

TCA Monthly Employment Snapshot

April 2022 Report

May 6, 2022



Top Expanding Sectors

- Trade, Trans, & Util: 104k
- Leisure & Hosp: 78k
- Education & Health: 59k
- Manufacturing: 55k
- Professional & Bus: 141k

Consumer Sentiment

59.4 (-340 bps)

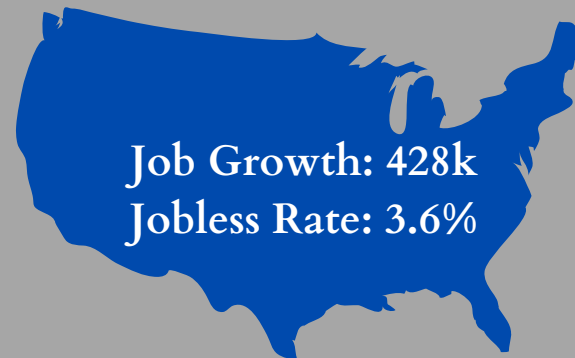
March's data is a retreat back to the lowest figure since August 2011.

PMI

55.4% (-170 bps)

Respondents indicate that demand remains strong but rising prices and labor shortages caused by increased turnover are creating headwinds.

Sources: Bureau of Labor Statistics
Institute of Supply Management
University of Michigan

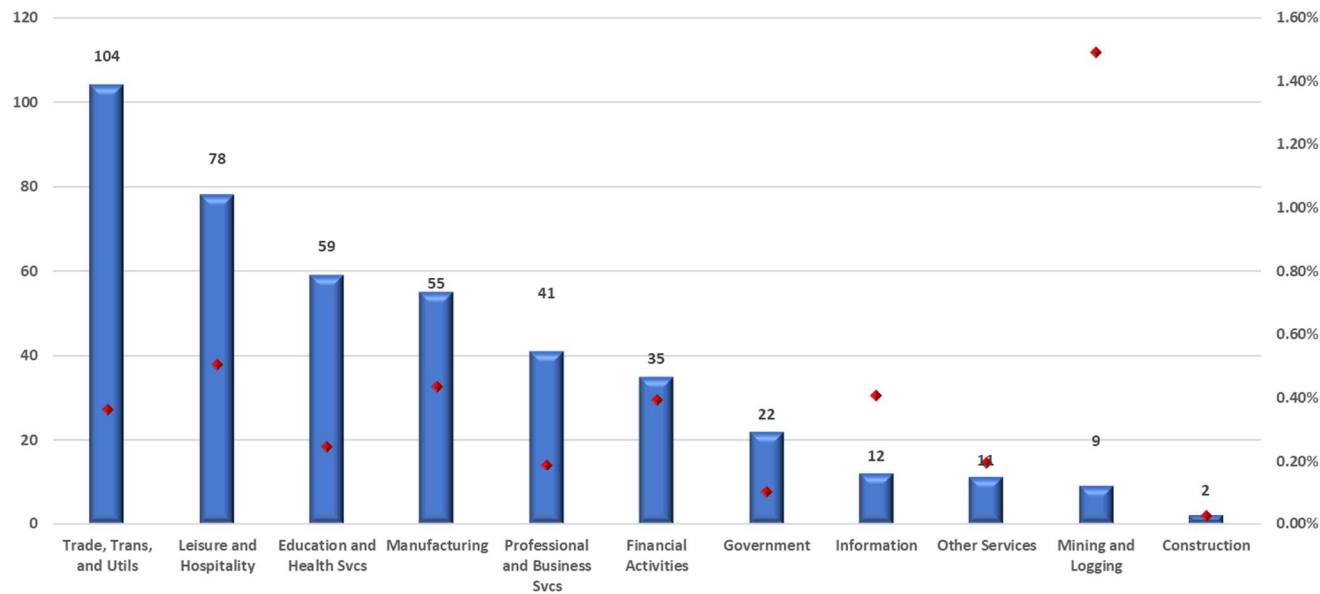


Job Growth: 428k
Jobless Rate: 3.6%

Economic Highlights

- April employment growth was above expectations (380k).
- Trade, transportation, and utilities grew by 104,000 jobs.
- Unit labor costs increased by 11.6% (annual rate) in 2022Q1.
- 2022 Forecast: 330,000 jobs/month.

National Employment Growth by Sector (Apr 2022)



Source: Bureau of Labor Statistics
Jobs are in thousands

■ Jobs (Lf) ◆ M/M Job Growth (Rt)



US employment growth (428,000 jobs) came in above expectations of 380,000 jobs in April 2022. Every super sector recorded gains in the April data release. Trade, transportation, and utilities (104,000 workers) was the largest-gaining sector. Retail trade rose by 29,300 workers and is currently 1.8% above pre-recession levels. Leisure and hospitality increased by 78,000 jobs in April. The sector is still 1.3 million jobs away from its pre-recession level. Manufacturing added 55,000 workers in April and has recorded positive employment growth for the twelfth consecutive month. Nondurables (24,000 jobs) was the dominant subcategory in the recent report. The April PMI registered at 55.4% (down 170 bps month-over-month). Respondents indicate that while demand remains strong, inflation and labor shortages resulting from increased turnover are causing headwinds. The US economy averaged employment growth of 562,000 in 2021. We expect US employment growth to average 330,000 jobs in 2022.

US Labor Market Snapshot (March 2022)												
Variable	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2022 YTD	Difference from Jan '20
Population (Civilian, Non-Inst.)	261,003	261,103	261,210	261,338	261,469	261,611	261,766	261,908	262,029	262,136	263,323	1.5%
Total Employment	144,431	144,694	145,141	145,698	146,387	146,904	147,328	148,005	148,652	149,162	150,388	-1.1%
Full-Time Employment	125,959	126,279	126,514	126,211	127,473	127,340	128,076	128,409	129,388	130,191	131,896	0.8%
Part-Time Employment	25,158	25,046	25,189	25,488	25,310	25,739	25,772	25,903	25,956	25,681	25,840	-6.3%
Unemployment Rate	6.0%	6.0%	5.8%	5.9%	5.4%	5.2%	4.7%	4.6%	4.2%	3.9%	3.8%	30 bps
Underutilization Rate	10.7%	10.3%	10.1%	9.8%	9.2%	8.8%	8.5%	8.2%	7.7%	7.3%	7.1%	20 bps
Employment/Population Ratio	57.8%	57.9%	58.0%	58.0%	58.4%	58.5%	58.8%	58.9%	59.3%	59.5%	59.9%	-120 bps
Labor Force Participation Rate	61.5%	61.7%	61.6%	61.6%	61.7%	61.7%	61.7%	61.7%	61.9%	61.9%	62.3%	-110 bps
Not in Labor Force	100,372	100,125	100,409	100,224	100,094	100,106	100,294	100,298	99,902	99,842	99,295	4.5%

Source: US Bureau of Labor Statistics

Note: Population, employment, and "Not in Labor Force" data are in thousands.

The US labor market remained tight in the April report. The unemployment rate remained at 3.6% in April. However, the labor force participation rate fell by 20 bps in the recent report. Also, persons not in the labor force rose by 478,000 people. Full-time employment contracted in April while part-time employment recorded an increase. Inflation and wage growth are becoming an increasing concern in our viewpoint. Unit labor costs rose by 11.6% in 2022Q1 and labor costs are set for continued robust growth for the remainder of 2022. We expect that elevated fuel and labor costs will provide headwinds to consumer spending and economic growth. We also expect muted employment growth in the second half of 2022.