

Appcast Finance & Insurance Snapshot

Positive Growth Despite Economic Headwinds

November 2022



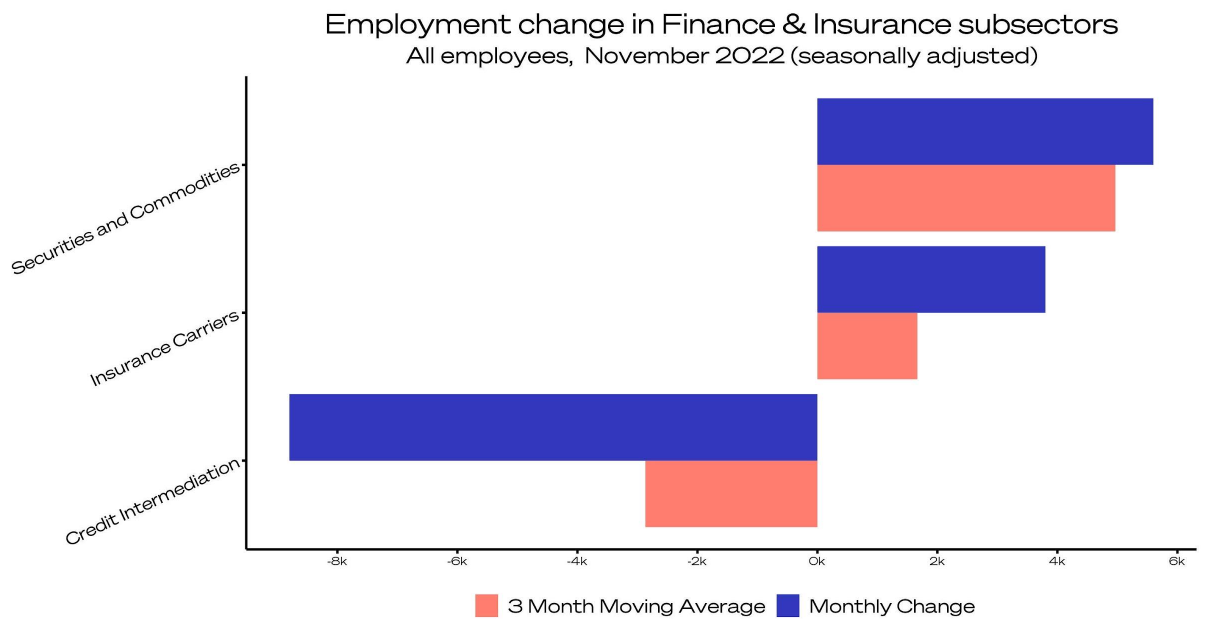
Economy-wide breakdown:

- 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 Finance and Insurance

Finance and Insurance added a mere 700 jobs this month; however, October's employment numbers were revised up from 12,400 to 16,600. [New housing starts, permits and completions](#) – traditional drivers of growth for this industry – all fell in November.

Furthermore, the Federal Reserve is anticipated to raise interest rates an additional 50 basis points mid-month, signaling that economic activity is still too hot for Jerome Powell and policy-makers' appetites.

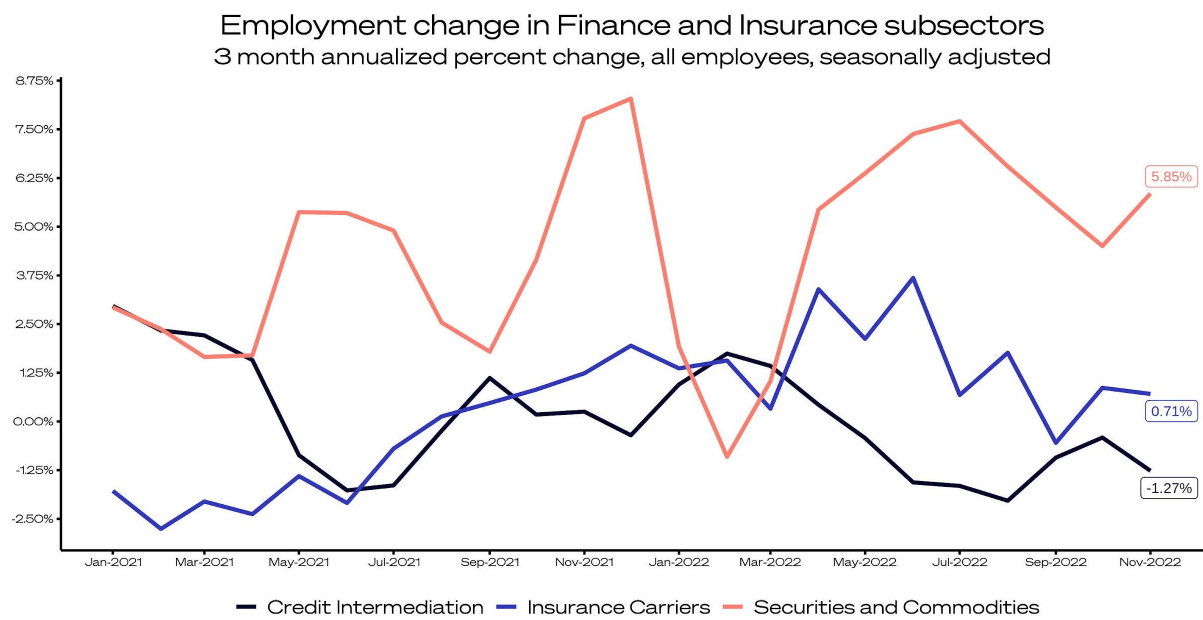


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Employment Trends in Finance and Insurance

After several months of slowing, Securities and Commodities jobs had a nice rebound up to 5.85% annualized growth over a three-month period. Credit Intermediation jobs have negative annualized growth, at -1.27%. Insurance jobs have been below 1% growth for several months now, at 0.71%.

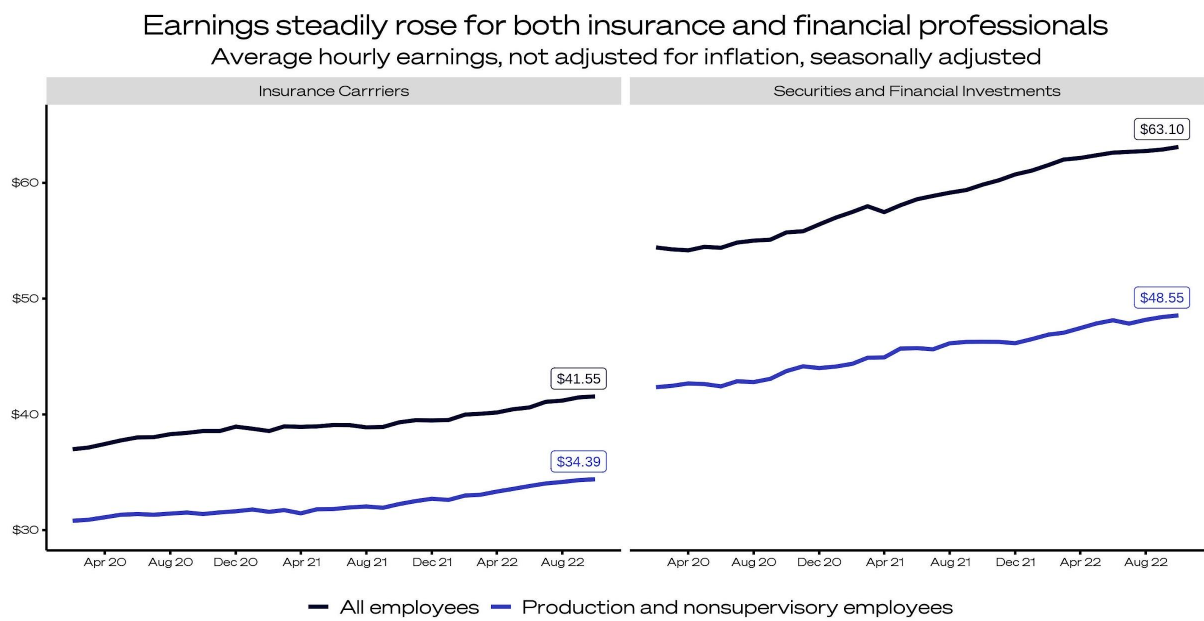


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Wage Trends in Finance and Insurance

After strong wage gains throughout 2021 and early 2022, growth appears to be moderating. Securities and finance professionals saw their average hourly earnings tick up slightly to \$63.10, while insurance professionals' wages increased twenty cents to \$41.55.

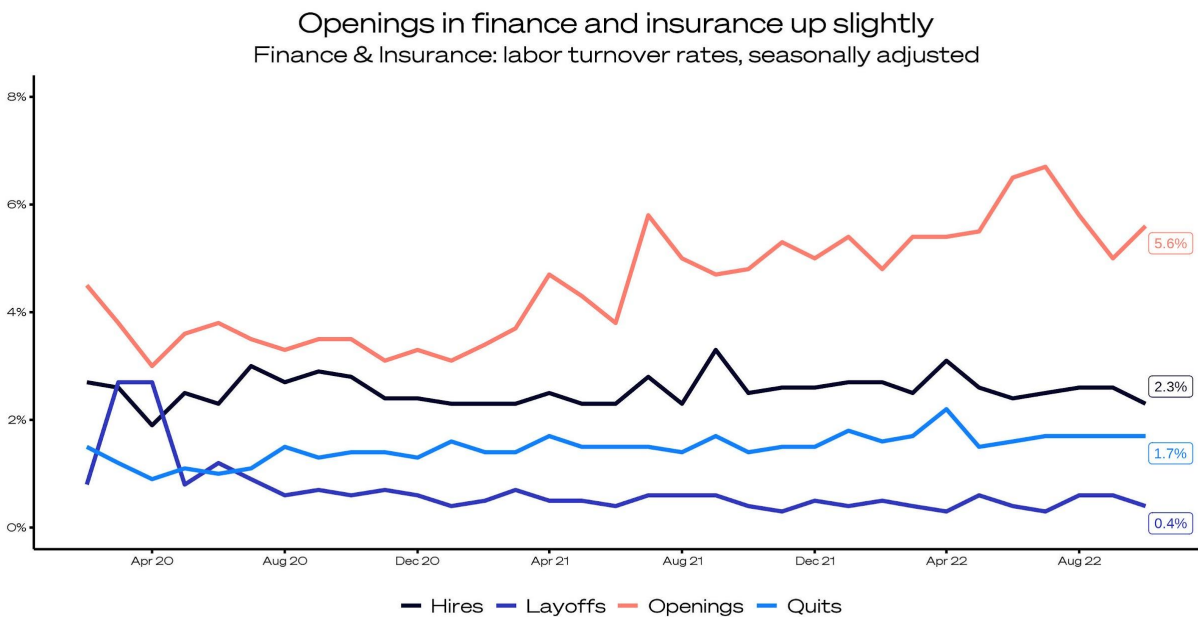


Source: Bureau of Labor Statistics; Created on Dec 07 2022



Openings and Turnover Trends in Finance and Insurance

The job openings rate had a surprising increase to 5.6%, despite slow employment growth. Both the hires and layoffs ticked down to 2.3% and 0.4% respectively. Quits had remained steady at 1.7%, with little change since the first half of this year.



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

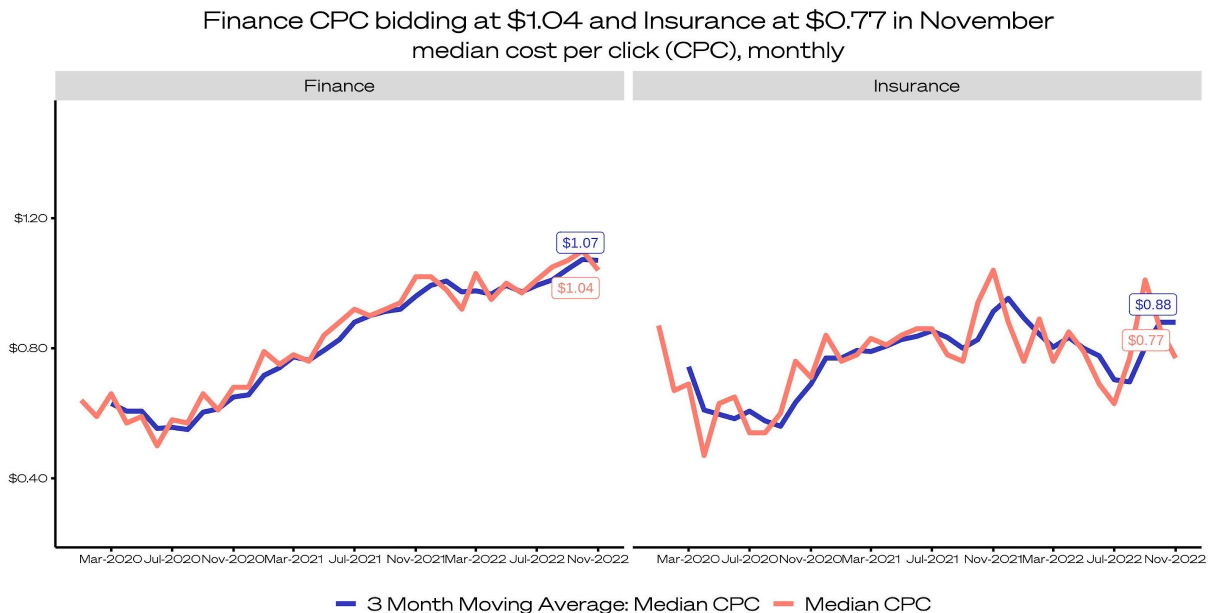


Recruitment Marketing Trends in Finance and Insurance

As we noted in our October edition of the Labor Market Snapshot, we posited that recruitment costs could be a leading indicator for labor market metrics. Looking at November's data, there wasn't that much movement month-over-month, neither was there for employment data. This of course may be a coincidence; however, we will continue to monitor this into 2023.

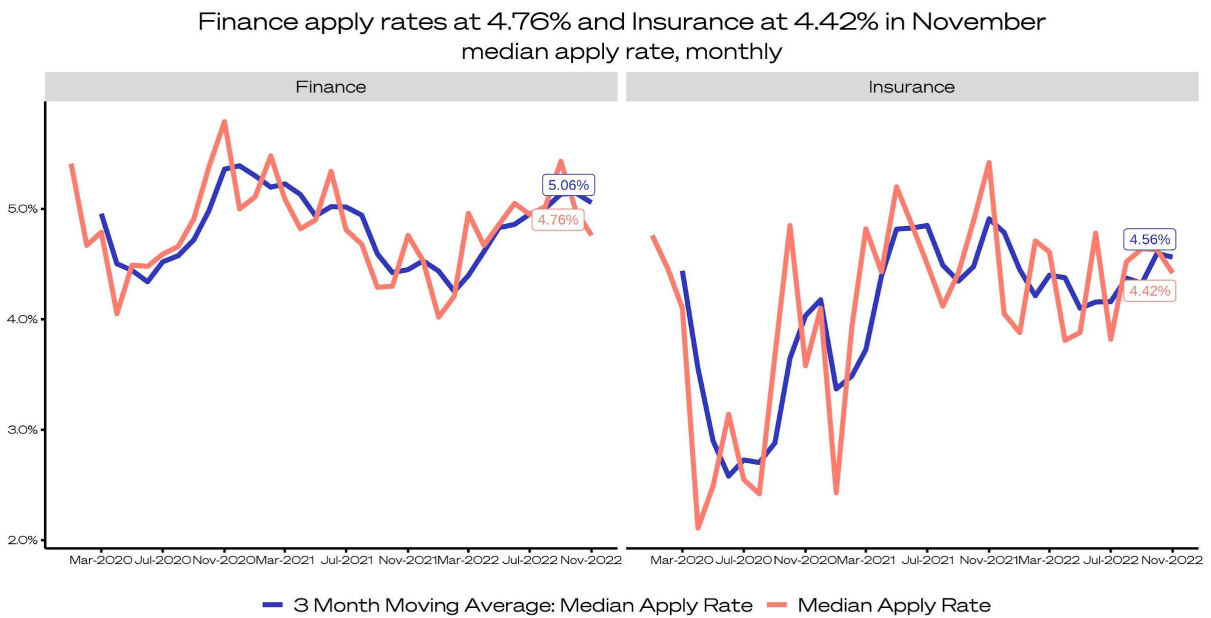
The median cost-per-click (CPC) for Finance was down slightly to \$1.04 in November. For Insurance, there was a more substantial movement down to \$0.77.

Cost-per-application (CPA) was fairly flat in November. Insurance CPAs fell to \$18.19 and Finance's ticked up to \$21.92. Apply rates have ticked down in November, down to 4.76% in Finance and 4.42% in Insurance.

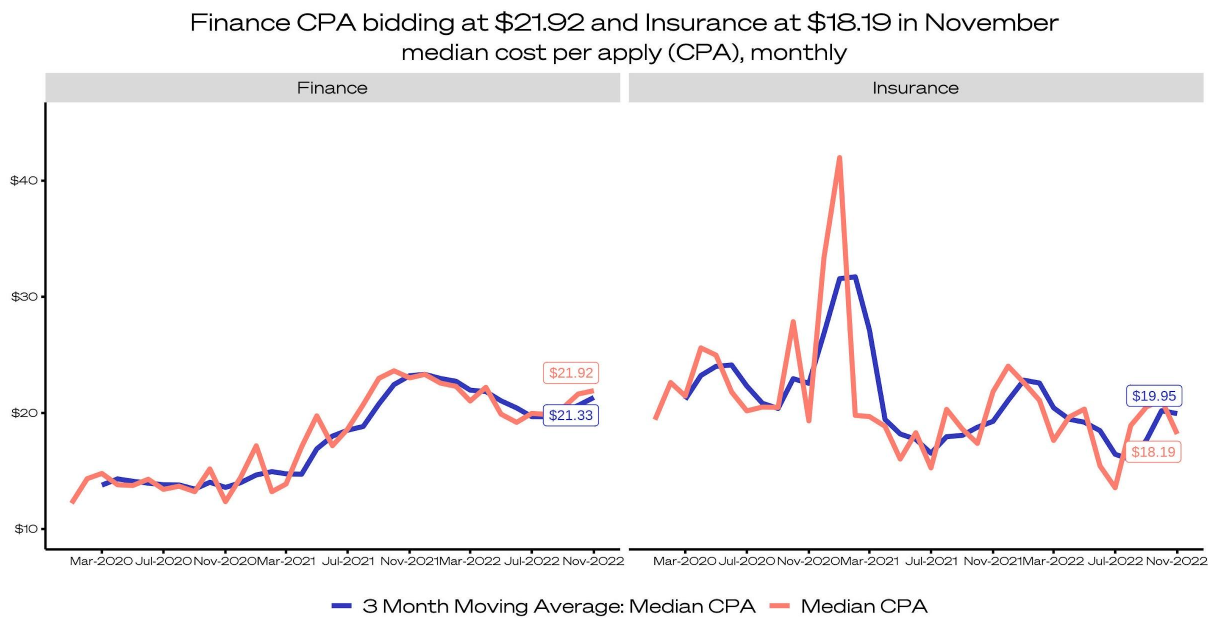


Source: Appcast; Created on Dec 05 2022

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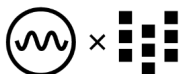


What does this mean for Finance and Insurance?

October's positive revisions are good news given the mere 700 new jobs added this month for Finance and Insurance. As we head into the new year, market analysts will pay close attention to December's inflation numbers, as they will indicate the path the Federal Reserve will take in 2023. If inflation continues to cool, there could be a chance of interest rate cuts as early as 2023. If inflation has a surprising upside, the risk of another 75 basis point increase strengthens. The Fed's rate cycle won't end until inflation is within their target and that date will have a big impact on this industry.

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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