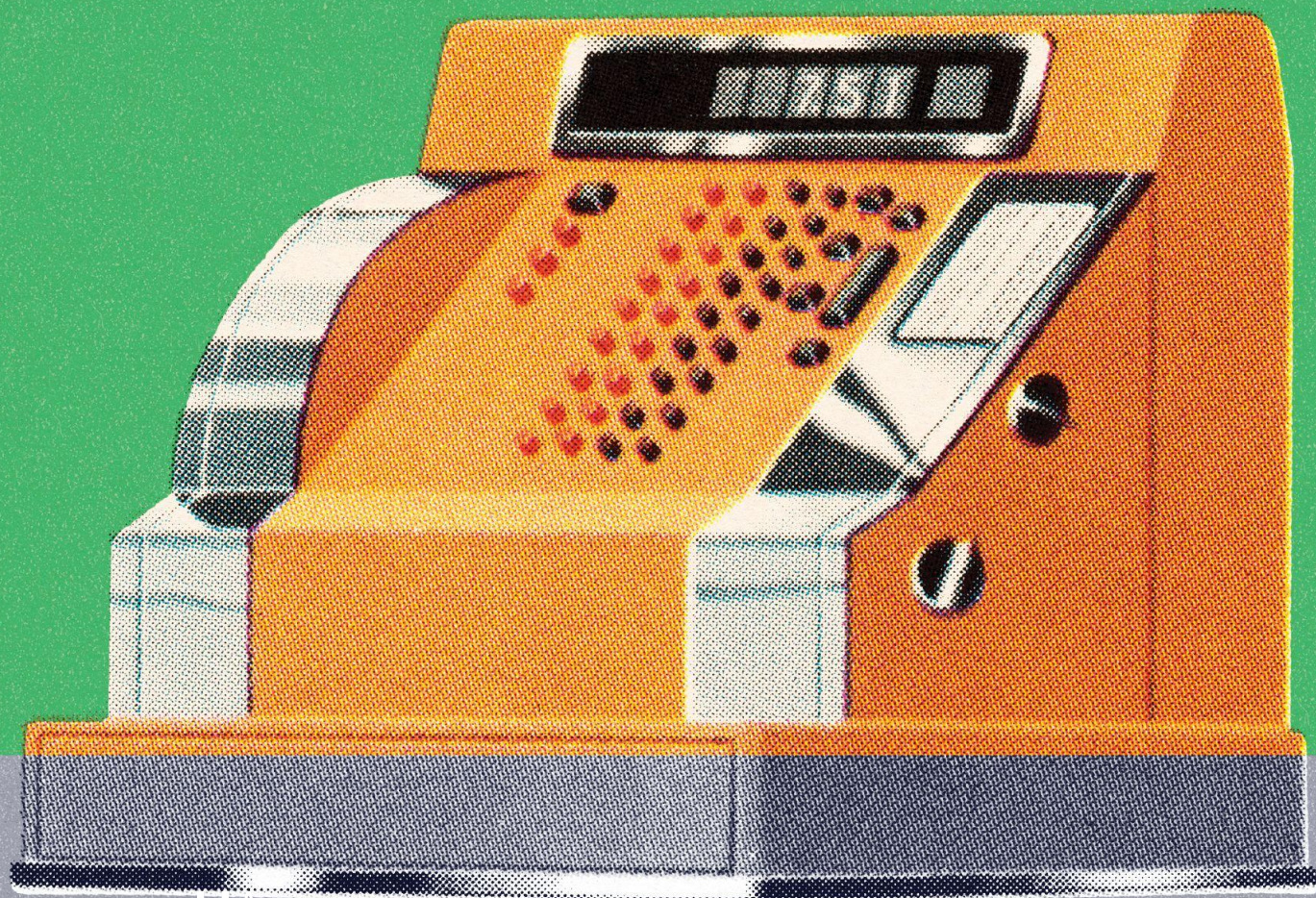


# Appcast Retail Snapshot

Seasonal Hiring Was a Bust

November 2022





## Economy-wide breakdown

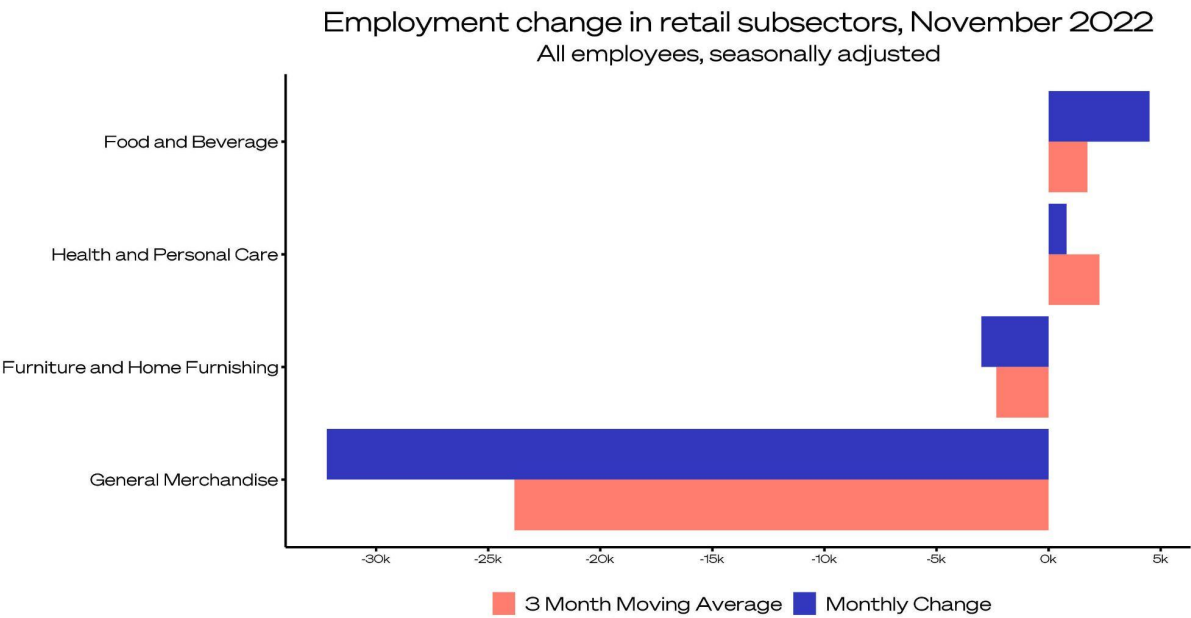
- The U.S. economy added 263,000 jobs in November, which was above market expectations. The unemployment rate was unchanged at 3.7%, near a historic low. Once again, the labor market's strength defied challenges in the overall economy.
- Beyond the welcome headline numbers, however, the latest jobs report 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 Retail

Retail Trade lost 29,900 jobs in November, unusual for a sector that normally thrives during the holiday shopping season. This marks the third straight month of losses for this sector after October’s gains were revised to a loss of 2,600. This holiday hiring season was a bust compared to years past. For the three months of September, October, and November in 2021 the sector gained 122,200 jobs (seasonally adjusted). In that same period this year, the sector *lost* 62,400 jobs. Consumer demand shifts definitely made their mark on this normally-robust hiring season.

General Merchandise stores suffered the majority of losses in November, shedding 32,200 jobs. Furniture and Home Furnishings lost 3,000 jobs. Health and Personal Care stores and Food and Beverages stores both made mild gains in November, at 800 and 4,500, respectively.

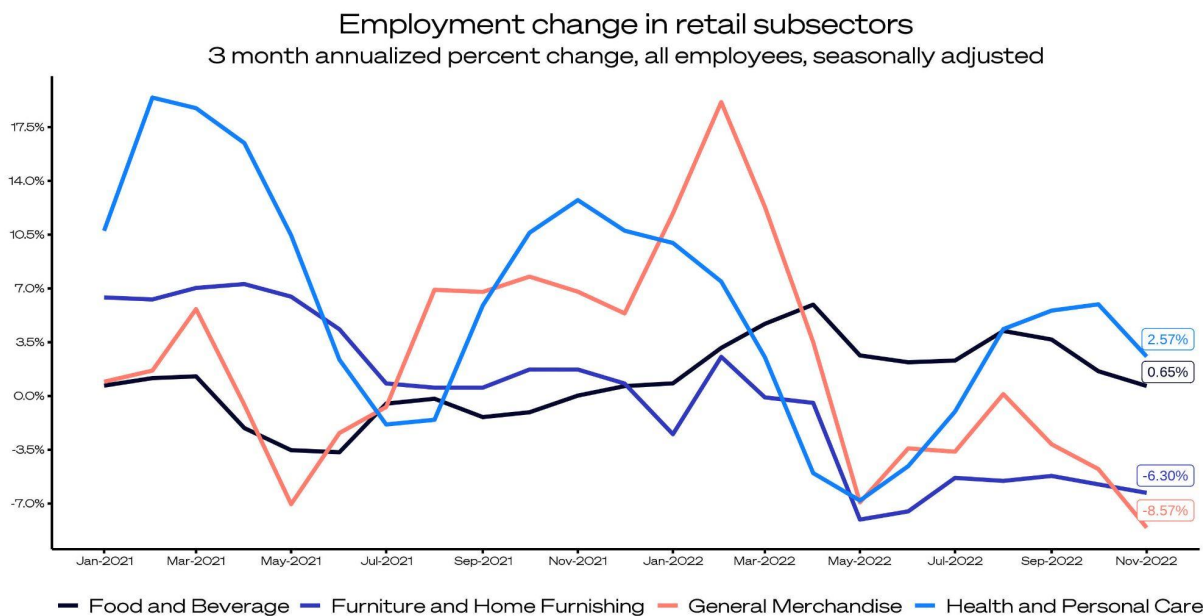


Source: Bureau of Labor Statistics; Created on Dec 05 2022



## Employment Trends in Retail

Retail subsectors are either barely growing or shrinking quickly. Health and Personal Care has the strongest growth rate, at 2.57% annualized – demand for health products is holding up against high inflation and shifting spending. Furniture and Home Furnishings and General Merchandising are both shrinking, at annualized rates of -6.30% and -8.57%, respectively.

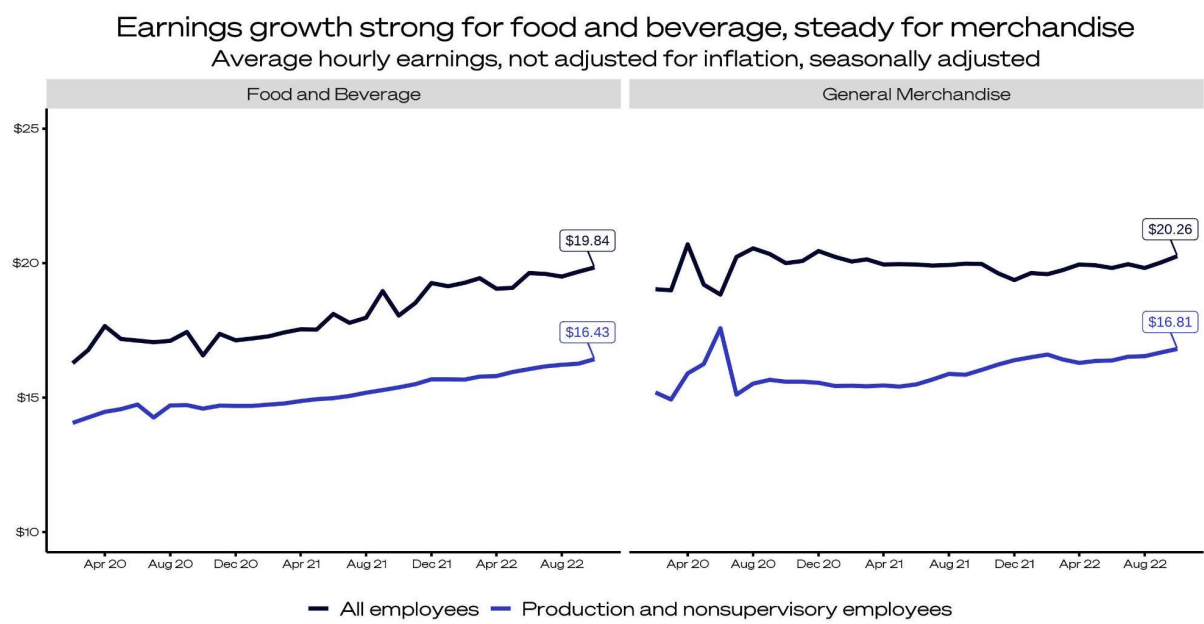


Source: Bureau of Labor Statistics; Created on Dec 05 2022



## Wage Trends in Retail

Nominal average hourly earnings continued to rise in the Retail sector. For Food and Beverage Stores, rank-and-file workers earned \$16.43 per hour in October, still growing steadily. General Merchandise Store workers’s earnings increased to \$16.81. Managers in both subsectors experienced comfortable gains last month, earning \$19.84 in Food and Beverage Stores and \$20.26 in General Merchandise Stores.

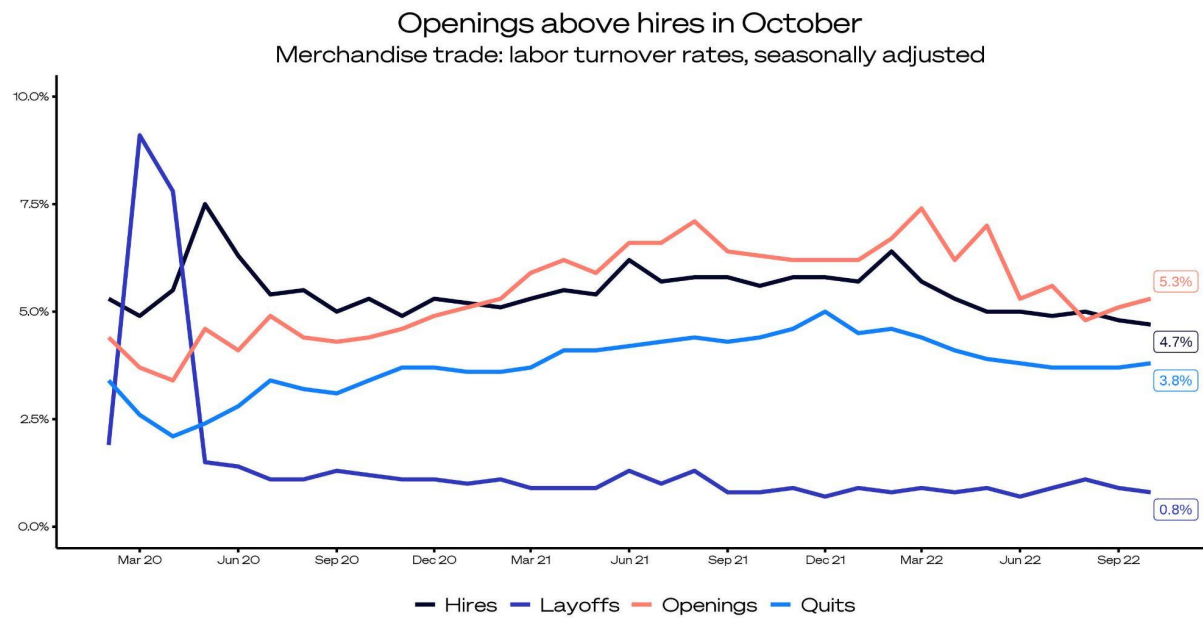


Source: Bureau of Labor Statistics; Created on Dec 05 2022



## Openings and Turnover Trends in Retail

Openings increased slightly in October after falling below hires in September. The rate was at 5.3% in October, still historically high but down from highs earlier in the year. Quits remained steadily elevated at 3.8% – workers still feel increased power. Layoffs dipped even lower in October to 0.8%. Hires slumped slightly to 4.7%.



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



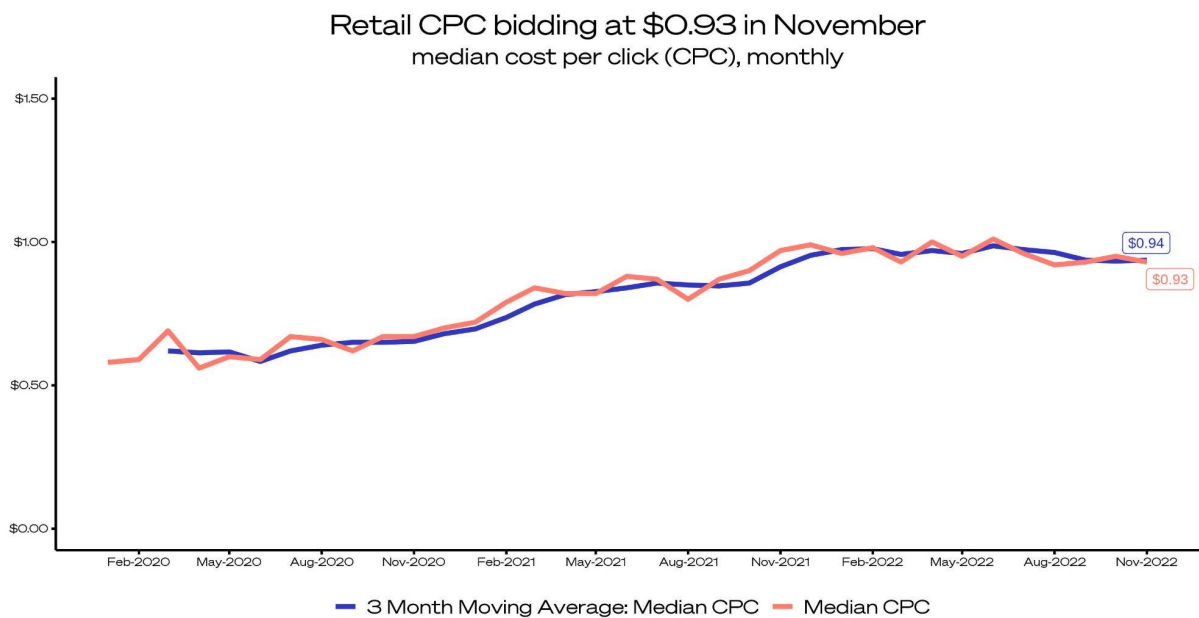
# Recruitment Marketing Trends in Retail

Recruiting costs are elevated in Retail, with cost-per-click (CPC) remaining relatively steady and cost-per-application (CPA) climbing.

The moving average for CPC increased by just one cent in November to \$0.94 – the average has trended downwards from around \$1.00 earlier in 2022. There are hints of a soft decline in this recruiting costs; if demand falls it may finally meaningfully decrease.

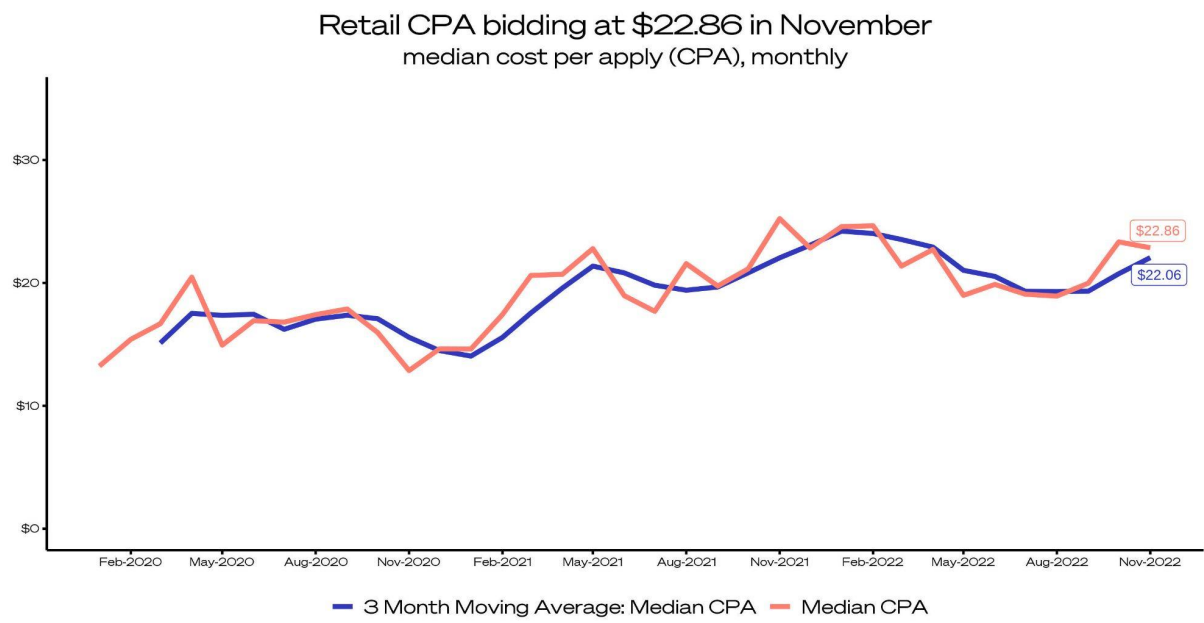
Meanwhile, the three-month moving average of CPA increased to \$22.06 in November – this cost has been trending upwards during this would-be seasonal hiring iteration, despite the lack of new jobs.

Apply rates fell again last month to 4.42% over a three-month average.

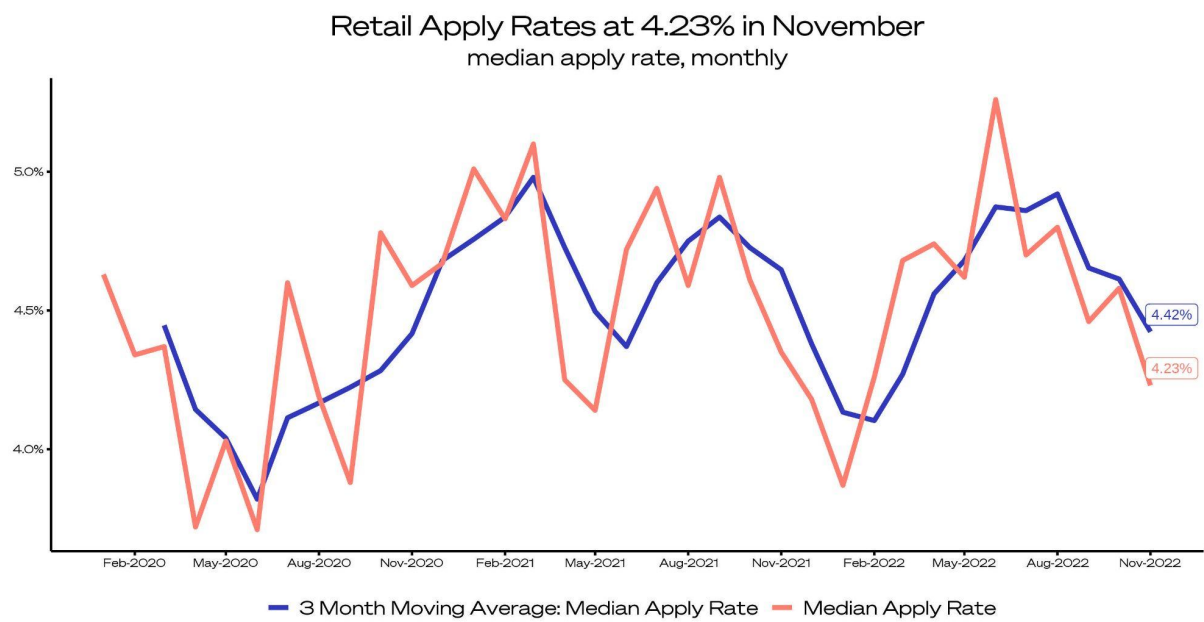


Source: Appcast; Created on Dec 05 2022





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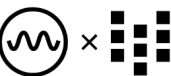
## What does this mean for Retail?

The Retail sector had to adjust to a consumer environment that demanded fewer goods around the holiday this year. To do so, retailers adjusted their seasonal hiring goals so they were not left with a surplus of employees once the new year rolled in. These seasonally adjusted losses show that the expected seasonal hiring craze was actually a bust. If labor demand falls, the recruiting costs that have become so elevated may eventually fall as competition for workers recedes.



# 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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