

Appcast Accommodation and Food Services Snapshot

Services Demand Causes Steady Wage and
Employment Growth

November 2022



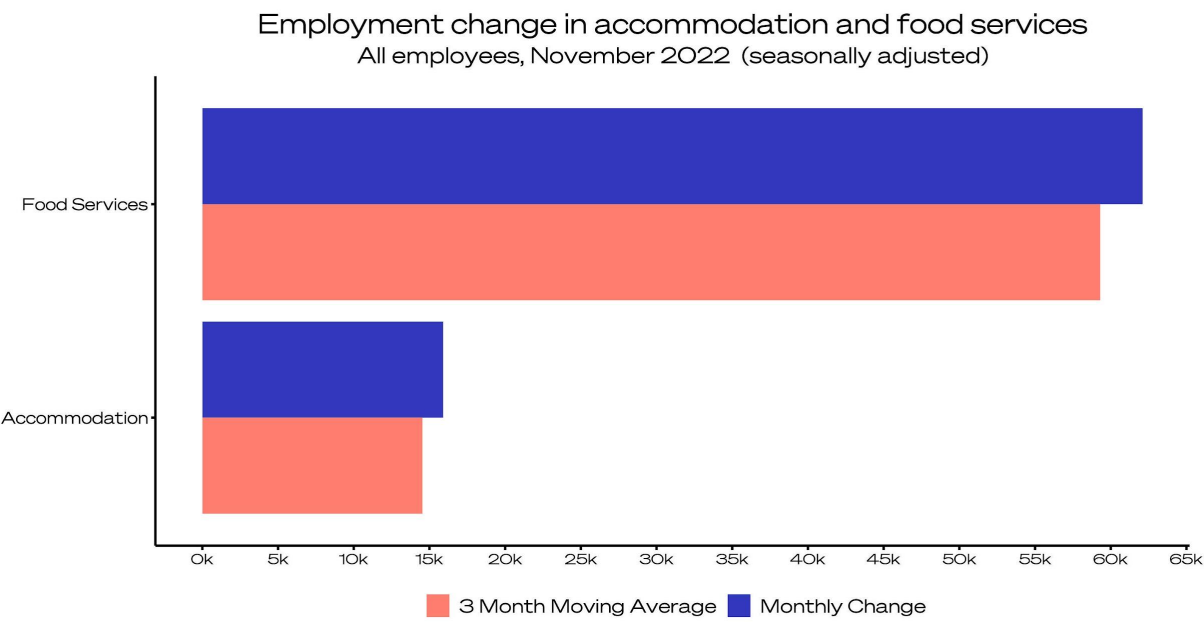
Economy-wide breakdown:

- The U.S. economy added 263,000 jobs in November, which was above market expectations. The unemployment rate was unchanged at 3.7%, near a historic low. Once again, the labor market's strength defied challenges in the overall economy.
- Beyond the welcome headline numbers, however, the latest jobs report featured two key causes for concern. First, the labor force participation rate declined for a third straight month; the rate for the prime-age working population now sits at 82.4%. The U.S. has yet to return to worker supply levels seen before February 2020.
- Second, wage growth reversed trend substantially after months of moderation – an interesting and potentially alarming development. Potentially is the key word – the reasons for the reversal are still unclear. One possibility is that job losses in lower-paying industries (like Retail) artificially increased average hourly wages.
- The labor market, though still strong, is suffering from a hangover of a tight labor market. Too-strong wage gains and stubbornly low participation rates make for a concerning report for recruiters and the Fed alike.
- [Read our economy-wide breakdown of the November numbers.](#)



Employment Trends in Accommodation and Food Services

November employment gains continued at a steady drum beat of 78,000 new jobs. Food Services produced the bulk of new hires at 62,100, while Accommodation gained a moderate 15,900. Consumer demand shifts from goods to services is changing the makeup of large industries in the U.S. economy. While service-based industries like Accommodation made gains, industries dependent on solid goods demand, like Retail and Transportation and Warehousing, lost employment in November.

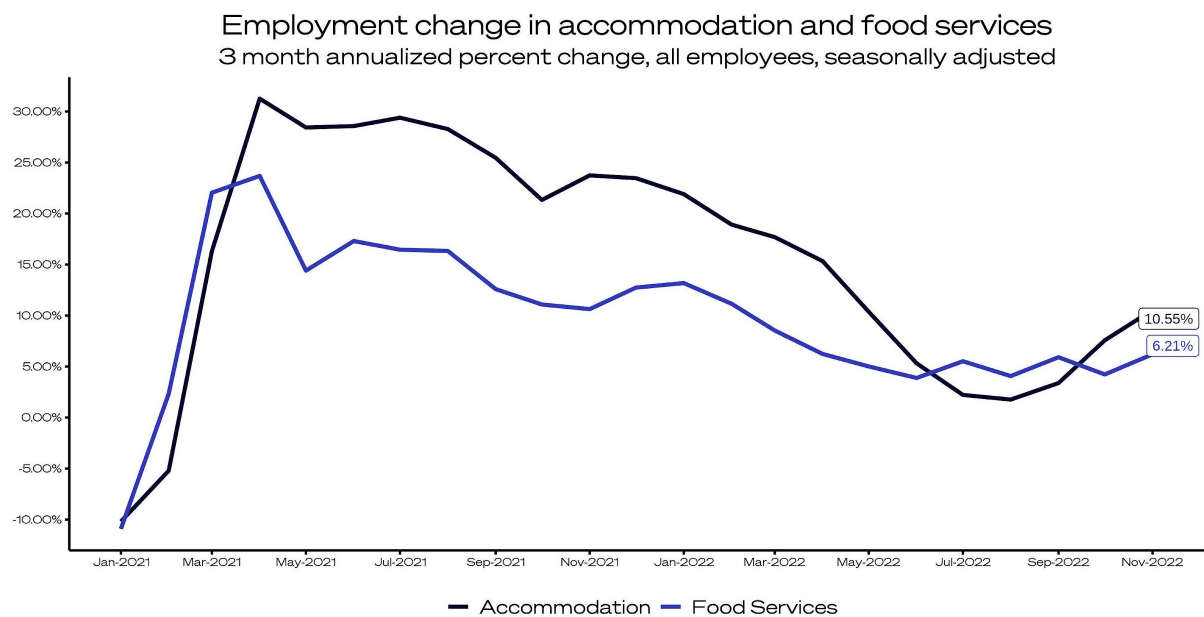


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Employment Trends in Accommodation and Food Services

After a long period of slowing growth, it appears employment is on the rebound. Accommodation is now at 10.55%, 3-month annualized, while food services is at 6.21%.

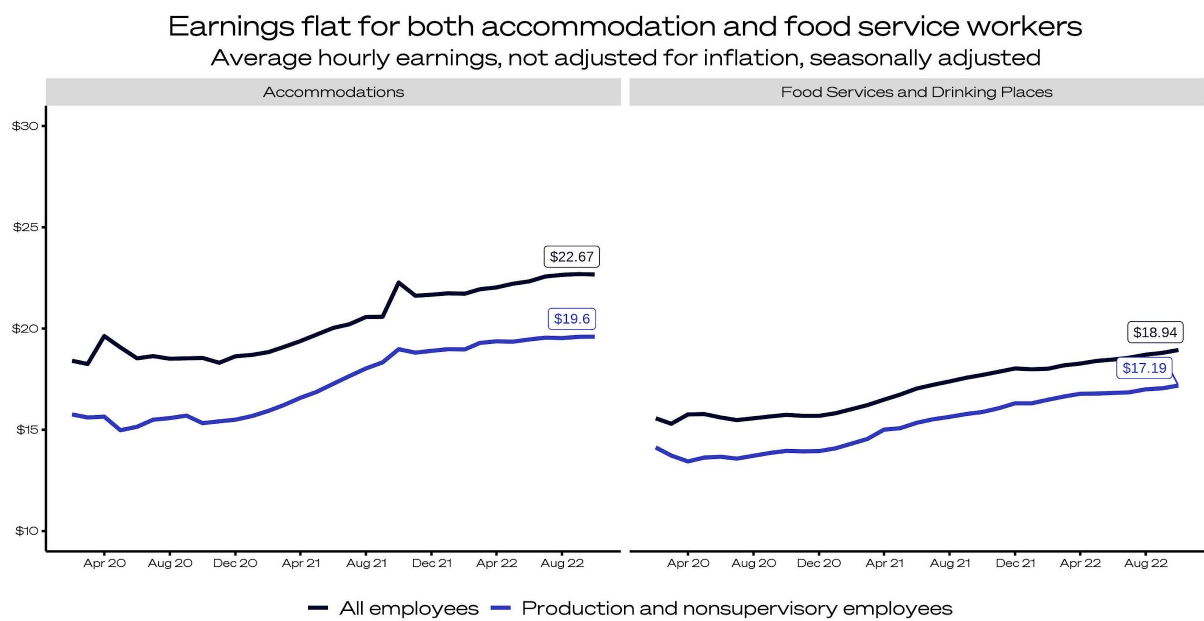


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Wage Trends in Accommodation and Food Services

Nominal average hourly earnings for non-managers in Food Services is relatively flat at \$17.19. Rank-and-file workers in the Accommodation sector are also experiencing slowing wage gains, now at \$19.60. The gap between managers' pay and their own continues to widen.



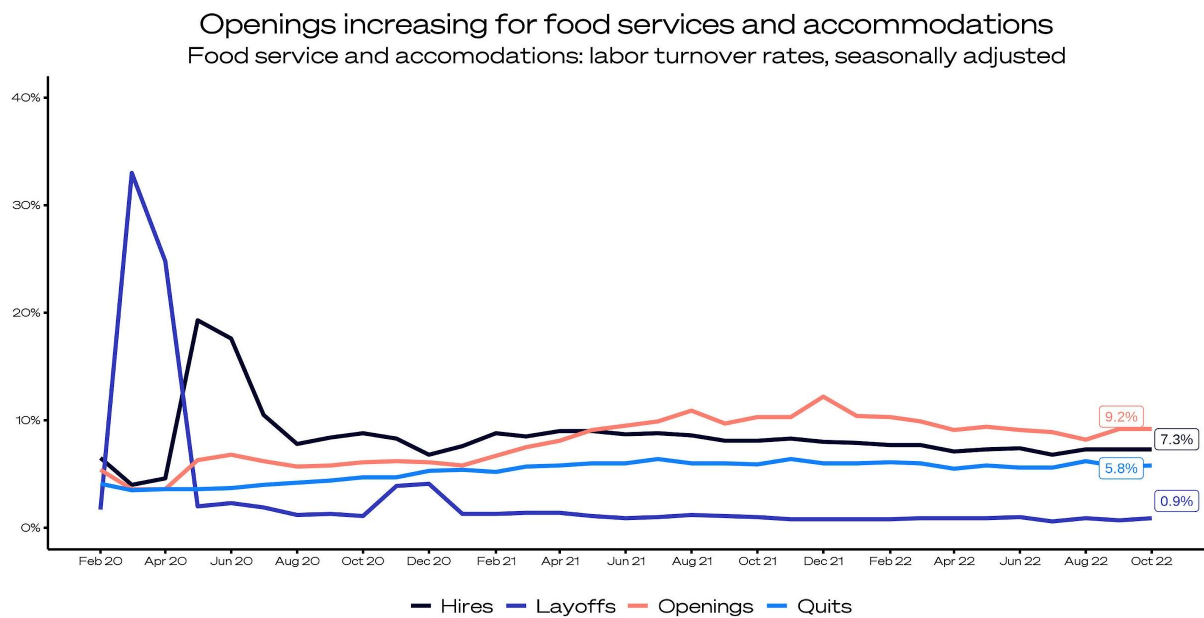
Source: Bureau of Labor Statistics; Created on Dec 06 2022



Openings and Turnover Trends in Accommodation and Food Services

After a surprising rebound in September, job openings declined in October. Several large industries experienced a sizable decline in job postings, while in accommodation and food services, they remain elevated at 9.2%.

This again, points to the seismic shift away from goods to services. Consumer demand is propping up the demand for workers. There was no noticeable change in hires, layoffs, or quits.



Source: Bureau of Labor Statistics; Created on Dec 05 2022



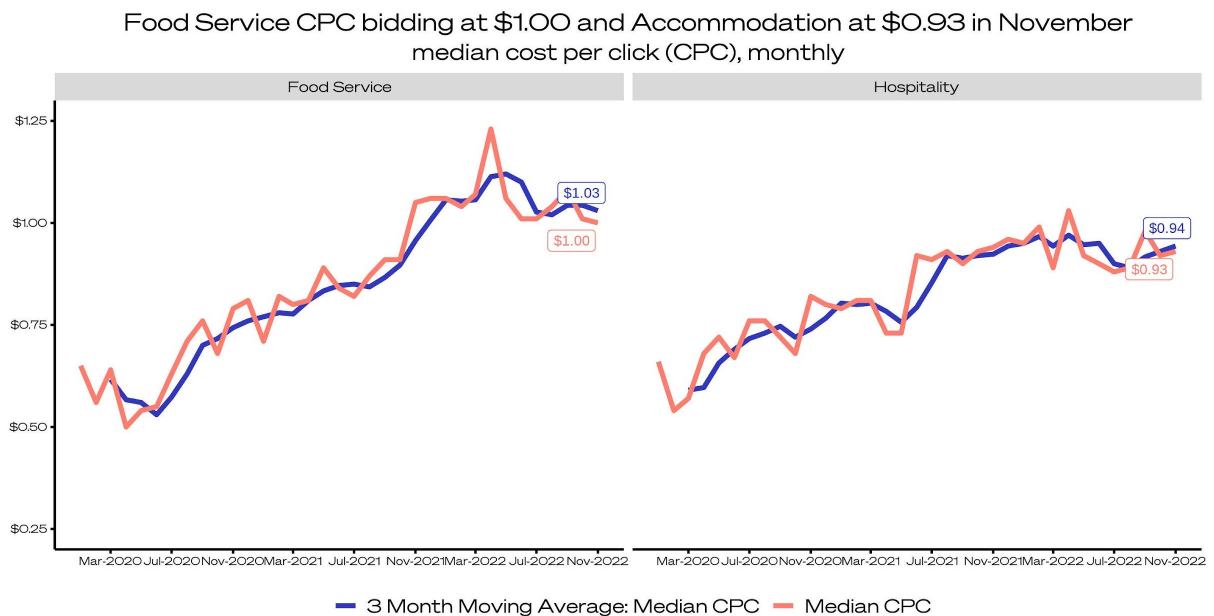
Recruitment Marketing Trends in Accommodation and Food Services

Competition for workers continues to be strong, which keeps recruitment costs elevated. Both cost-per-click and cost-per-application did not see any noticeable declines in November.

Median cost-per-click (CPC) was flat for both food services and hospitality (Appcast's analogue for the Bureau of Labor Statistics definition of Accommodation). CPC may have reached its peak in the first half of the year but a sizable decline still has yet to be seen.

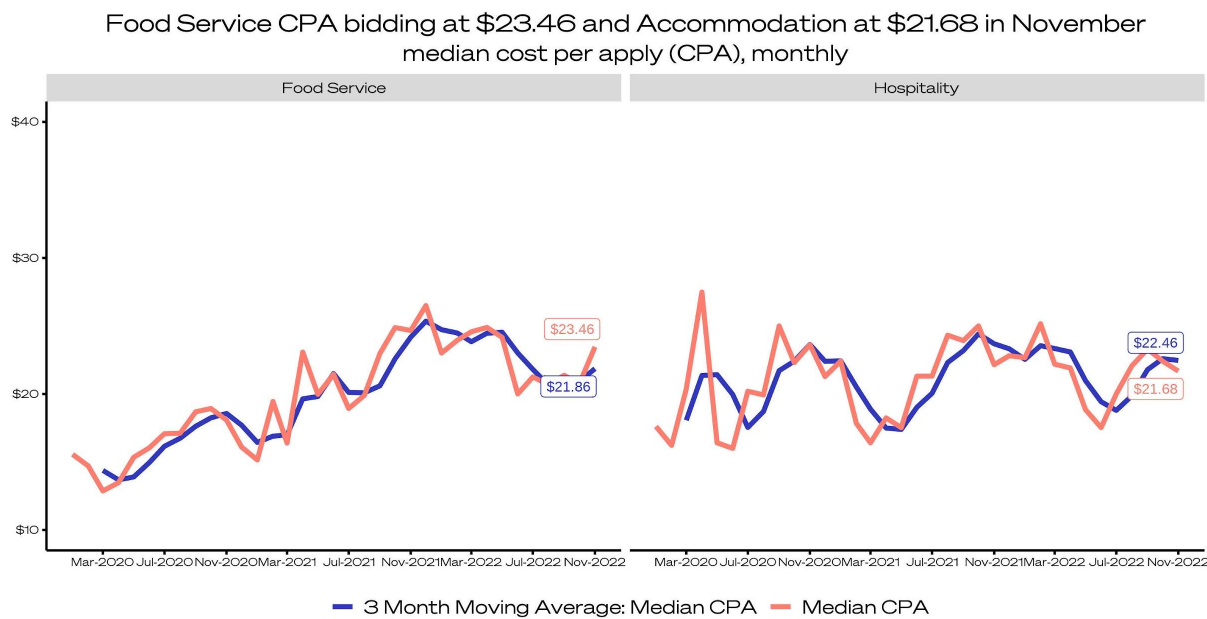
Apply rates have continued their steady descent, with the three-month moving average decreasing to 4.77% for Food Services job ads and 4.55% for Accommodation. This declining trend started this summer and continues into the seasonal hiring period.

Cost-per-application in food services had a noticeable uptick in November to \$23.46. CPA for the Hospitality industry was flat at \$21.68 in November. With ongoing broader economic headwinds, recruitment costs for this industry remain elevated.

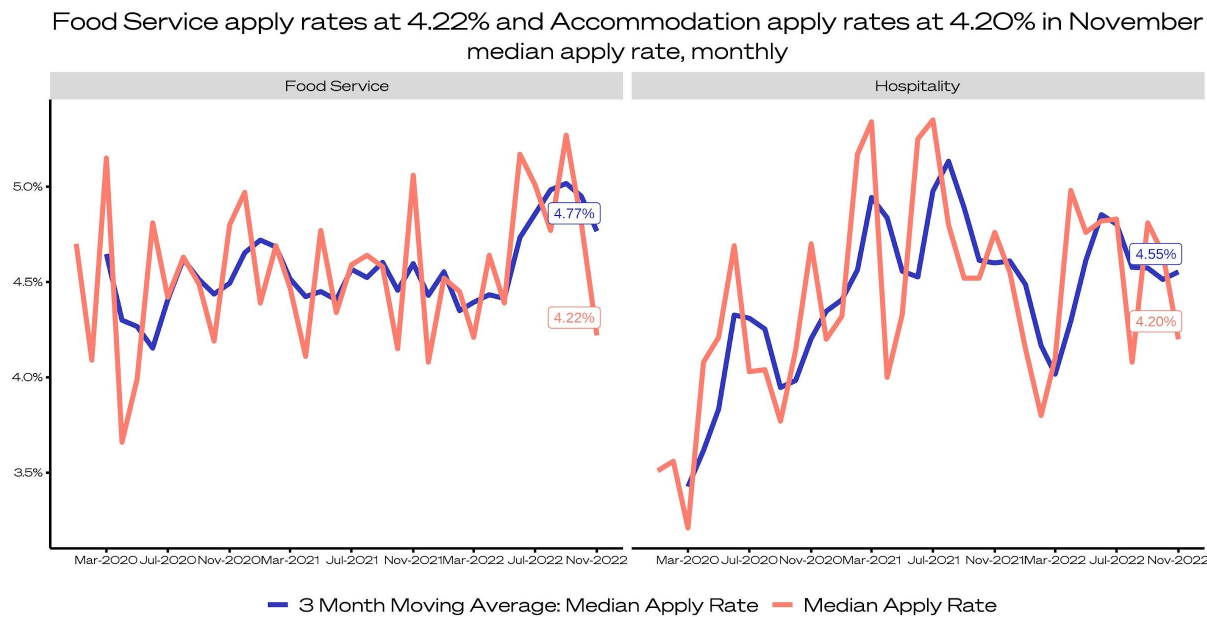


Source: Appcast; Created on Dec 05 2022

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What does this mean for Accommodation and Food Services?

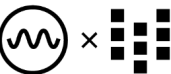
Employment gains in Accommodation and Food Services were robust in November. When considering the broader labor market, they look even better. The sector made impressive gains while good-related industries faltered and saw wage gains moderate while earnings popped elsewhere in the economy. For recruiters in this industry, the promising news is traditional competitor industries like Warehousing and Retail are losing employment, which could translate to a larger applicant pool.

Steady employment growth is slowly closing the gap between pre-COVID headcount, where 800,000 employees are still missing from this industry. Going into 2023, this will be a crucial data point to watch, as it would indicate that the worker deficit will have finally recovered.



Thank you

Why Recruitonomics?



Recruitonomics is a hub for data-driven research, powered by Appcast, that aims to make sense of our evolving world of work. Combining labor economics and recruitment best practices, Recruitonomics seeks to bring clarity to the chaos of a changing economic landscape.

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