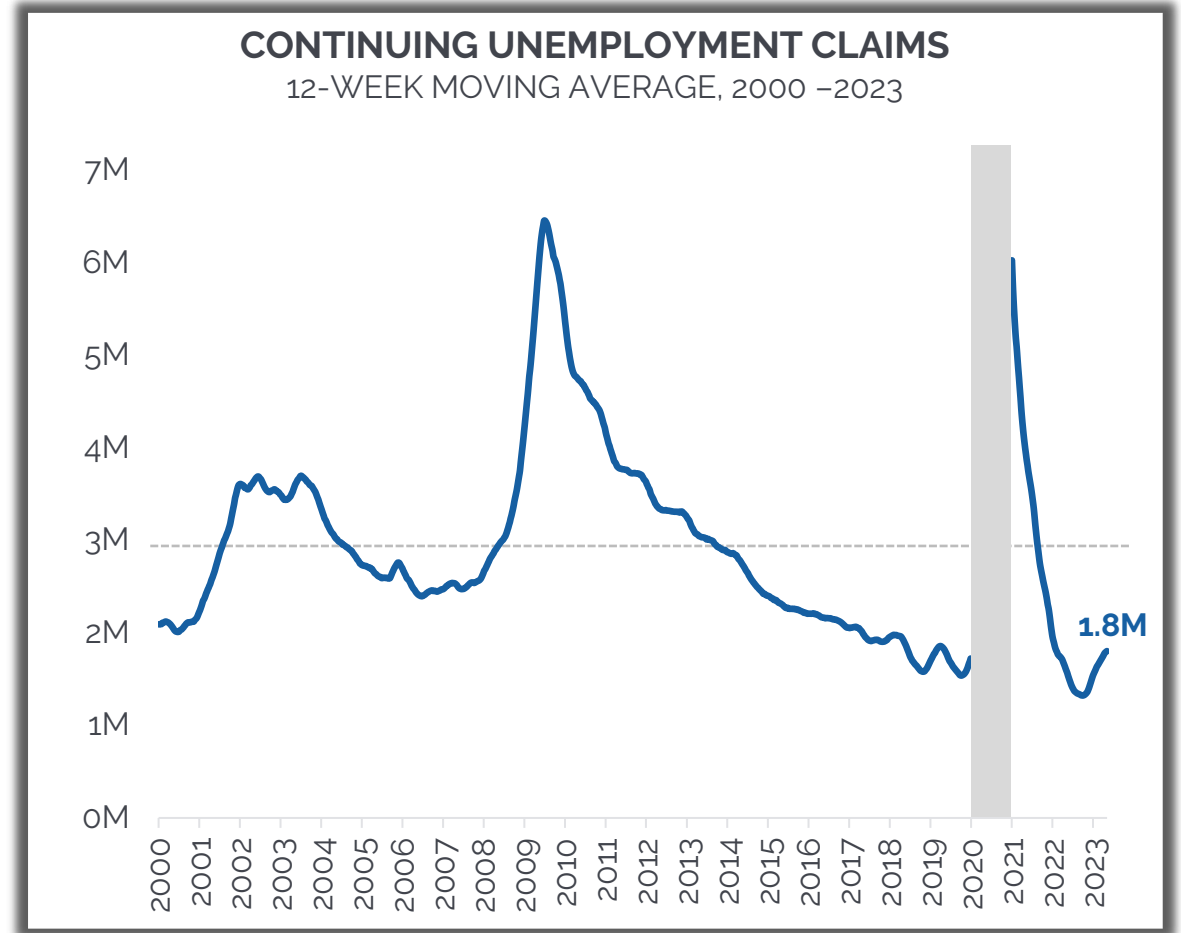
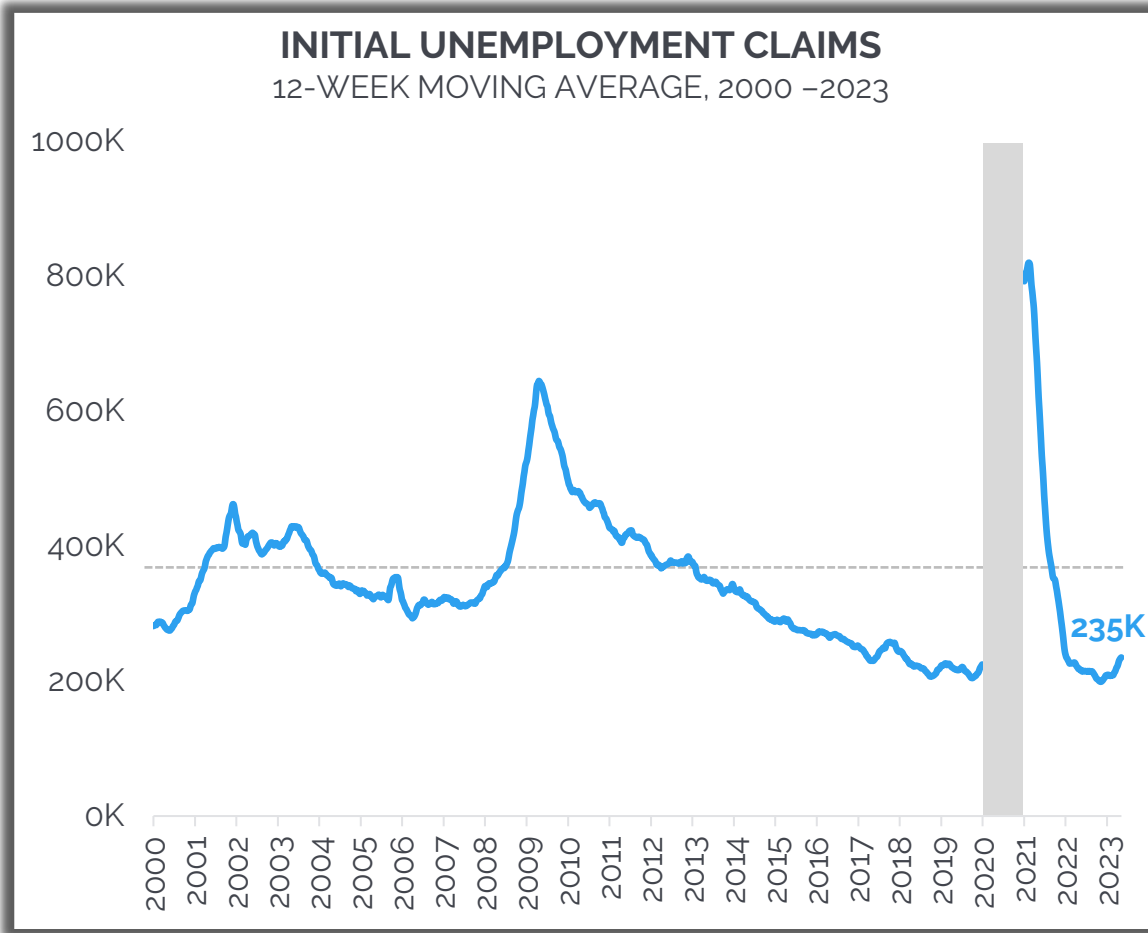


Business  
& Financial

**2.3%**

# Unemployment Insurance Claims

Do not show signs of a broader labor market slowdown, yet



Note: 2020 data removed for easier comparison to earlier periods

Sources: LaborIQ®; U.S. Department of Labor

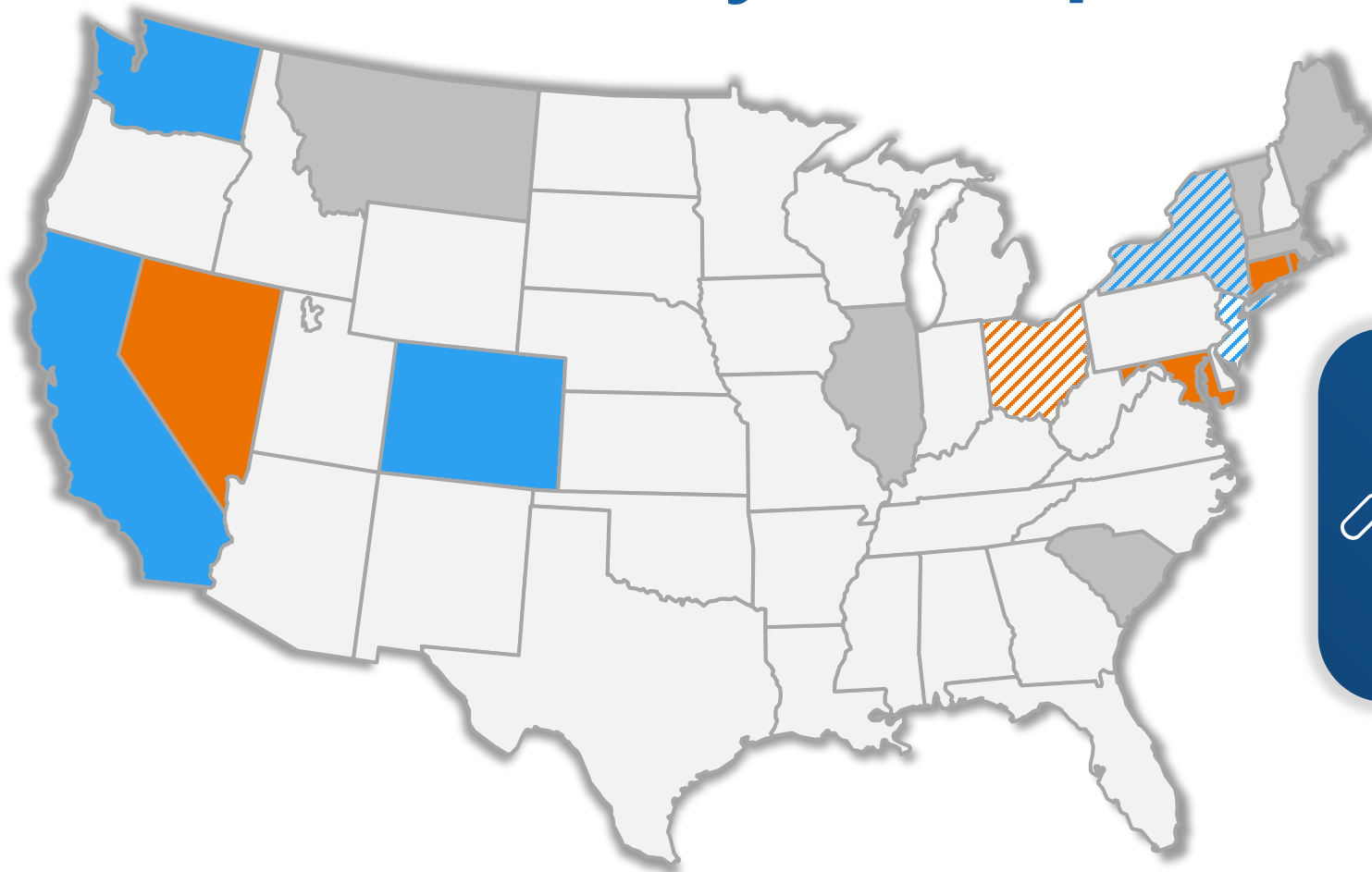


# *Pay Transparency*






Develop Salary Bands to Attract & Retain Talent



# States with Pay Transparency Laws



 **2 in 5** U.S. workers  
live in an area with current or pending  
pay transparency laws

-  Statewide requirement for salary ranges in job postings
-  Statewide requirement to disclose salary ranges in hiring process
-  Local requirement(s) for salary ranges in job postings
-  Local requirement(s) to disclose salary ranges in hiring process
-  Statewide requirement pending

Notes: Washington, DC and Hawaii both have pay transparency requirements pending. New York's statewide pay transparency law is scheduled to take effect September 2023.

# Why Some Employers are Being More Transparent with Pay



## TALENT SHORTAGE

**85%**

Candidates who prefer job postings with pay ranges

*Lighthouse Study*



## RETENTION & TURNOVER

**2** in **3**

Employees who would switch jobs to a company with established pay bands

*The Wall Street Journal*



## RECRUITING COSTS

**35%**

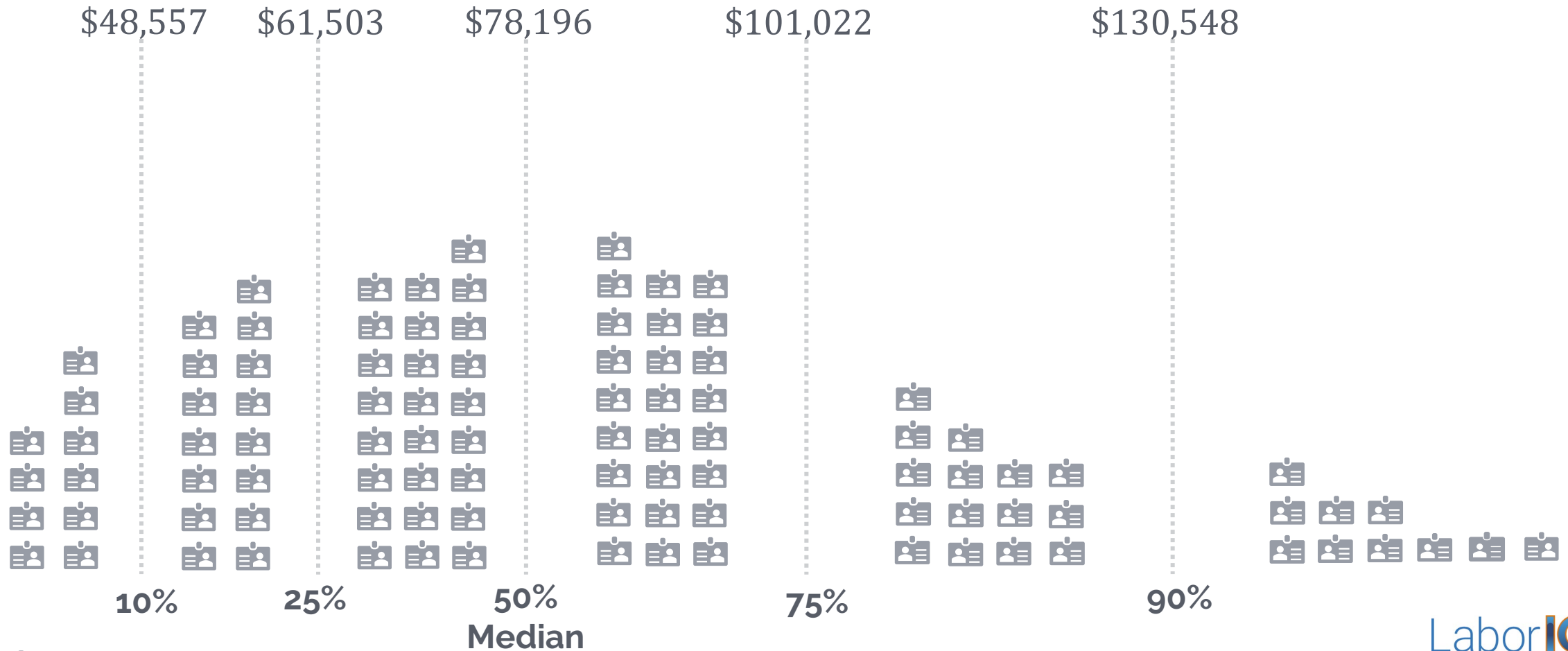
Reduction in cost-per-click for job ads with pay information in the title

*Society for Human Resources Management*

# Full Range of Salaries

## Accountant

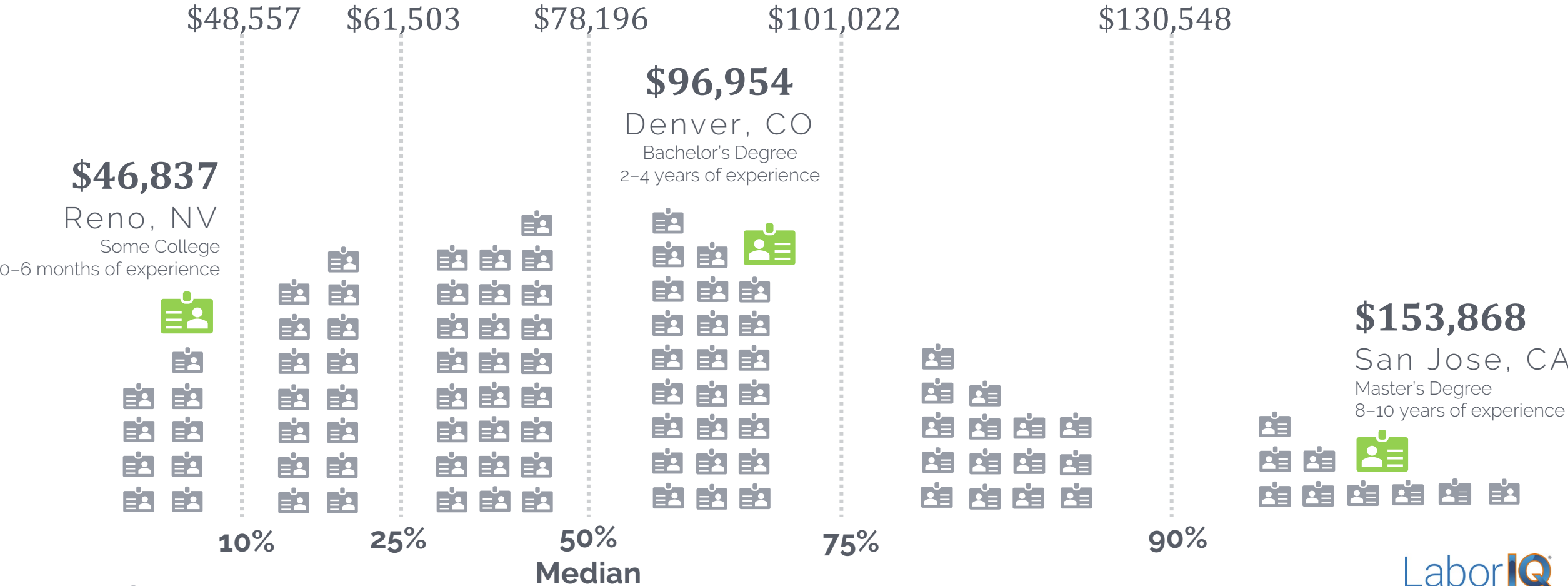
National Salary Range



# Salaries Vary Based on Location, Experience & Job Attributes

## Accountant

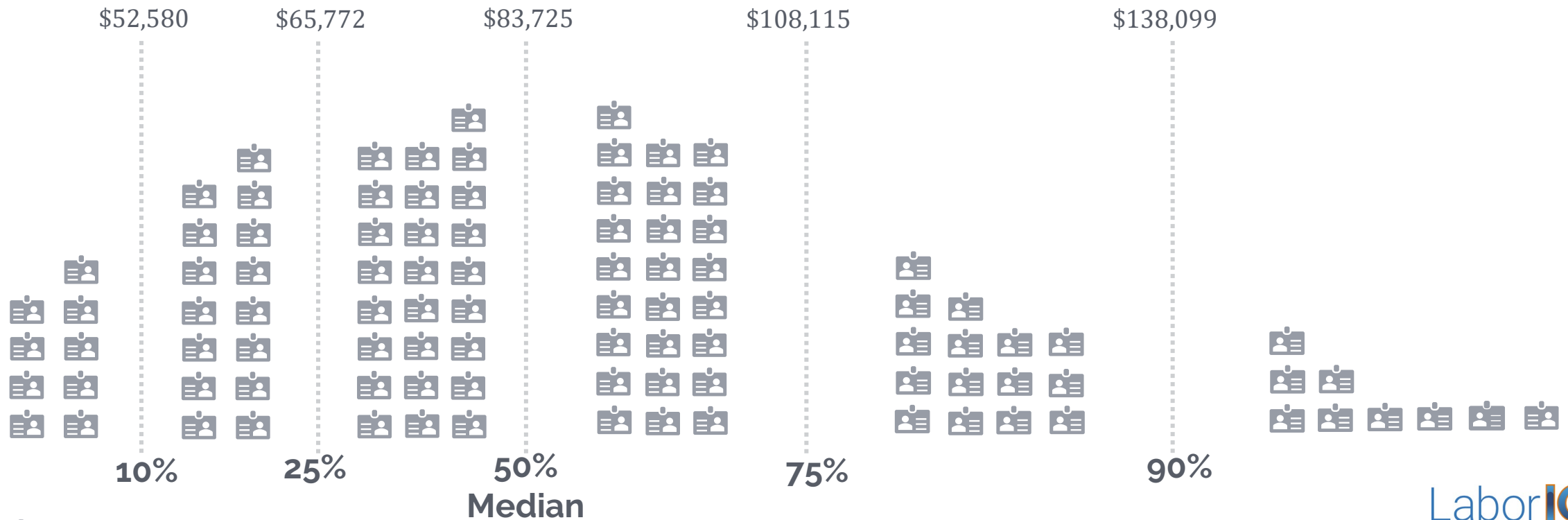
National Salary Range



# Full Range of Salaries

## Accountant

Denver-Aurora-Lakewood, CO



# Full Range of Salaries

## Accountant

Denver-Aurora-Lakewood, CO



Lower end of bell curve  
Expect entry level candidates

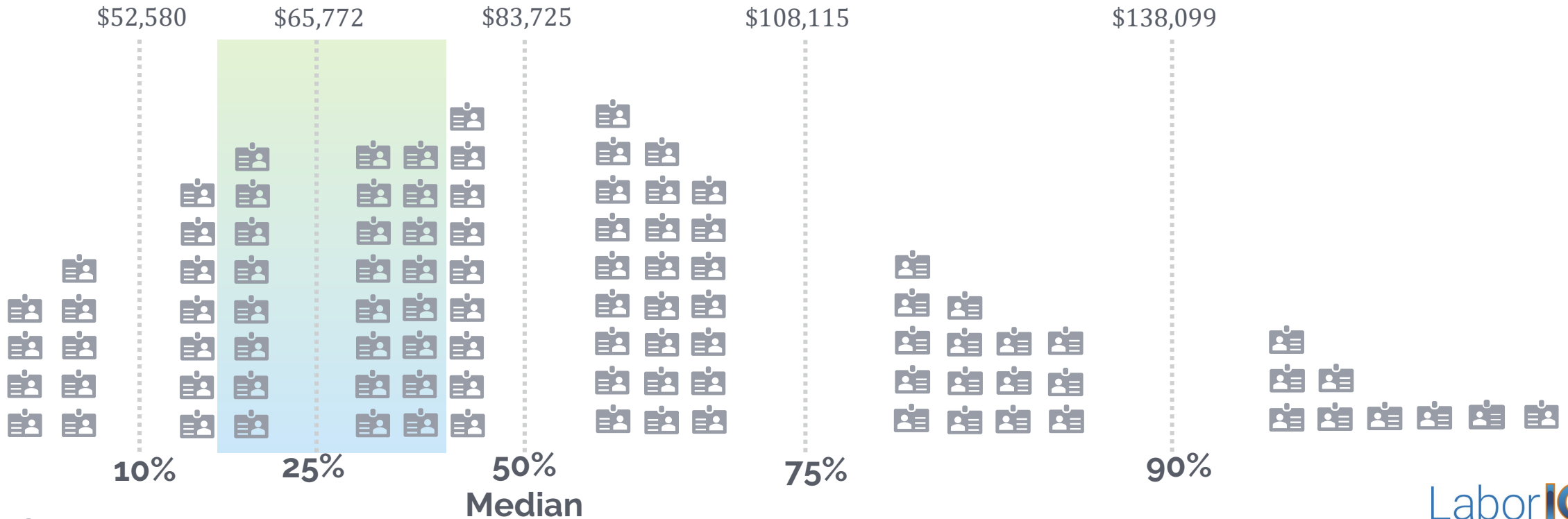
### Accountant

*Vandelay Industries*

Denver, CO 80237

**\$55,000 - \$70,000 per year | Full-time**

[Apply now!](#)



Sources: LaborIQ®; Indeed job postings with redacted company names

# Full Range of Salaries

## Accountant

Denver-Aurora-Lakewood, CO



Middle of bell curve  
Expect mid-career candidates

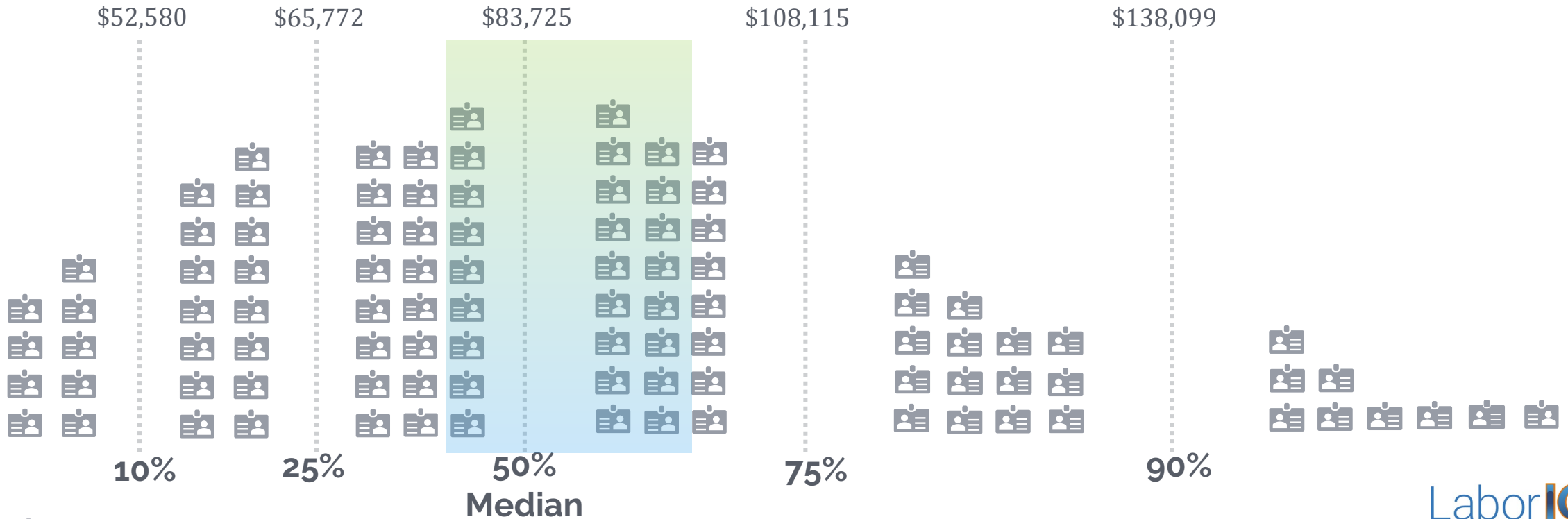
### Accountant

*Nakatomi Corporation*

Denver, CO 80202

**\$75,000 - \$95,000 per year | Full-Time**

[Apply now!](#)



Sources: LaborIQ®; Indeed job postings with redacted company names

# Full Range of Salaries

## Accountant

Denver-Aurora-Lakewood, CO



Wider pay range  
Moving up the bell curve  
Expect mid-career or more senior candidates

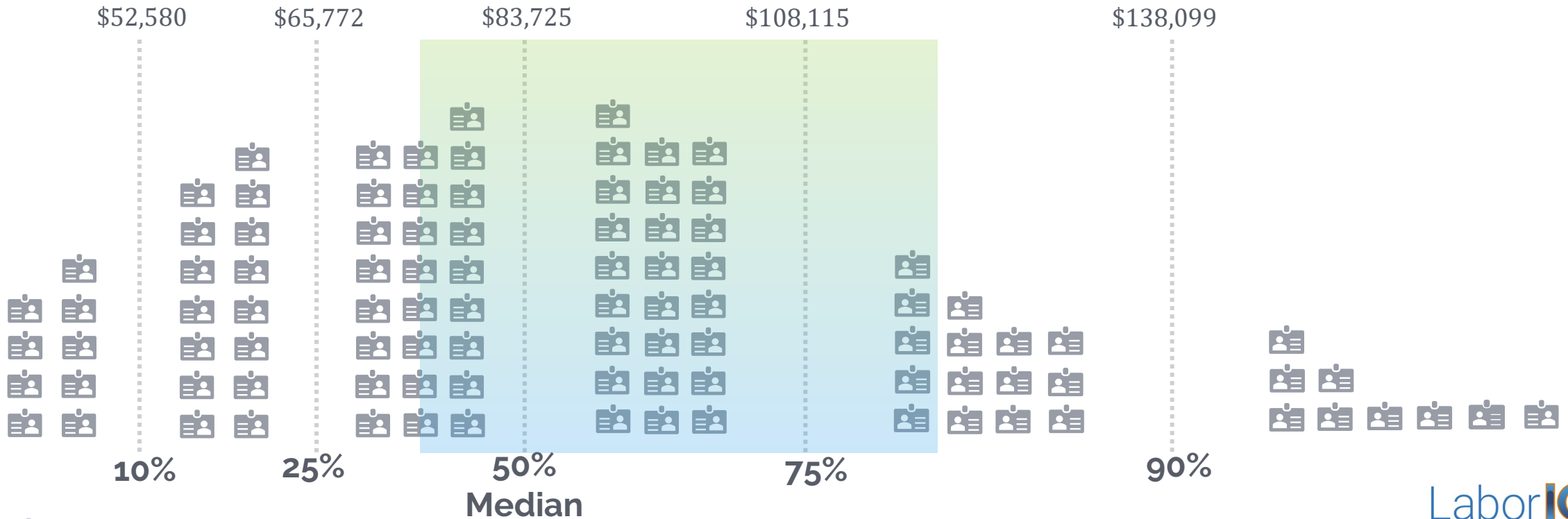
### Accountant

*Acme Corporation*

Denver, CO 80301

**\$72,900 - \$111,895 per year | Full-Time**

[Apply now!](#)





# Full Range of Salaries

## Accountant

Denver-Aurora-Lakewood, CO



Large pay range  
Near top of the bell curve  
Closer to management, need a variety of candidates

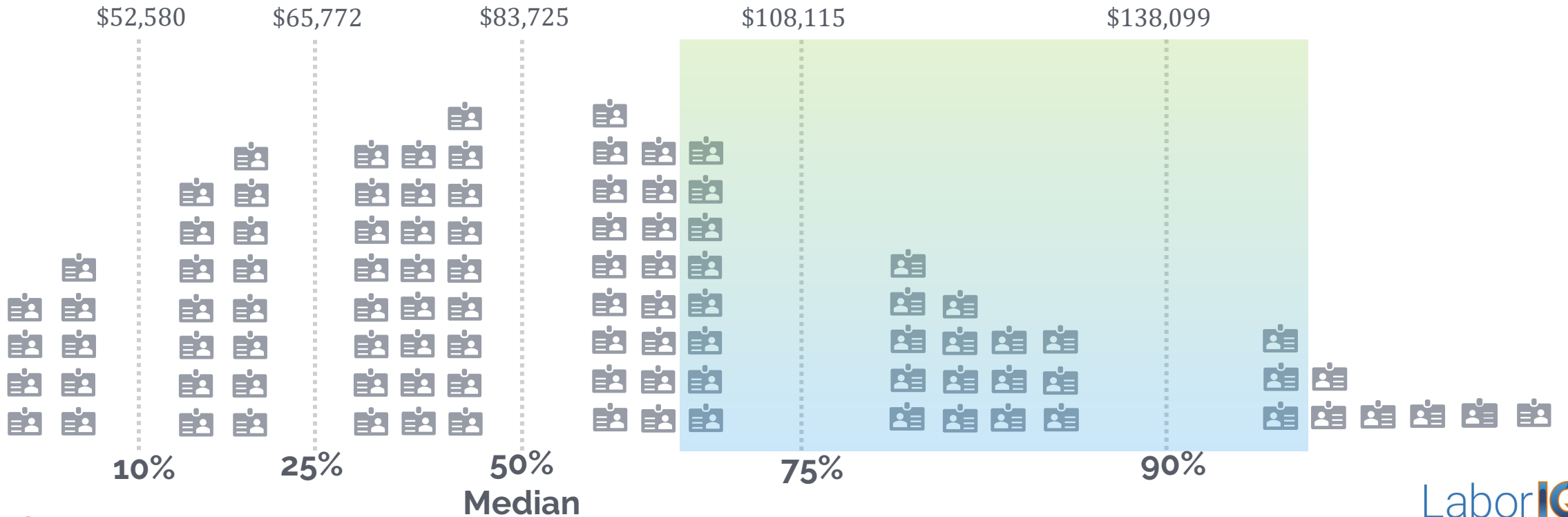
### Accountant

*Dunder Mifflin, Inc.*

Littleton, CO 80123

**\$100,000 - \$150,000 per year | Full-Time**

[Apply now!](#)



# Final Thoughts

- **Labor Market** – Some degree of cooling is inevitable, but it has been resilient so far.
- **Hiring** – Will remain elevated, varies significantly by industry.
- **Layoffs** – Will increase but stay more in line with norms.
- **Talent Supply** – Still very low and competitive but becoming more of “employer’s market” in some cases.

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[Watch a demo!](#)



*Any Questions?*