

Appcast Transportation and Warehousing Snapshot

Slowing Growth Despite Upward Revisions

November 2022



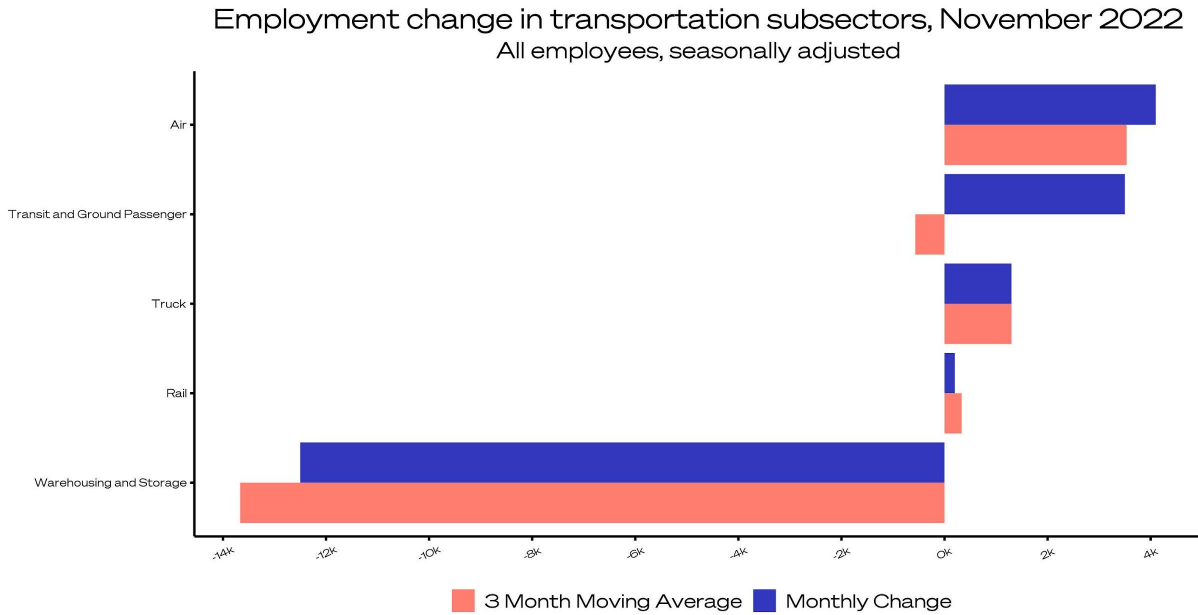
Economy-wide breakdown:

- 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 Transportation and Warehousing

Following our gloomy employment report in October, November presented both positive and negative takeaways. Initially reported that Transportation and Warehousing lost 20,000 jobs in October, that number was revised to a much smaller loss of 3,400. November’s numbers did report a loss of 15,100 jobs, but there is a strong potential of upward revisions in the coming months.

As we mentioned in October, consumer demand has shifted towards services from goods. A contrasting industry, Accommodation and Food Services, reported a much higher 78,000 new jobs in November.

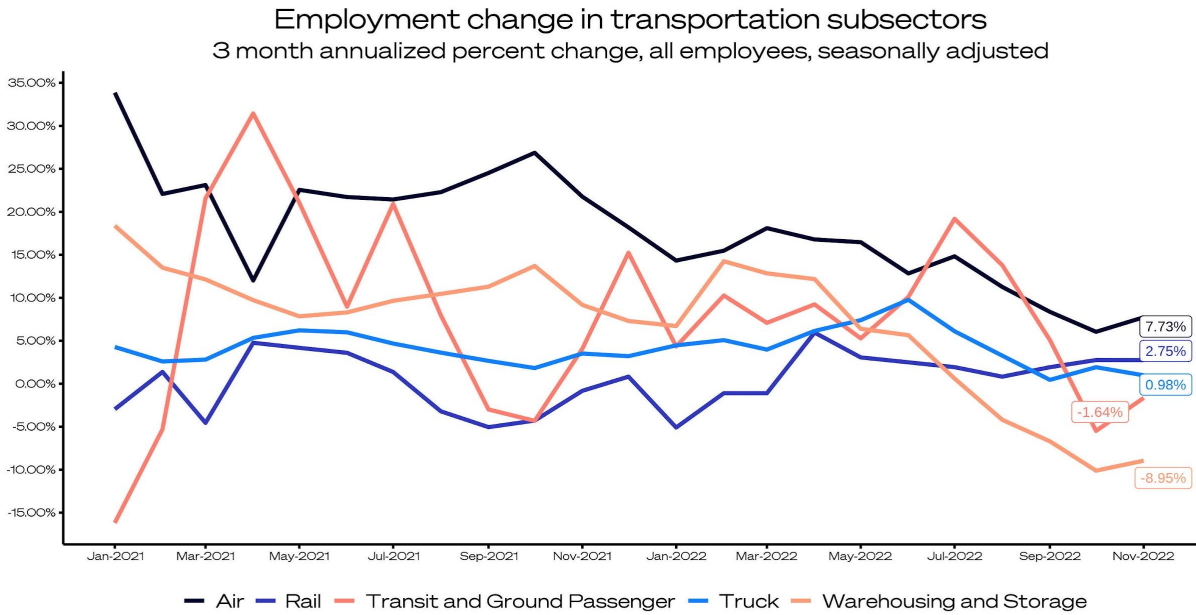


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Employment Trends in Transportation and Warehousing

The headline employment numbers indicate a significant softening but all the losses are in Warehousing and Storage. Both Air and Ground Transit subsectors are continuing to grow, at 4,100 and 3,500 new jobs respectively. Overall, Warehousing and Storage is falling at an 8.95% 3-month annualized rate, while other subsectors remain positive except for Ground Transit.

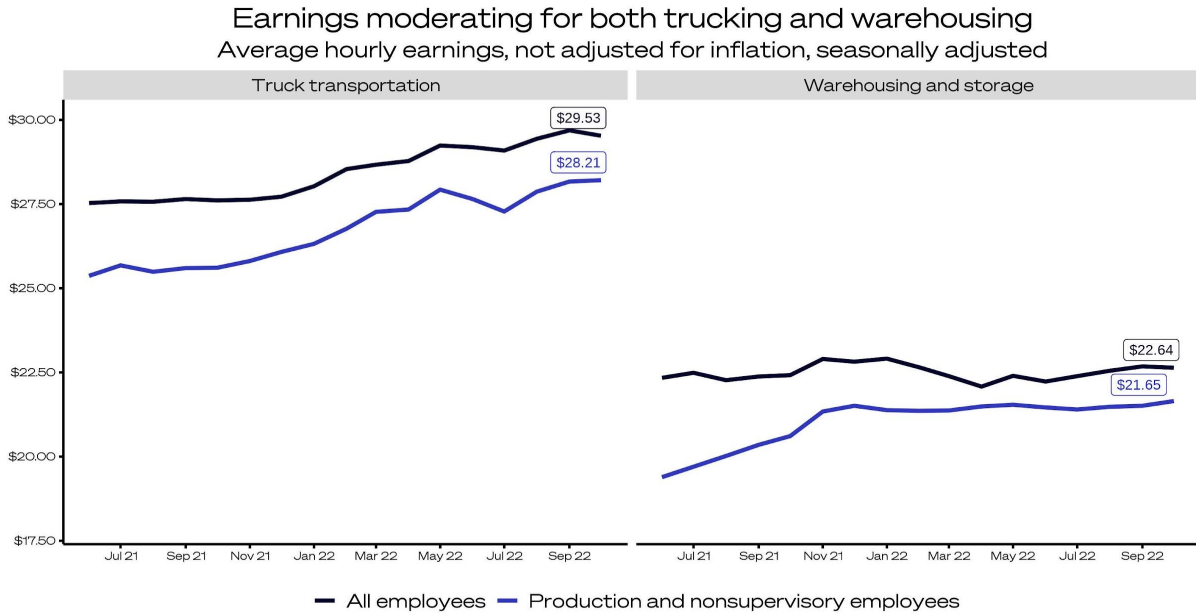


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Wage Trends in Transportation and Warehousing

With the slowdown in hiring, wages have begun to cool as well. Hourly earnings for non-supervisor positions for Truck Drivers were flat at \$28.21, as well as for Warehousing and Storage at \$21.65.

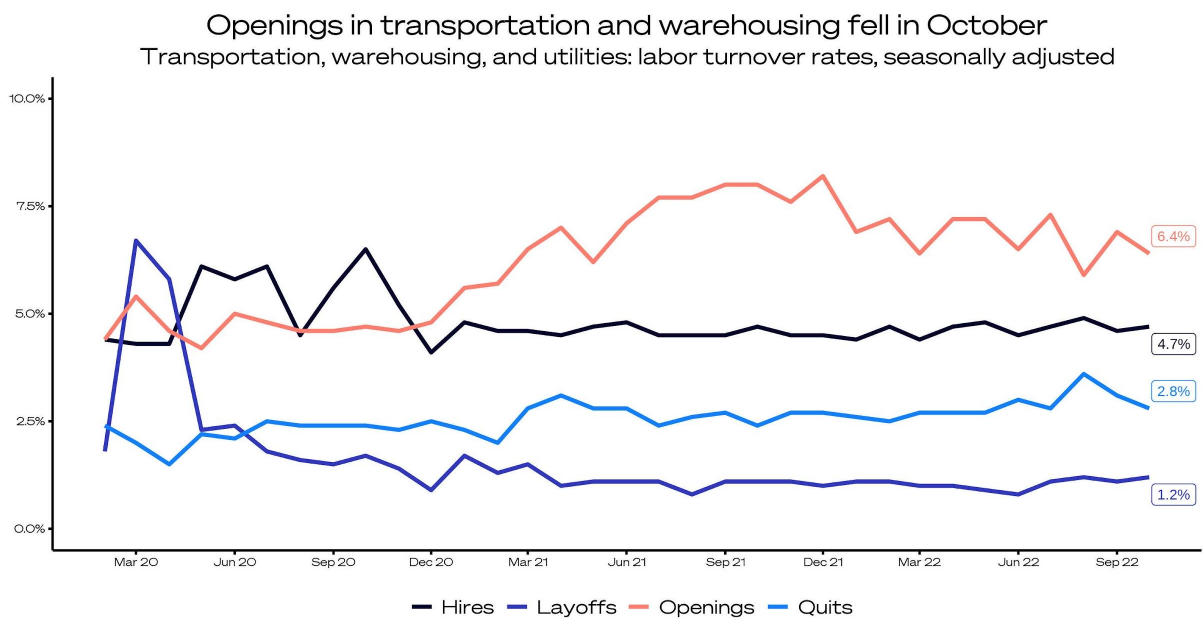


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Openings and Turnover Trends in Transportation and Warehousing

Unsurprisingly, job openings fell in Transportation and Warehousing to 6.4%. Weak consumer demand is decreasing the appetite for hiring. The quits rate is also slowly cooling, down to 2.8% after its recent high this summer. Layoffs and hires were flat this month at 1.2% and 4.7% respectively.



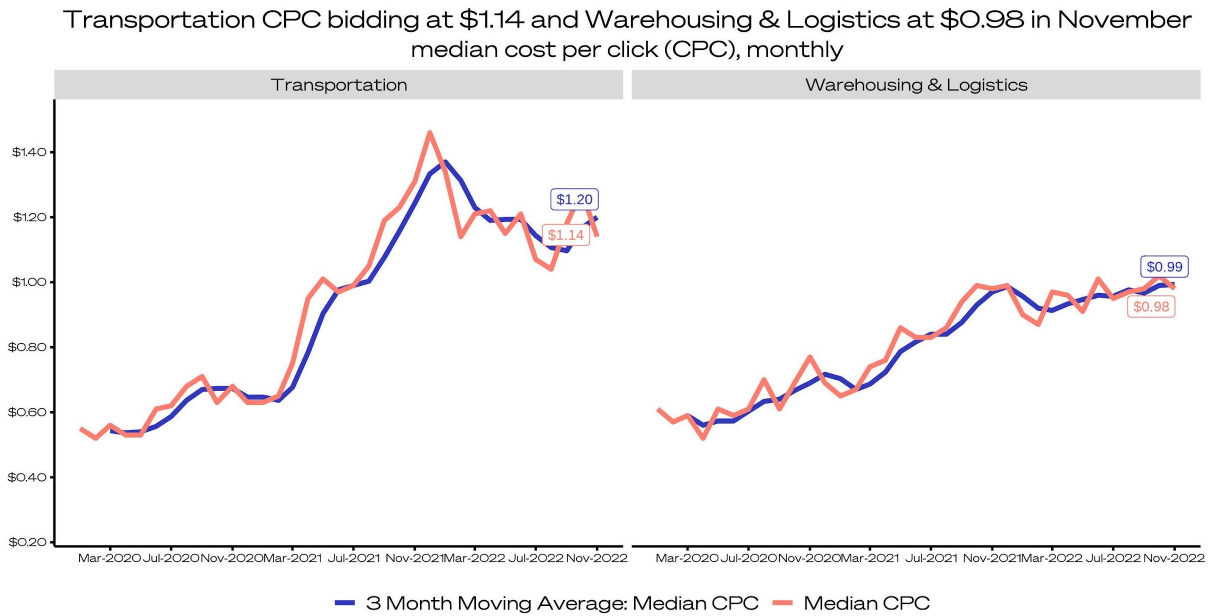
Source: Bureau of Labor Statistics; Created on Dec 05 2022



Recruitment Marketing Trends in Transportation and Warehousing

After a period of declines, recruitment costs in this industry have reached a steady state. Both cost-per-click (CPC) and cost-per-application (CPA) have remained steady for the past few months.

The median CPC in Transportation was down slightly to \$1.14 and has averaged \$1.20 over the last three months. In Warehousing, the median CPC was flat at \$0.99. Apply rates are down for both Transportation and Warehousing, to 3.55% and 4.82%, respectively. Warehousing application rates are steady at 4.85%. Transportation CPA saw a surprising increase this month, up \$39.80, while warehousing was flat at \$22.80.



Source: Appcast; Created on Dec 05 2022



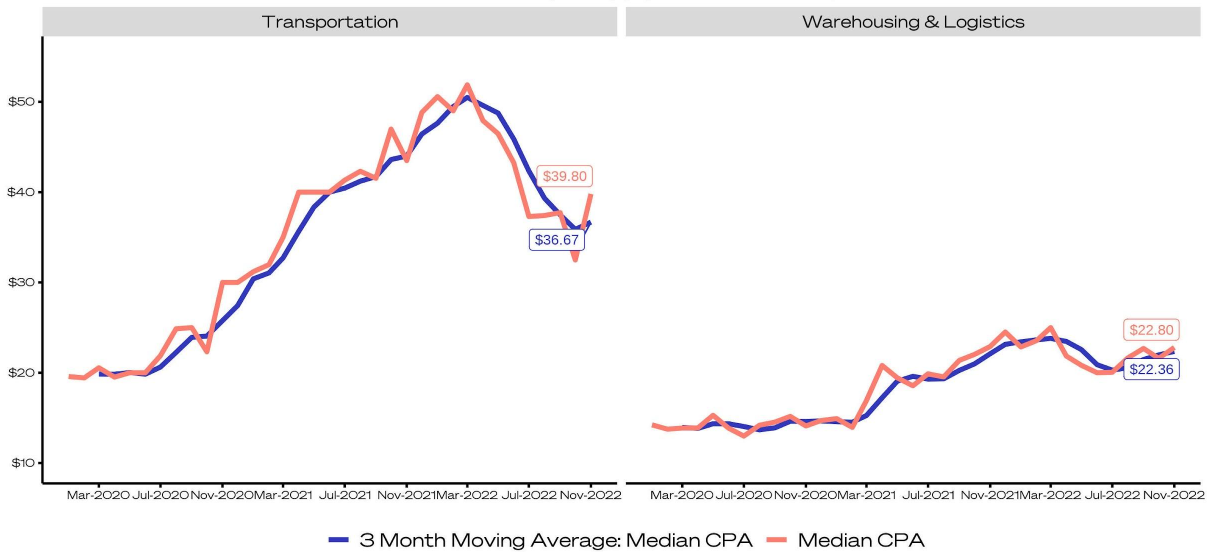
Transportation apply rates at 3.20% and Warehousing & Logistics at 4.52% in November median apply rate, monthly



Source: Appcast; Created on Dec 05 2022



Transportation CPA bidding at \$39.80 and Warehousing & Logistics at \$22.80 in November median cost per apply (CPA), monthly



Source: Appcast; Created on Dec 05 2022

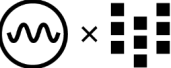


What does this mean for Transportation and Warehousing?

Following a weak October report, Transportation and Warehousing continued to struggle in November. The positive upward revision from last month's data presents some promise, however consecutive months of job losses presents a serious cause for concern. The driving force of employment growth (consumer demand) is fading and it's been a whiplash effect. It is not all bad news, as the job losses have all been concentrated in Warehousing while subsectors like Air and Ground Transportation continue to grow. Going into 2023, special attention will be paid to the Warehousing sector, as economists and market analysts watch for rebounding consumer demand and stronger employment growth.

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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