



# U.S. Labor Market Performance & Outlook

+ *Pacific Northwest Metro Highlights*

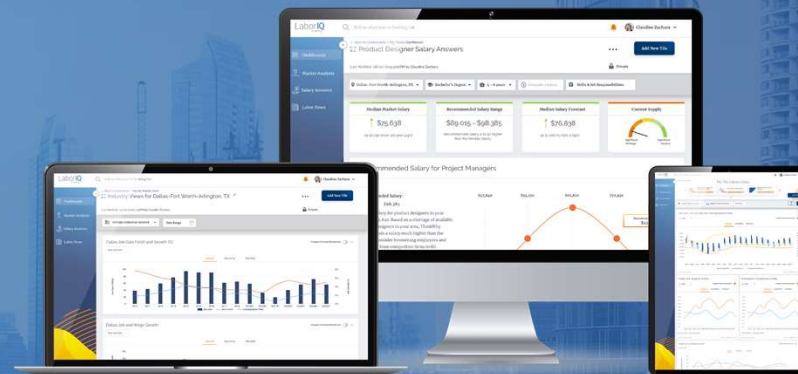
September 2021

LaborIQ<sup>®</sup>  
ThinkWorx



## Talent Intelligence Solutions

Compensation | Retention | Job Market Forecasts



*Unequaled 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.

## Pacific Northwest Metro Areas

Portland-Vancouver-Hillsboro, OR-WA

Seattle-Tacoma-Bellevue, WA

# 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



# 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**

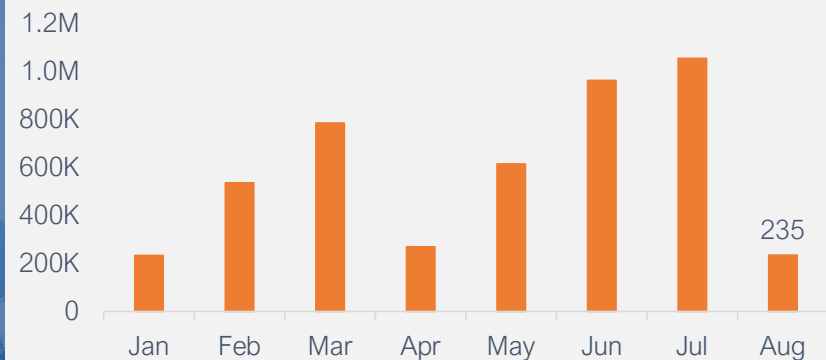
*3.5% below pre-pandemic total employment*

Unemployment Rate

**5.2%**

*Down from peak of 14.8% in April 2020*

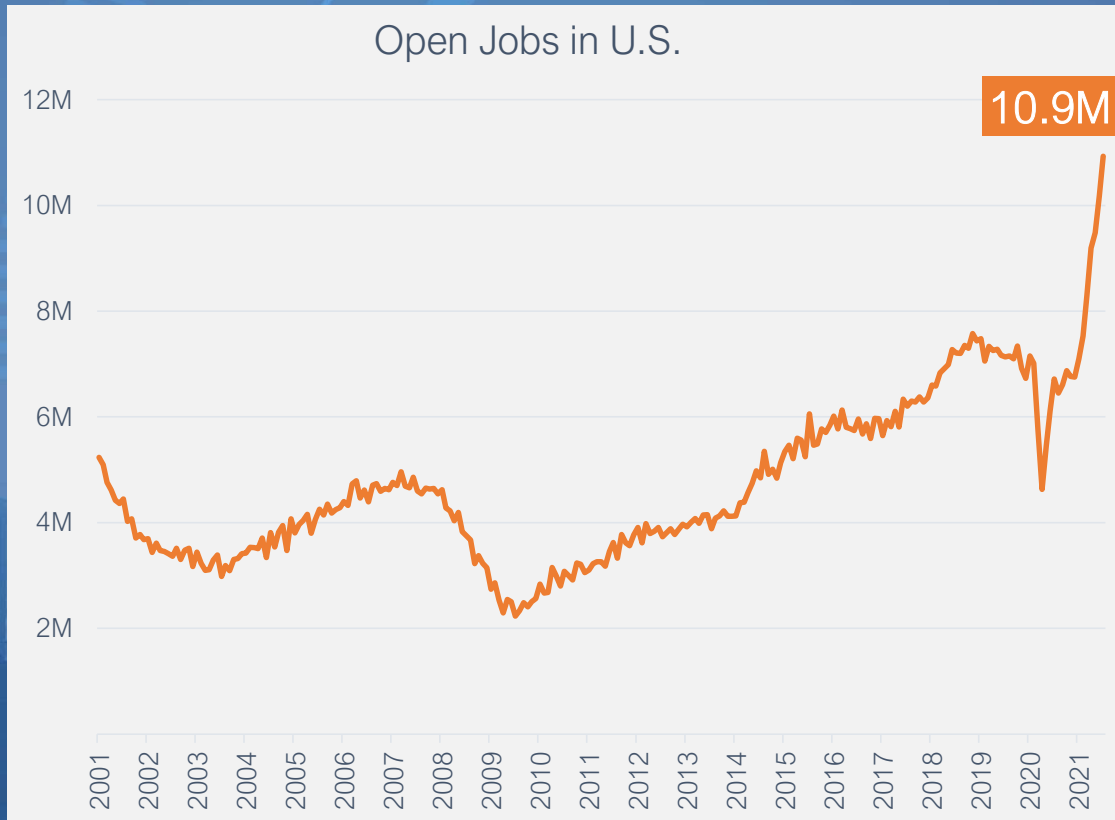
2021 Monthly Job Gain  
(Thousands)



# Year of U.S. Job Recovery by Industry



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



## JOB OPENINGS BY INDUSTRY

1.8M Professional & Business

1.8M Healthcare

1.6M Restaurants & Hotels

1.1M Retail Trade

889K Manufacturing

321K Construction

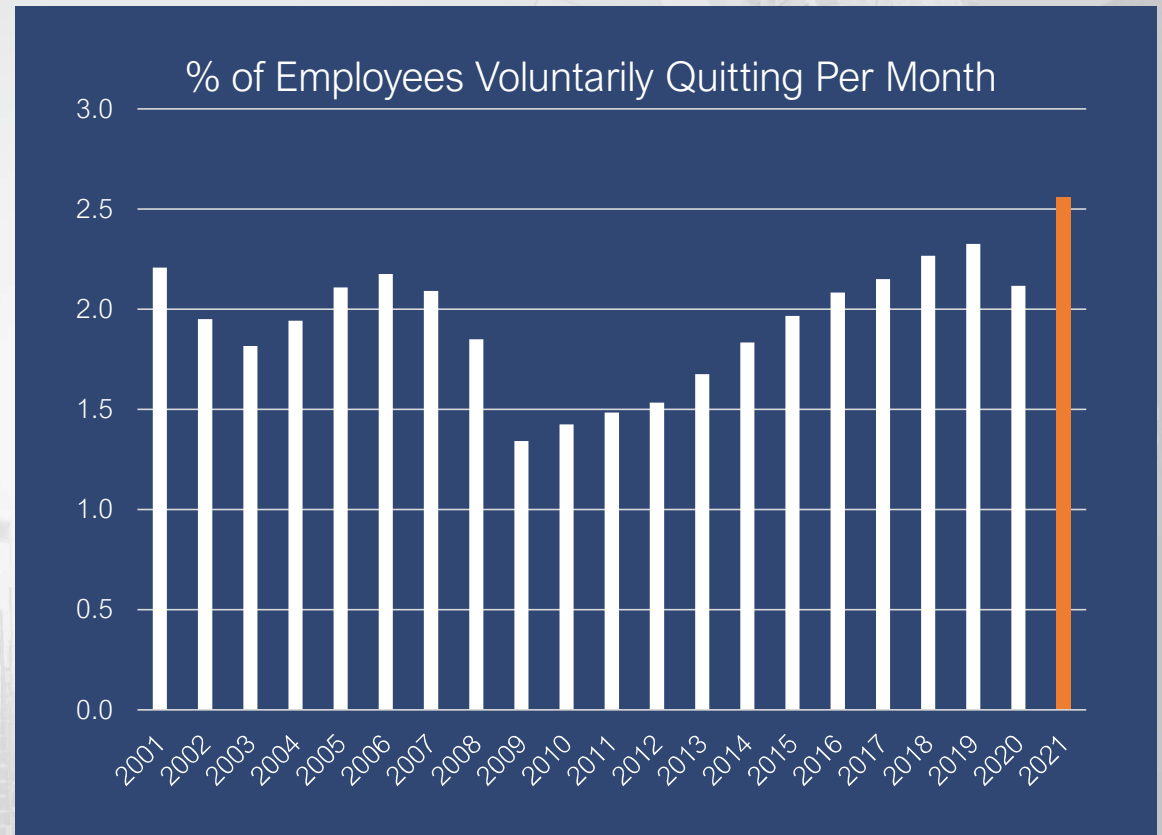
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# Transition of Talent Continues; Voluntary Quits Skyrocket

4.0 million people quit in July  
(2.7% of employment base)

11.5 million quits from May - July

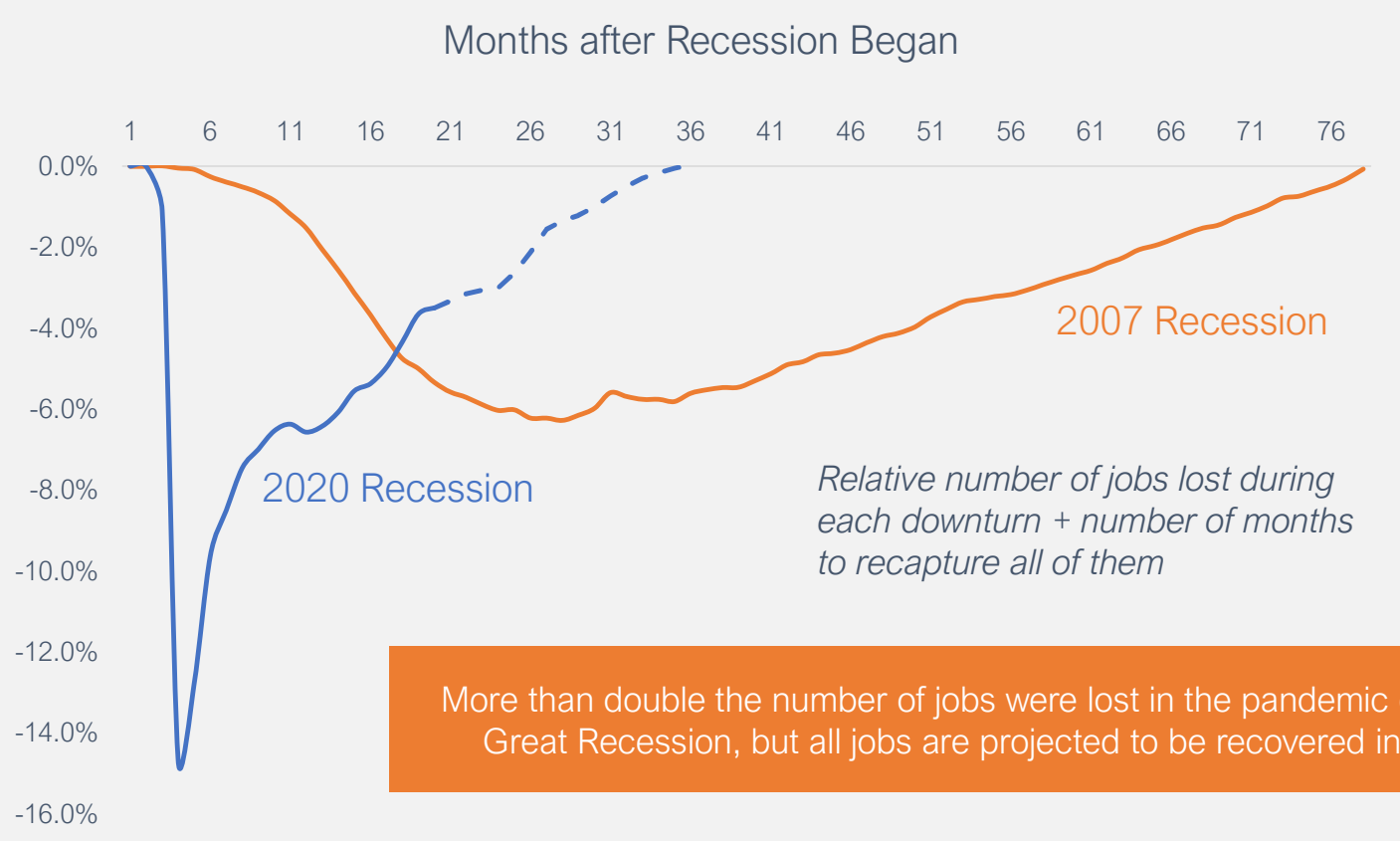
Pace nearly double the rate after  
2009 recession



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



# Job Loss & Recovery vs Great Recession



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.

# 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

# National Labor Market Job Gains



BY INDUSTRY | AUGUST 2021

## GOODS-PRODUCING SECTORS

MANUFACTURING  
**37,000**

MINING & LOGGING  
**6,000**

CONSTRUCTION  
**-3,000**

## SERVICE-PROVIDING SECTORS

PROFESSIONAL &  
BUSINESS SERVICES  
**74,000**

EDUCATION & HEALTH  
**35,000**

TRADE, TRANSPORTATION  
& UTILITIES  
**24,000**

INFORMATION  
**17,000**

FINANCIAL ACTIVITIES  
**16,000**

LEISURE & HOSPITALITY  
**0**

GOVERNMENT  
**-8,000**

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



# 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



# Unemployment Rate by Occupation

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

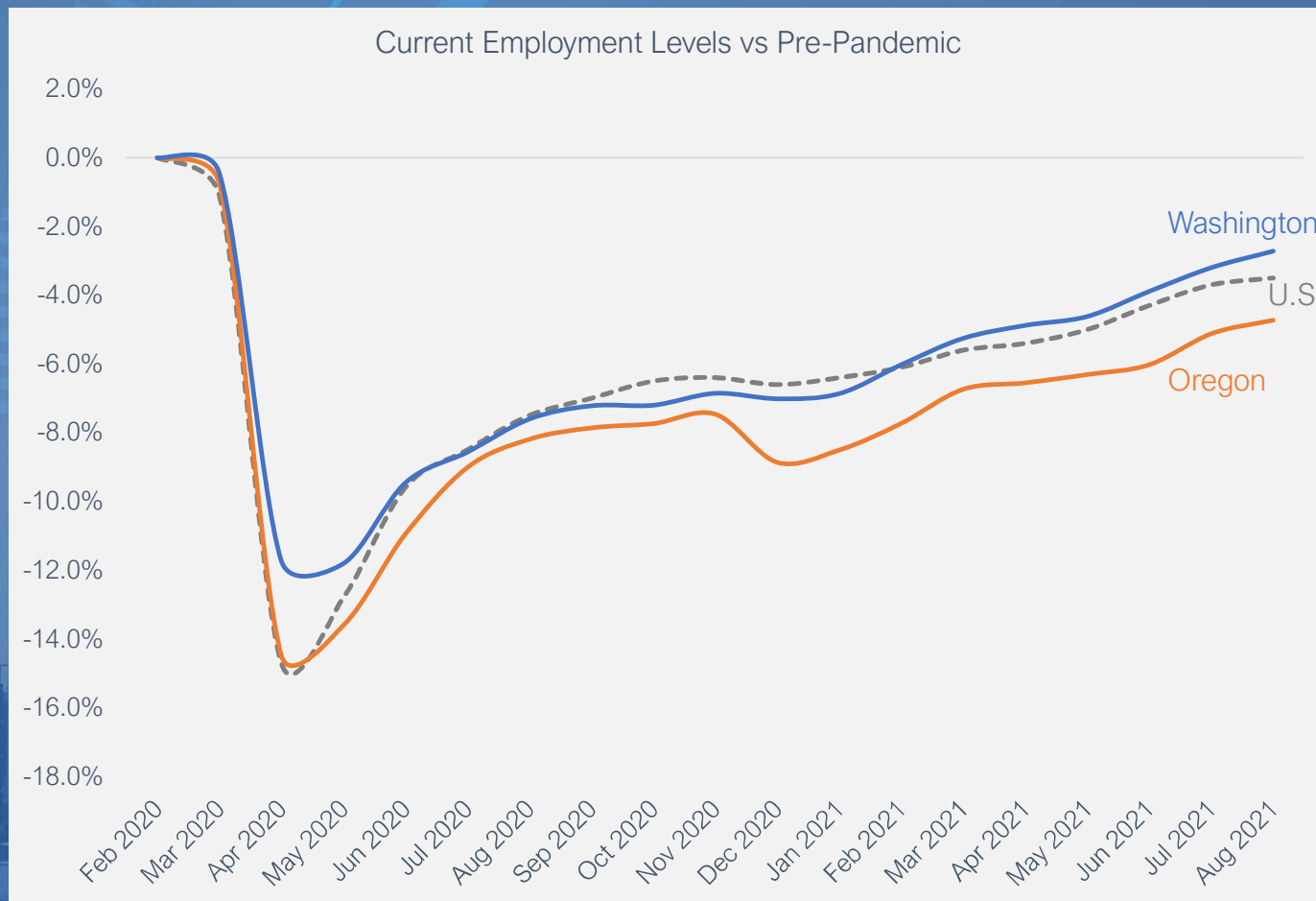
Source: Bureau of Labor Statistics, Non-seasonally adjusted Unemployment Rates

# Pacific Northwest Labor Market Highlights

- ✓ Key Trends
- ✓ LaborIQ® Index
- ✓ Jobs to Recover
- ✓ Recent Job Gains
- ✓ Outlook by Industry



# Pacific Northwest Jobs Recovery Tracking U.S. Average



- The labor market in Washington began accelerating earlier this year and is now outperforming the national average at recouping lost jobs. Oregon has been lagging.
- Oregon employment declined 14.5% and is now within 5% of pre-pandemic levels
- Washington employment declined 11.8% and is now within 3% of pre-pandemic levels



# Recovery Timeline | U.S. & Key State Metros

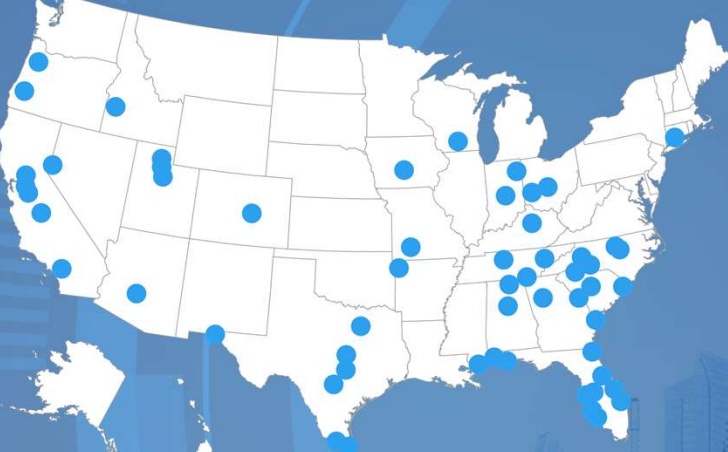
2021	2022	2023	2024	2025+
Austin	Atlanta	Chicago	Boston	Eugene
Phoenix	Charlotte	Denver	Las Vegas	New Orleans
Salt Lake City	Dallas	Houston	Los Angeles	
	Nashville	Portland ♦	New York	
	Sacramento	San Jose	Orlando	
	Salem	Seattle ♦	San Francisco	
		Spokane		
		U.S.		
		Washington, D.C.		

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



# The Return to Pre-Pandemic Employment Levels

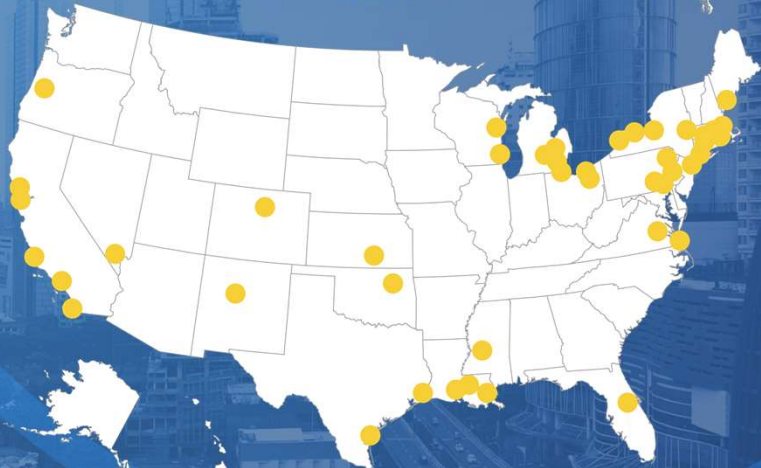
2022 or Earlier



2023



2024+



Sources: LaborIQ®

# Labor Market Highlights | Portland, Oregon



- All jobs recovered by 2023, along with the national recovery timeline
- Some industries, such as Financial Activities and Professional & Business Services are much stronger than others and will be fully recovered by the end of 2021; talent supply will be tight in those industries because they rebounded so quickly
- Over 100K total jobs projected to be added from 2022-2025

## Index Ranking

**29**

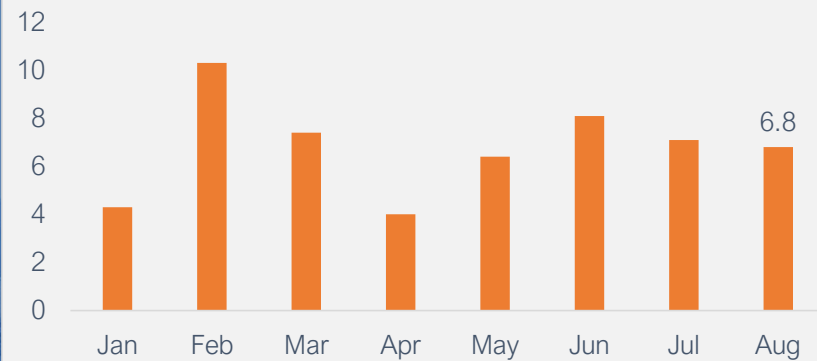
Out of 150 metros;  
Ranked 57 a year ago

## Jobs to Recover

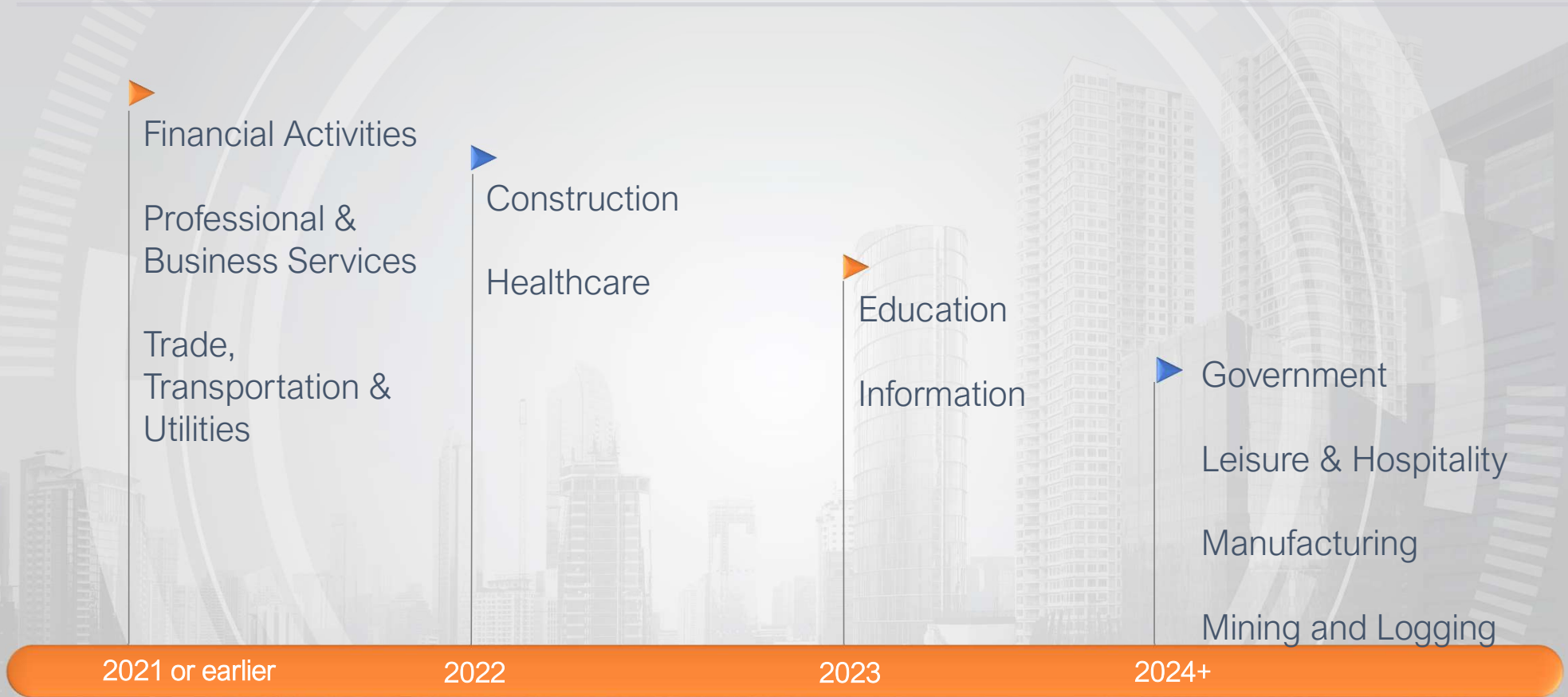
**61.6K**

5.0% below pre-pandemic  
total employment

Monthly Job Gain  
(Thousands)



# Year of Job Recovery by Industry | Portland, Oregon





# Labor Market Highlights | Seattle, Washington



- Big jump in LaborIQ® Index due to job gains, but there is a wide variance in recovery timelines based on industry
- Among the highest hourly wages in the nation, which can be attractive for job candidates but challenging for remote work
- Population growth through 2026 is 3x the national average, making it easier to source talent locally

## Index Ranking

10

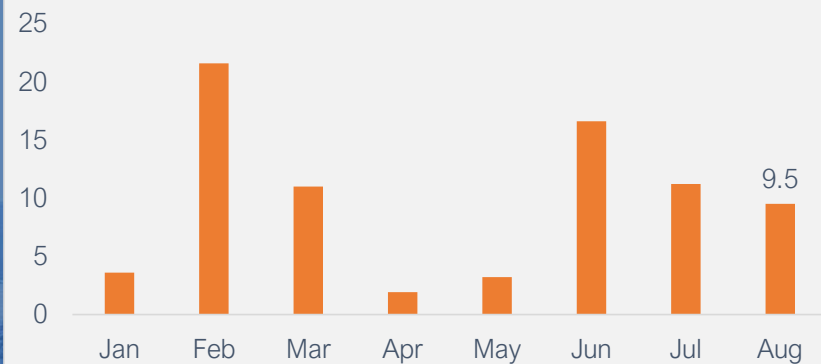
Out of 150 metros;  
Ranked 63 a year ago

## Jobs to Recover

82.6K

3.9% below pre-pandemic  
total employment

Monthly Job Gain  
(Thousands)





# Year of Job Recovery by Industry | Seattle, Washington



# Recommended Salaries by Job Title & Location

	Customer Support Rep	Registered Nurse	Digital Marketing Manager	Senior Accountant	Software Engineer
Portland	\$54	\$96	\$102	\$107	\$141
Seattle	\$50	\$102	\$82	\$101	\$120
Austin	\$43	\$80	\$98	\$98	\$118
Los Angeles	\$49	\$116	\$98	\$115	\$132
New York	\$53	\$100	\$121	\$129	\$135
San Francisco	\$61	\$145	\$124	\$127	\$157

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

Salary is lowest across metros listed

Source: LaborIQ®; Based on 4-6 years of experience and a minimum of a bachelor's degree, Salaries as of September 2021

A grayscale photograph of a dense cityscape, likely New York City, featuring numerous skyscrapers and buildings. Overlaid on the image is a light gray network diagram consisting of interconnected nodes and lines, resembling a data or communication network. The text 'ThinkWhy.com' is centered in the image, underlined.

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