Talent Intelligence Solutions
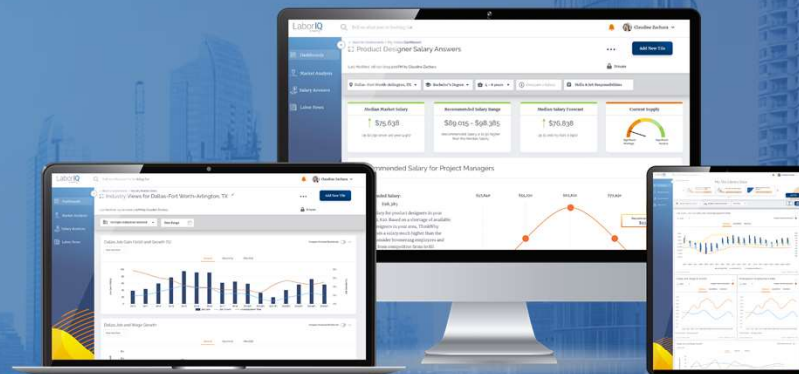
Compensation | Retention | Job Market Forecasts

Unequalled Ease & Accuracy. Unlimited Reporting & Access.

LaborIQ® Index

The proprietary LaborIQ Market Ranking Index identifies and tracks 10 key performance indicators that best measure and rank a local economy's performance. These indicators or variables are present in every market and represent the greatest drivers of a market's economic progress or decline and labor market recovery from the pandemic.

The ranking index provides a strong evaluation of which U.S. cities and metro areas are attracting talent, recouping jobs and those primed for recruiting and hiring.

California Metro Areas

Northern California

Sacramento-Roseville-Arden-Arcade, CA

San Francisco-Oakland-Hayward, CA

San Jose-Sunnyvale-Santa Clara, CA

Southern California

Los Angeles-Long Beach-Anaheim, CA

Riverside-San Bernardino-Ontario, CA

San Diego-Carlsbad, CA

U.S. Labor Market Conditions & Outlook

- Historic-level job openings (10.9 million) and voluntary quits (~4 million)

- The Delta variant will slow near-term hiring, despite business demand

- Early-recovering metros and industries will see more moderate job gains

- The limited availability of talent will be a significant hiring challenge

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U.S. Labor Market Highlights

- Monthly job gains likely to remain slower due to COVID-19 impact

- People transitioning between companies will remain high with record number of open jobs

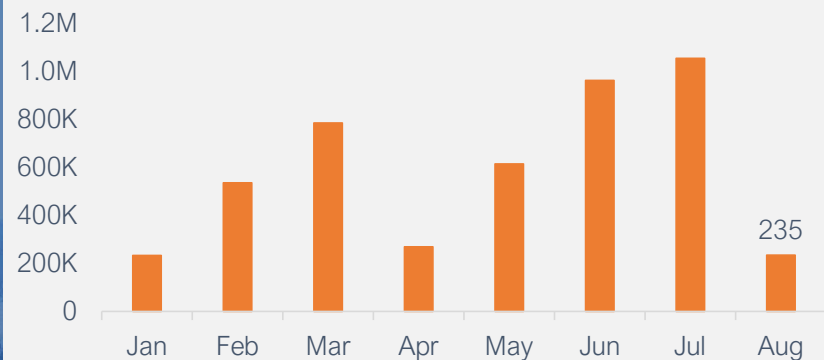- Full return to employment by early 2023

Jobs to Recover

5.3M

3.5% below pre-pandemic total employment

Unemployment Rate

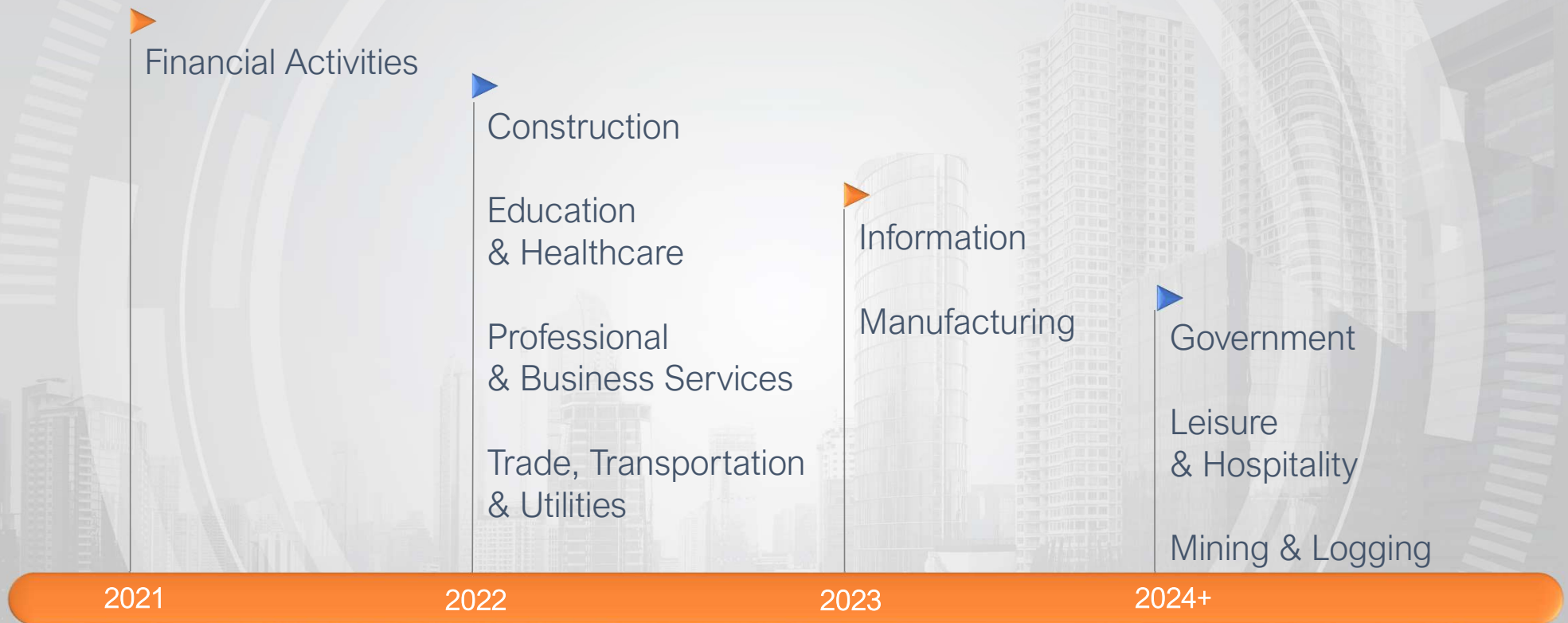## 5.2%

Down from peak of 14.8% in April 2020

2021 Monthly Job Gain (Thousands)

1.2M	
1.0M	
800K	
600K	
400K	
200K	235
0	

Jan   Feb   Mar   Apr   May   Jun   Jul   Aug

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Year of U.S. Job Recovery by Industry

Financial Activities

Construction

Education
& Healthcare

Information

Manufacturing

Professional
& Business Services

Government

Leisure
& Hospitality

Trade, Transportation
& Utilities

Mining & Logging

| 2021 | 2022 | 2023 | 2024+ |

LaborIQ®
by ThinkWhy

Are you trying to fill open jobs? So is everybody else!

Open Jobs in U.S.

10.9M

12M
10M
8M
6M
4M
2M

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
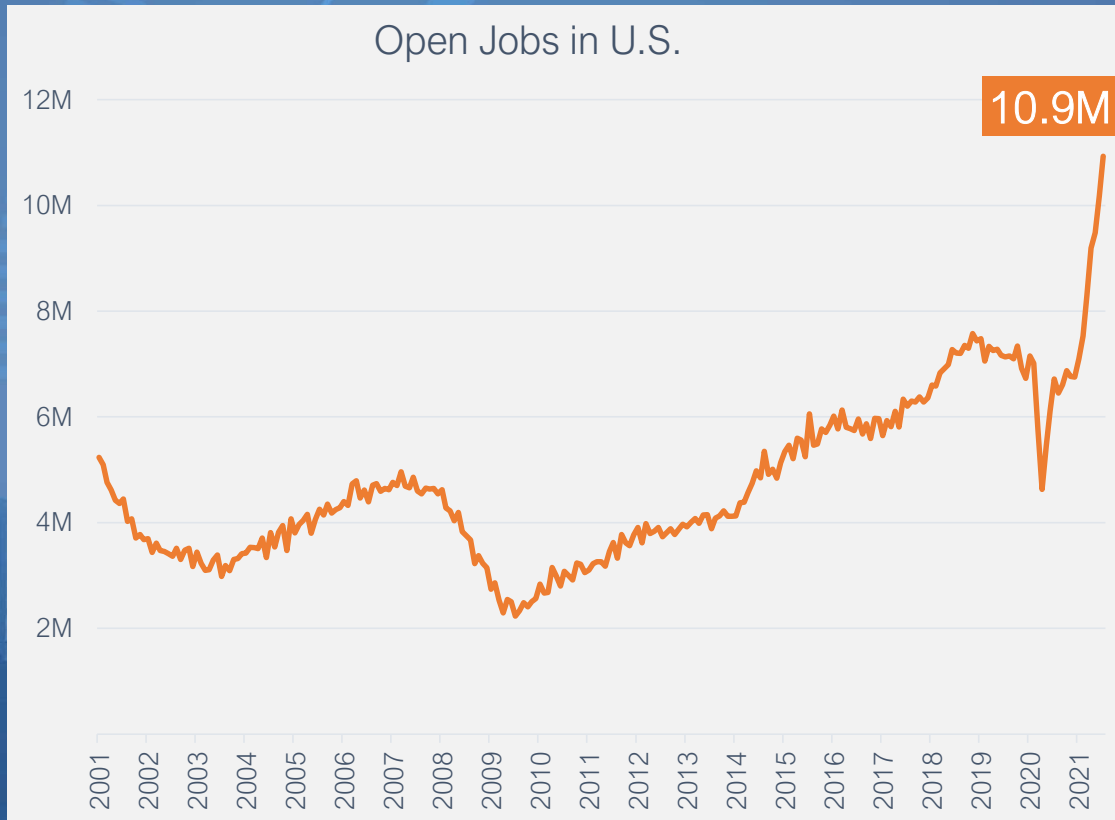
JOB OPENINGS BY INDUSTRY

1.8M Professional & Business

1.8M Healthcare

1.6M Restaurants & Hotels

1.1M Retail Trade

889K Manufacturing

321K Construction

Sources: LaborIQ®; Bureau of Labor Statistics

LaborIQ
ThinkWhy
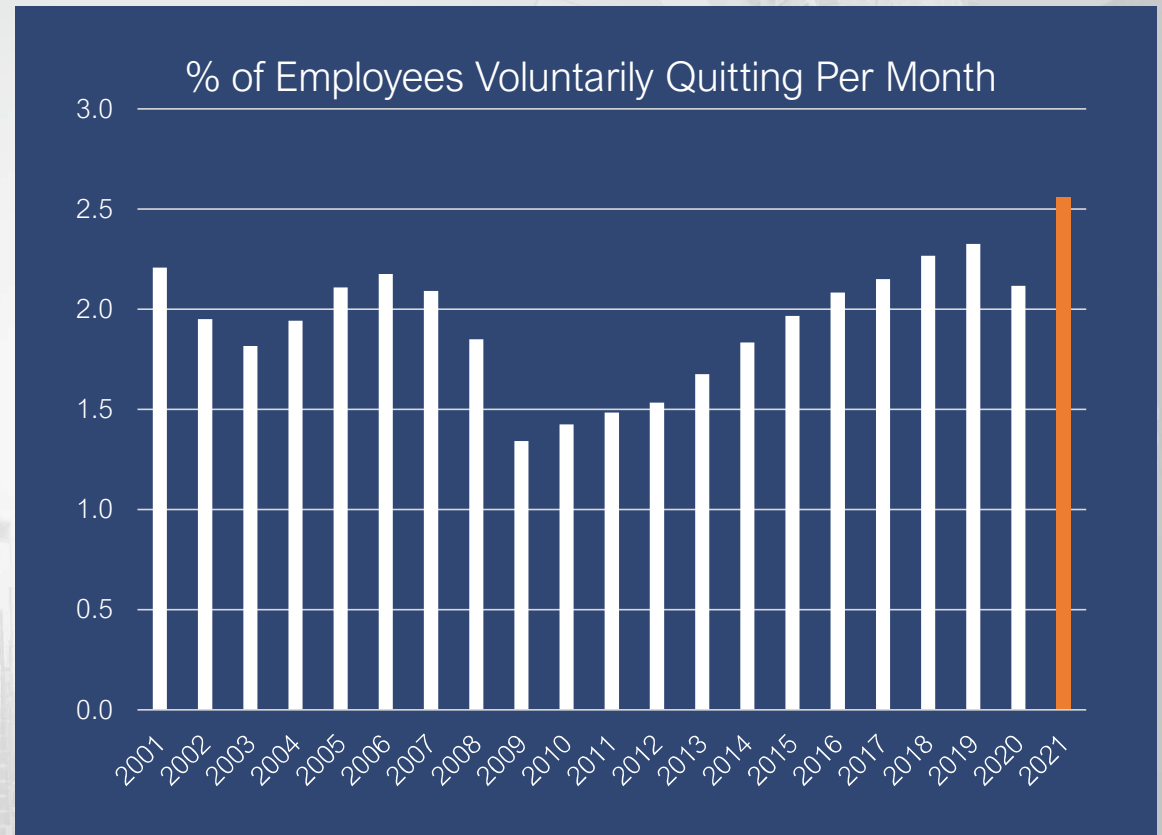
Transition of Talent Continues; Voluntary Quits Skyrocket

4.0 million people quit in July
(2.7% of employment base)
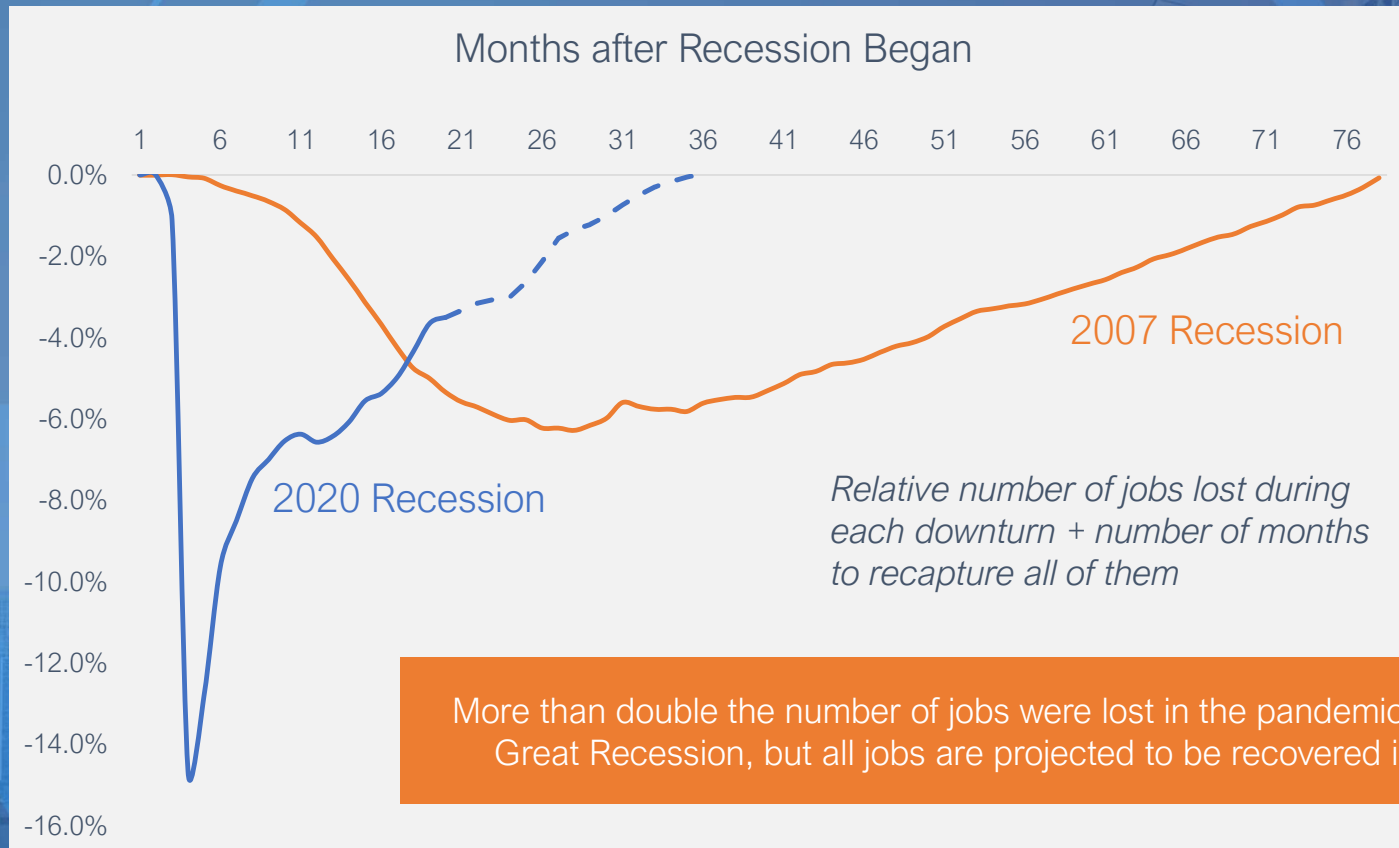
11.5 million quits from May - July

Pace nearly double the rate after
2009 recession

% of Employees Voluntarily Quitting Per Month

Sources: LaborIQ®; Bureau of Labor Statistics; *2021 data is average through July

LaborIQ®
by ThinkWhy

Job Loss & Recovery vs Great Recession

Months after Recession Began

2007 Recession

2020 Recession

Relative number of jobs lost during each downturn + number of months to recapture all of them

More than double the number of jobs were lost in the pandemic compared to the Great Recession, but all jobs are projected to be recovered in half the time.

Sources: LaborIQ®; Bureau of Labor Statistics

LaborIQ
ThinkWhy

National Headlines | Industries & Occupations

Industries

Financial Activities leads the recovery with only *0.3%* of jobs left to recoup

Leisure & Hospitality represents *32%* of U.S. jobs left to recover

Occupations

Unemployment Rates

1.5%
Tech jobs

7.5%
Service jobs

LaborIQ®
ThinkWhy

National Labor Market
Job Gains
BY INDUSTRY | AUGUST 2021

LaborIQ by ThinkWhy

GOODS-PRODUCING SECTORS

MANUFACTURING	MINING & LOGGING	CONSTRUCTION
37,000	**6,000**	**-3,000**

SERVICE-PROVIDING SECTORS

PROFESSIONAL & BUSINESS SERVICES	EDUCATION & HEALTH	TRADE, TRANSPORTATION & UTILITIES
74,000	**35,000**	**24,000**

INFORMATION	FINANCIAL ACTIVITIES	LEISURE & HOSPITALITY
17,000	**16,000**	**0**

GOVERNMENT
-8,000

Despite disappointing job gains in August, these industries still made significant progress recouping jobs.

LaborIQ by ThinkWhy

Sources: LaborIQ®; Bureau of Labor Statistics

Unemployment Rate by Race/Ethnicity & Age

Race/Ethnicity	Unemployment Rate	
	Overall	Ages 20-24
White	4.5%	7.2%
Asian	4.6%	8.4%
Hispanic	6.4%	9.4%
Black or African American	8.8%	17.0%

Source: Bureau of Labor Statistics, Non-seasonally adjusted Unemployment Rates

LaborIQ
ThinkWhy

Unemployment Rate by Occupation

| Occupation	Unemployment Rate
Legal	1.4%
Tech	1.5%
Healthcare	2.0%
Service	7.5%
Transportation & Material Moving	8.2%

LaborIQ
ThinkWhy

Source: Bureau of Labor Statistics, Non-seasonally adjusted Unemployment Rates

California Labor Market Highlights

- ✓ Key Trends

- ✓ LaborIQ® Index

- ✓ Jobs to Recover

- ✓ Recent Job Gains

- ✓ Outlook by Industry

LaborIQ
ThinkWhy

California Jobs Recovery Trails U.S. Average

Current Employment Levels vs. Pre-Pandemic
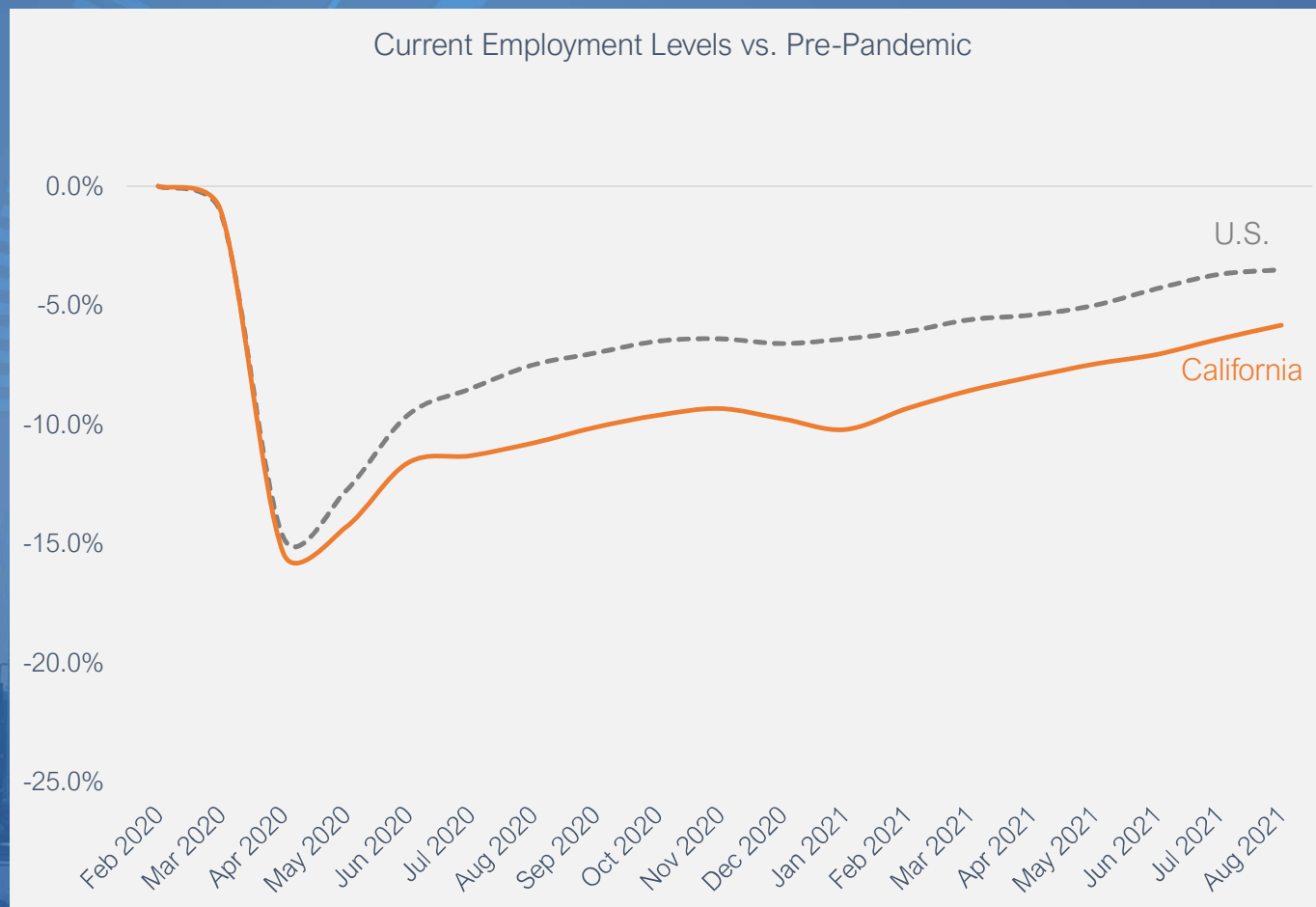
- California is trailing the U.S. recovery average, but some individual metros are faring better

- Tight and long-lasting restrictions likely played a role in the slower recovery, but many metros are also facing challenges of migration out of the state

- California employment declined 14.3% and is now within 6%

- National employment declined 14.7% and is now within 4% of pre-pandemic levels

Sources: LaborIQ®; Bureau of Labor Statistics

LaborIQ
ThinkWhy

Recovery Timeline | U.S. & Key State Metros

2021	2022	2023	2024	2025+
Austin	Atlanta	Bakersfield	Boston	New Orleans
Phoenix	Charlotte	Chicago	Las Vegas	Santa Rosa
Salt Lake City	Dallas	Denver	Los Angeles ♦	
Stockton	Fresno	Houston	New York	
	Modesto	San Diego ♦	Orlando	
	Nashville	San Jose ♦	Oxnard	
	Riverside ♦	Seattle	San Francisco ♦	
	Sacramento ♦	U.S.	Santa Barbara	
		Washington, D.C.		

♦ Metro is featured in LaborIQ® *California Metro Highlights*; Others states and metros available from LaborIQ®
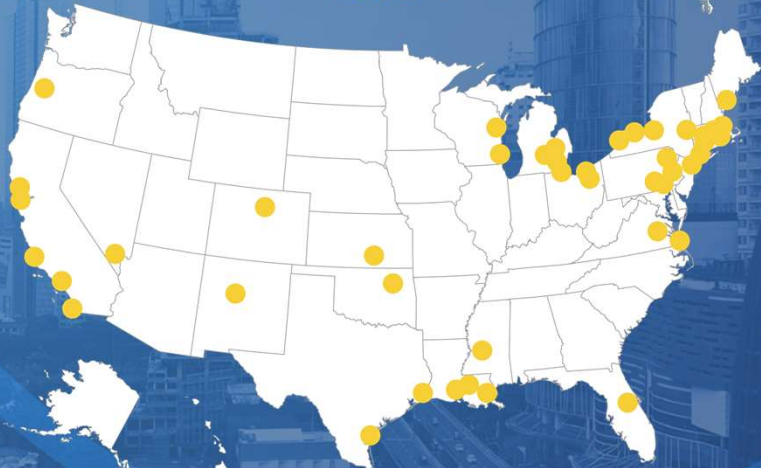
LaborIQ
ThinkWhy

The Return to Pre-Pandemic Employment Levels

2022 or Earlier
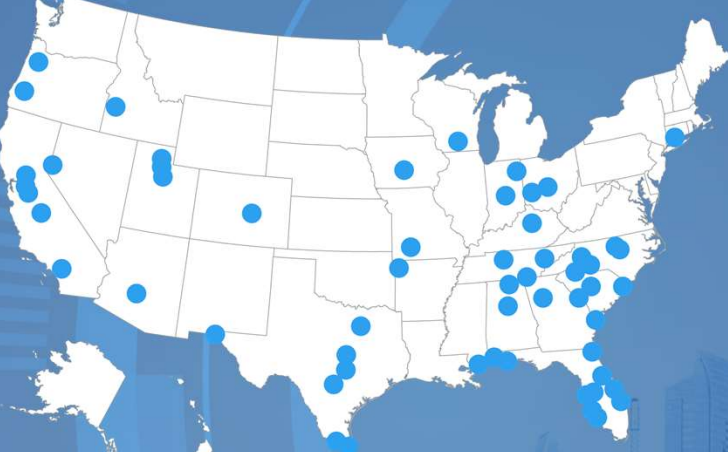
2023

2024+

Source: LaborIQ®

LaborIQ
ThinkWhy

Northern California

Labor Market Highlights | Sacramento, California

- The metros ranking in the LaborIQ® Index has improved significantly due to the rebound in job gain and growth

- It is forecasted to recover all lost jobs by the end of 2022, one of the earliest timelines in the state

- Some metros have a wide variance in recovery by industry, but most industries in Sacramento will recover by the end of 2022; Leisure & Hospitality will lag

Index Ranking

31

Out of 150 metros;
Ranked 56 a year ago

Jobs to Recover

43.3K

4.2% below pre-pandemic
total employment

**Monthly Job Gain
(Thousands)**

Jan	
Feb	
Mar	
Apr	
May	
Jun	
Jul	
Aug	2.7

LaborIQ
ThinkWhy

Year of Job Recovery by Industry | Sacramento, California

Construction

Financial Activities

Healthcare

Mining and Logging

Trade, Transportation & Utilities

Educational Services

Government

Manufacturing

Professional & Business Services

Leisure & Hospitality

| 2021 or earlier | 2022 | 2023 | 2024+ |

Labor Market Highlights | San Francisco-Oakland, California

- Despite being a tech hub and those types of jobs being less impacted during the pandemic, San Francisco's overall job recovery timeline is not until 2024

- The metro faces challenges of out-migration for a variety of reasons, which will make it more difficult to source talent locally

- Some industries, such as Manufacturing and Professional & Business, will be fully recovered next year, but other industries will take several years to recover
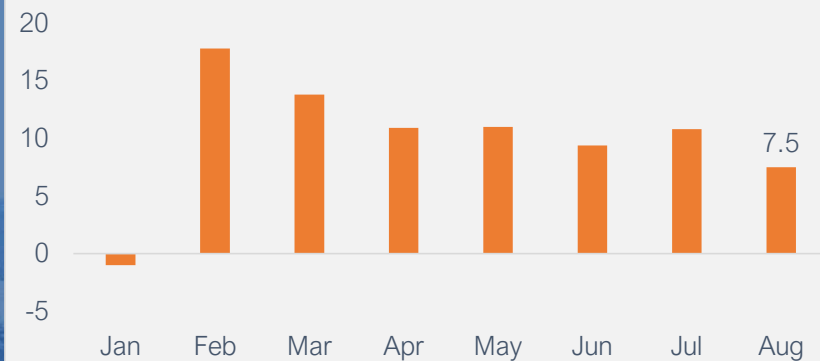
Index Ranking

46

Out of 150 metros;
Ranked 112 a year ago

Jobs to Recover

208.2K

8.3% below pre-pandemic
total employment

Monthly Job Gain
(Thousands)

Month	Value
Jan	(slightly below 0)
Feb	18
Mar	14
Apr	11
May	11
Jun	9.5
Jul	11
Aug	7.5

LaborIQ
ThinkWhy

Year of Job Recovery by Industry | San Francisco-Oakland, California

Mining & Logging

Construction

Educational & Health Services

Manufacturing

Professional & Business Services

Financial Activities

Leisure & Hospitality

Government

Trade, Transportation & Utilities

| 2021 or earlier | 2022 | 2023 | 2024+ |

LaborIQ®
by ThinkWhy

Labor Market Highlights | San Jose, California

- The metro is scheduled to recover all its jobs by the end of 2023, along with the national recovery and roughly a year faster than neighboring San Francisco

- Several industries have already fully recovered all jobs, or they will by the end of 2021; others will lag until at least 2024

- Net migration has continually dropped since 2016, which will increase labor shortages in blue collar and service roles
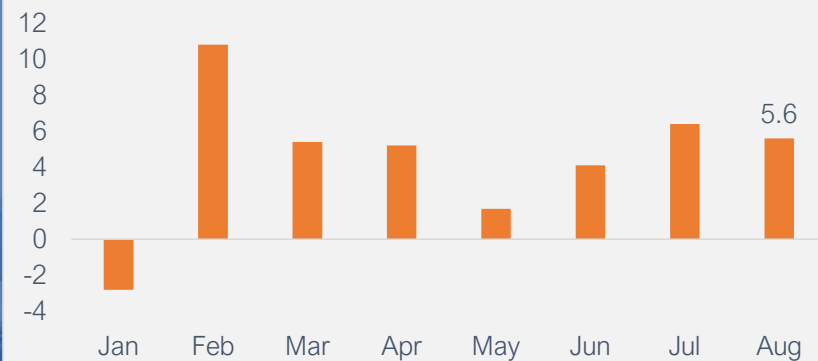
Index Ranking

74

Out of 150 metros;
Ranked 82 a year ago

Jobs to Recover

68.2K

5.8% below pre-pandemic
total employment

Monthly Job Gain
(Thousands)

							5.6
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug

Sources: LaborIQ®; Bureau of Labor Statistics

LaborIQ
ThinkWhy

Year of Job Recovery by Industry | San Jose, California

Financial Activities

Healthcare

Construction

Manufacturing

Educational Services

Mining and Logging

Leisure & Hospitality

Professional & Business Services

Trade, Transportation & Utilities

Government

| 2021 or earlier | 2022 | 2023 | 2024+ |

LaborIQ®
by ThinkWhy

Recommended Salaries by Job Title & Location

	Customer Support Rep	Registered Nurse	Digital Marketing Manager	Senior Accountant	Software Engineer
Sacramento	$52	$132	$100	$106	$134
San Francisco	$61	$145	$124	$127	$157
San Jose	$58	$152	$128	$130	$148
Austin	$43	$80	$98	$98	$118
New York	$53	$100	$121	$129	$135

Annual Salary (000s) Based on Bachelor's Degree and 4-6 Years of Experience
Salary is lowest across metros listed

LaborIQ
ThinkWhy

Southern California

Labor Market Highlights | Los Angeles, California

- All jobs recovered in 2024, later than the national recovery timeline

- Has been a leader in job gain throughout most of 2021, largely due to the depths of the early-pandemic job losses; has recouped 331K jobs year-to-date

- The magnitude of job losses is expected to prolong the recovery, with most industries not fully recovering until 2024 or later; this is rare for most major metros
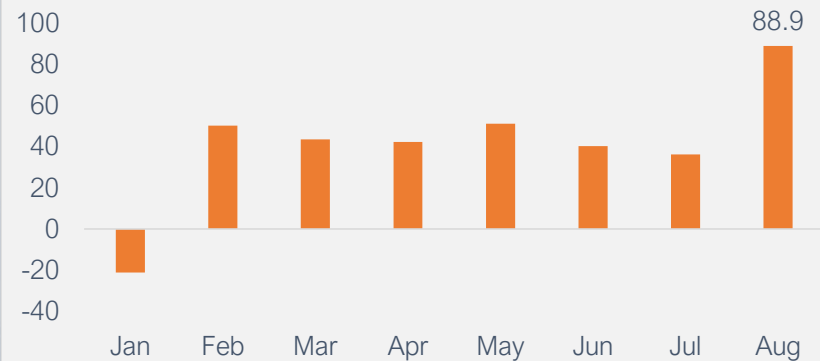
Index Ranking

32

Out of 150 metros;
Ranked 122 a year ago

Jobs to Recover

409.0K

6.5% below pre-pandemic
total employment

Monthly Job Gain (Thousands)

88.9

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug

LaborIQ
ThinkWhy

Year of Job Recovery by Industry | Los Angeles, California

Healthcare

Construction

Financial
Activities

Leisure &
Hospitality

Professional &
Business
Services

Educational
Services

Government

Manufacturing

Trade,
Transportation
& Utilities

| 2021 or earlier | 2022 | 2023 | 2024+ |

LaborIQ
by ThinkWhy

Labor Market Highlights | Riverside, California

- All jobs recovered by 2022, well ahead of nearby Los Angeles, signaling the strength of the local economy

- Average hourly earnings growth has climbed in the past year, making it more attractive for bringing new talent to the area

- Despite slow statewide population growth, Riverside has continued to add residents in recent years
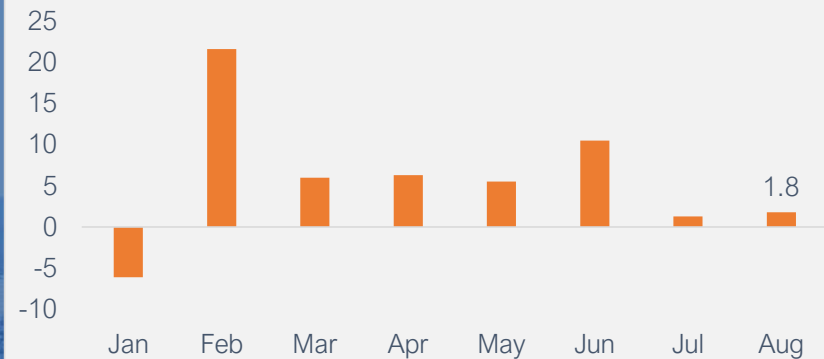
Index Ranking

25
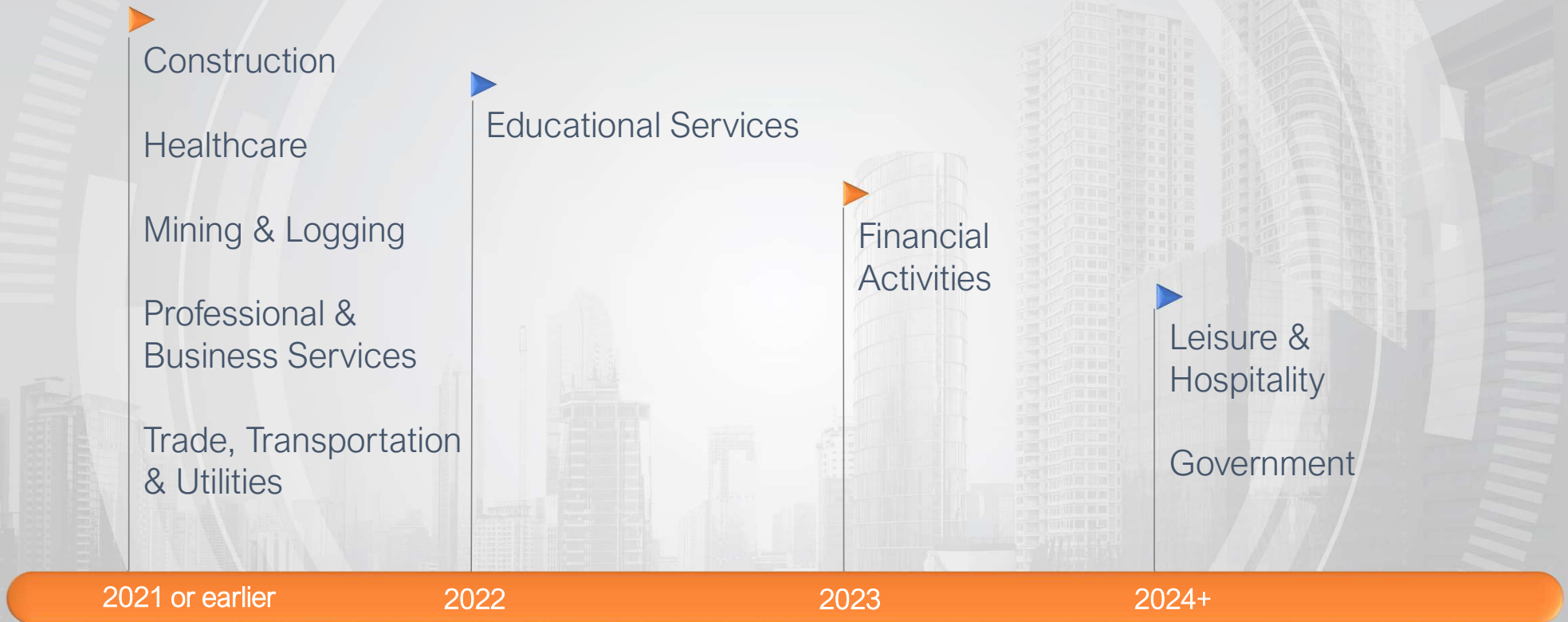
Out of 150 metros;
Ranked 58 a year ago

Jobs to Recover

53.5K

3.4% below pre-pandemic
total employment

Monthly Job Gain (Thousands)

1.8

Jan Feb Mar Apr May Jun Jul Aug

LaborIQ
ThinkWhy

Year of Job Recovery by Industry | Riverside, California

Construction

Healthcare

Mining & Logging

Professional &
Business Services

Trade, Transportation
& Utilities

Educational Services

Financial
Activities

Leisure &
Hospitality

Government

| 2021 or earlier | 2022 | 2023 | 2024+ |

LaborIQ®
by ThinkWhy

Labor Market Highlights | San Diego, California

- All jobs recovered by 2023, along with the national recovery timeline

- Earnings growth has slipped within the past year, potentially making it difficult to retain talent in the area

- Net migration has decreased since 2017, contributing to the area's slower than average recovery pace and making it more difficult to source talent locally
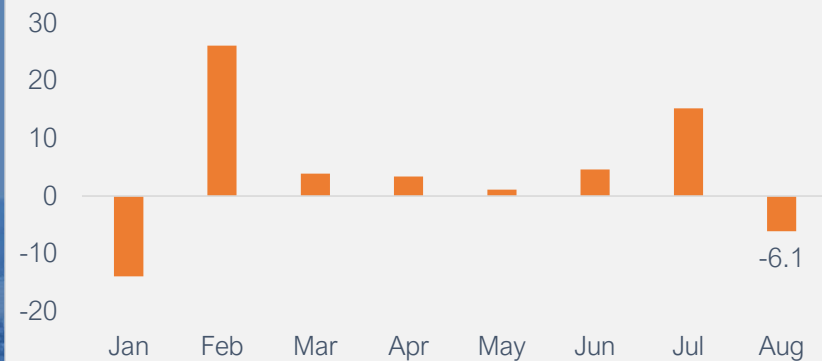
Index Ranking	Jobs to Recover
71	**110.0K**
Out of 150 metros; Ranked 99 a year ago	7.2% below pre-pandemic total employment

Monthly Job Gain (Thousands)

-6.1

Jan Feb Mar Apr May Jun Jul Aug

LaborIQ
ThinkWhy

Year of Job Recovery by Industry | San Diego, California

Construction

Healthcare

Manufacturing

Educational Services

Professional &
Business Services

Financial
Activities

Leisure & Hospitality

Trade, Transportation &
Utilities

Government

2021 or earlier   **2022**   **2023**   **2024+**

LaborIQ®
by ThinkWhy

Recommended Salaries by Job Title & Location

	Customer Support Rep	Registered Nurse	Digital Marketing Manager	Senior Accountant	Software Engineer
Los Angeles	$49	$116	$98	$115	$132
Riverside	$50	$113	$70	$98	$107
San Diego	$50	$116	$92	$113	$130
Austin	$43	$80	$98	$98	$118
New York	$53	$100	$121	$129	$135

Annual Salary (000s) Based on Bachelor's Degree and 4-6 Years of Experience

LaborIQ
ThinkWhy

ThinkWhy.com