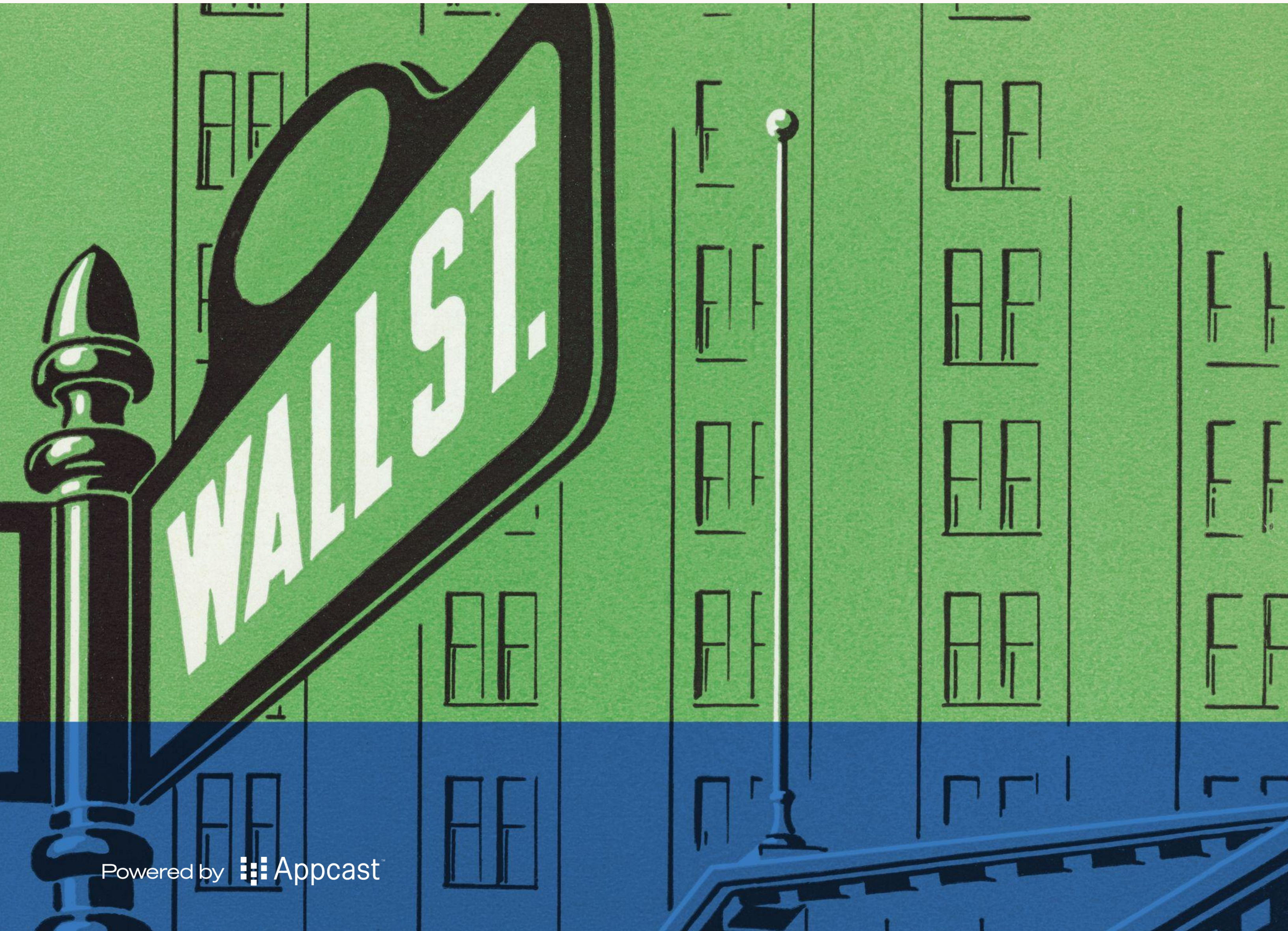
Recruitonomics™

Appcast Finance & Insurance Snapshot

Steady Growth Despite Tightening Financial Conditions



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Economy-wide breakdown:

- The U.S. economy added 315,000 net new jobs in August 2022. The unemployment rate rose slightly to 3.7% from a historically low 3.5% – but for good reasons. Labor force participation among prime-age workers rose in August to its highest point since February 2020.

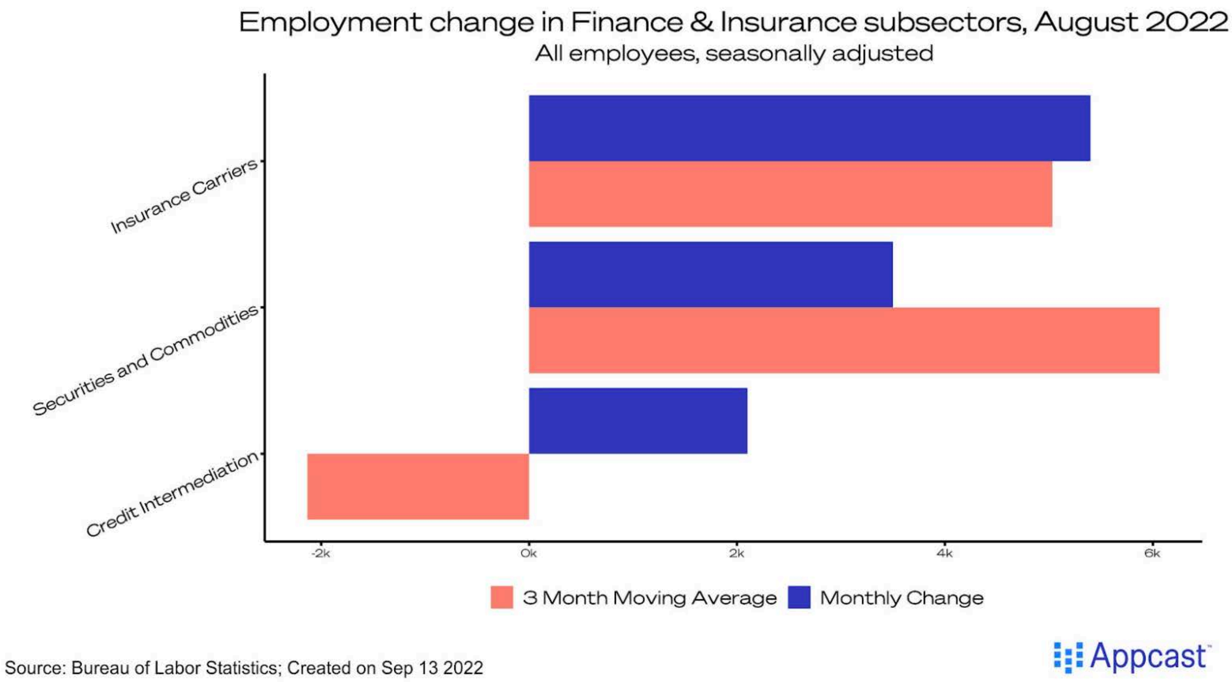
- The Fed should be thrilled with the August jobs report. In addition to strong hiring and a rise in the labor force, growth in average hourly earnings slowed, easing fears of a wage-price spiral. Its hope for a “soft-landing” remains alive.

- Every major industry posted job gains in August. Healthcare and Professional and Business Services were especially strong, reflecting the continued shift to services-providing employment from goods-providing. This month’s gains bring the three-month moving average to 400,000 – nowhere near a recession.

- Read our economy-wide breakdown of the August numbers.

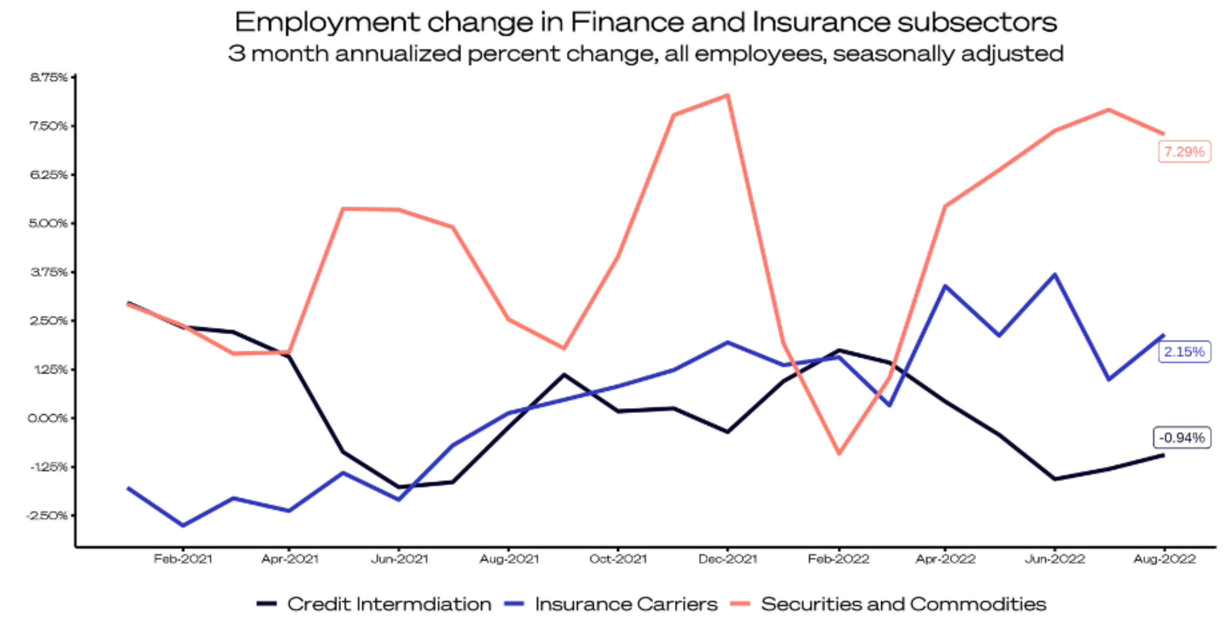
Employment Trends in Finance and Insurance

The finance and insurance category increased by 10,900 new net jobs in August, which marks two consecutive months of solid growth. The overall U.S. economy has experienced high inflation and negative GDP growth, but the demand for labor remains increasingly robust.



Securities and commodities jobs have had high annualized growth, at 7.29% in August. Insurance jobs have also had steady growth, at 2.15%. Credit intermediation is the only subsector that experienced negative growth, falling by 0.94%.

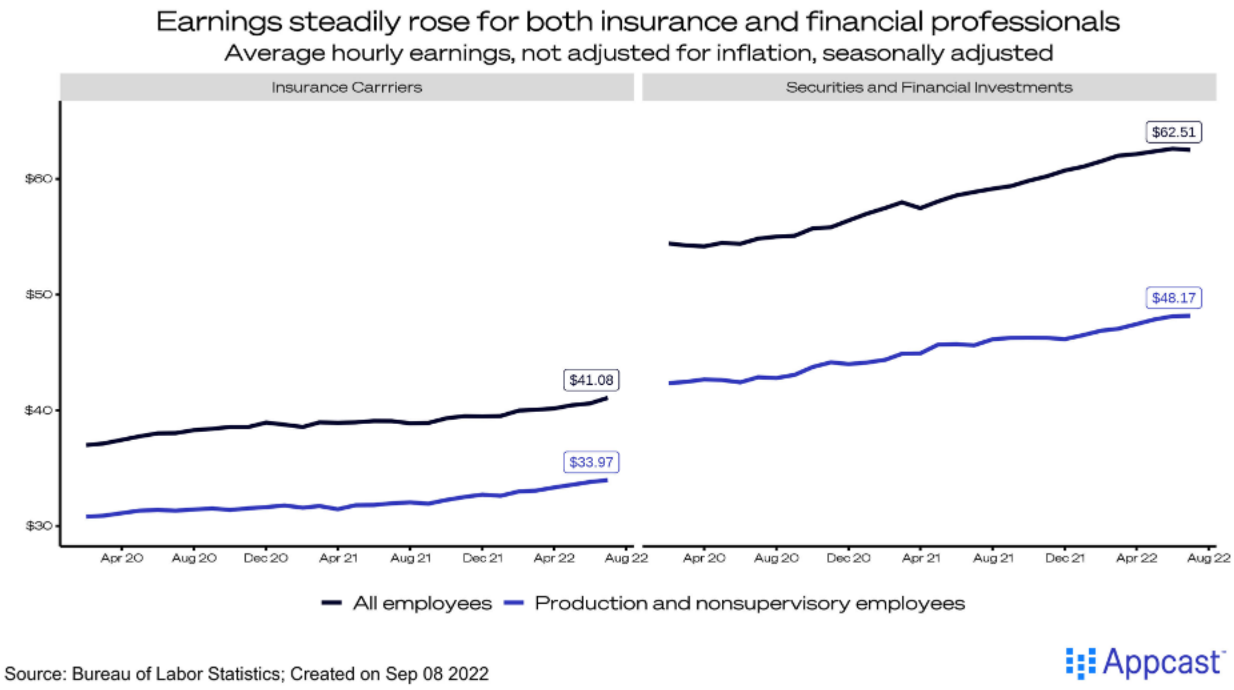
Employment Trends in Finance and Insurance



Source: Bureau of Labor Statistics; Created on Sep 08 2022

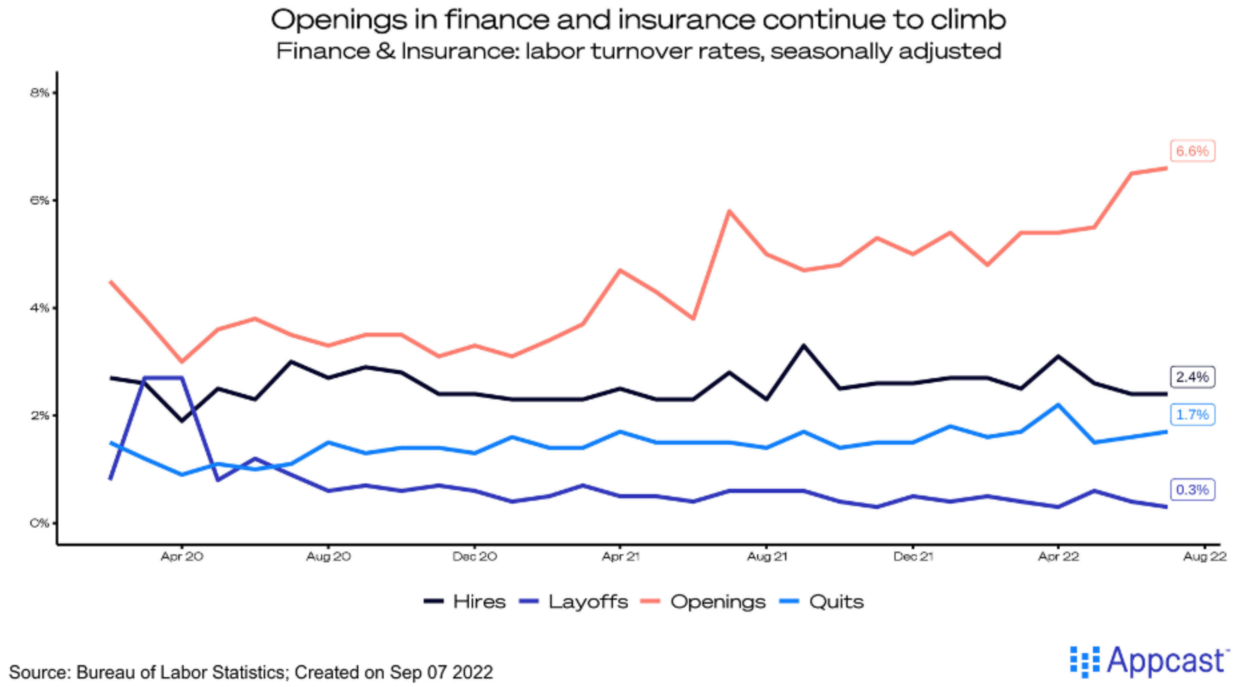
Wage Trends in Finance and Insurance

Nominal average hourly earnings have been rising steadily for both insurance carriers and securities and financial investment employees. Wage gains for insurance carriers have been much more modest and in July grew slightly to $41.08 for all employees. Wages for securities professionals have been leveling off at $62.51.



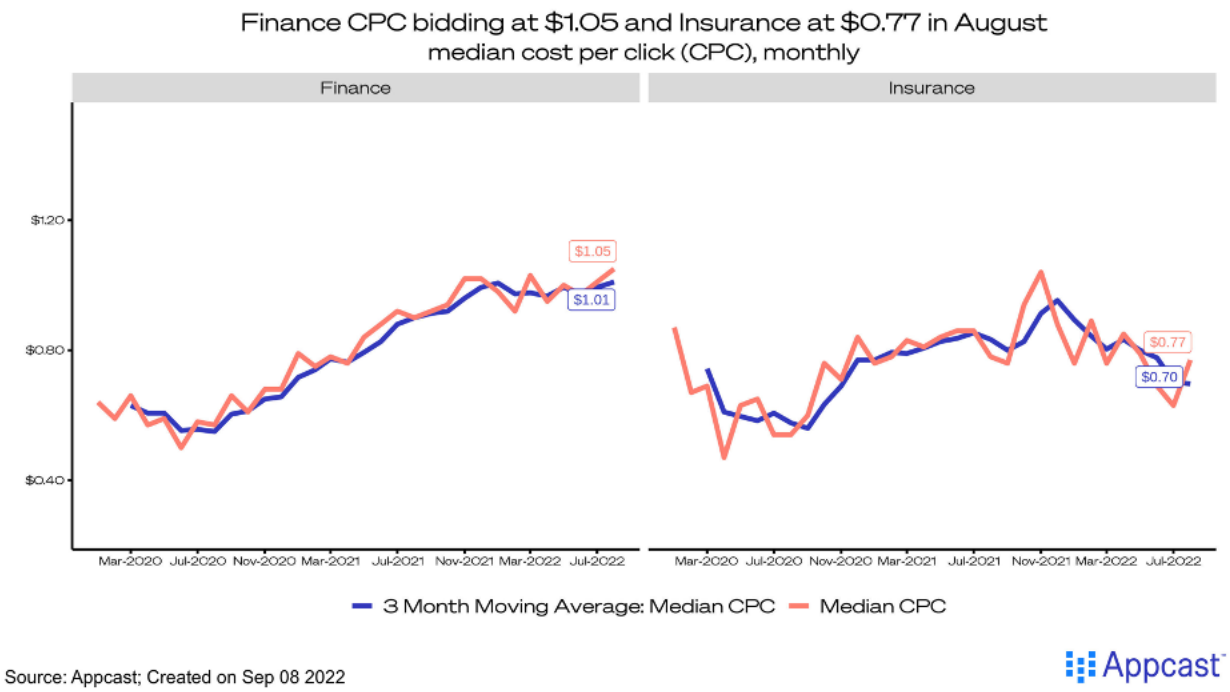
Openings and Turnover Trends in Finance and Insurance

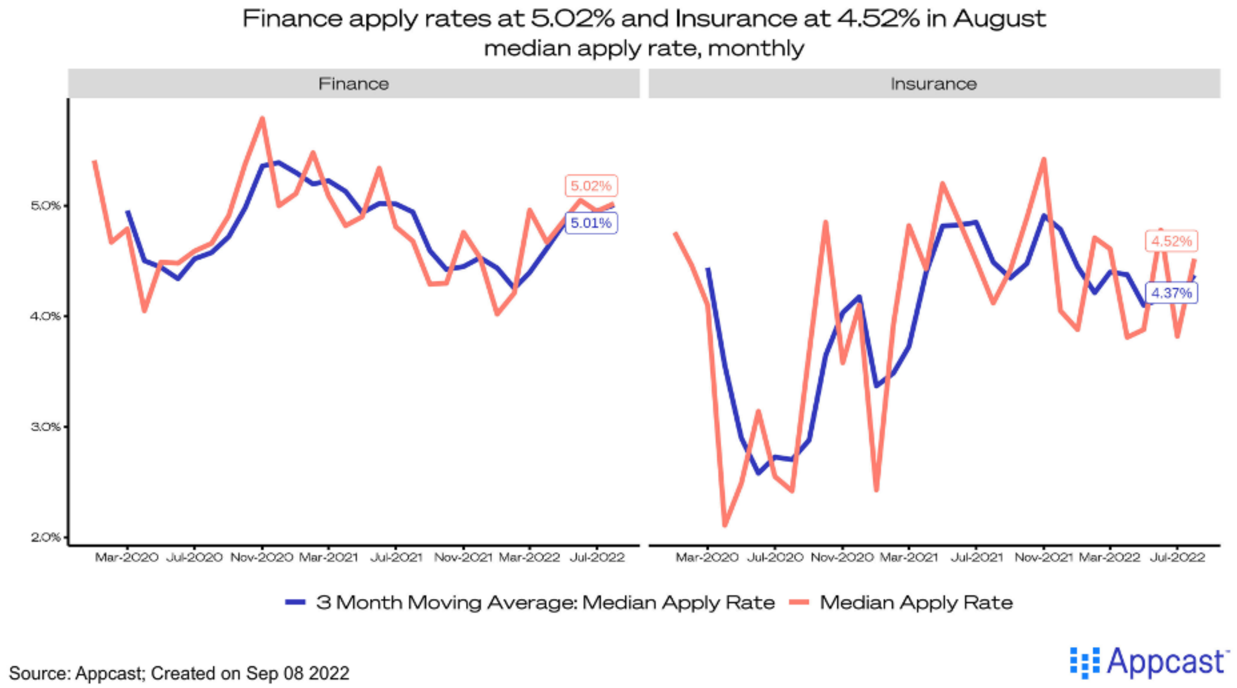
Job openings continued to climb in July, reaching 6.6%. This widens the gap between hires and openings, as the hires rate has remained flat at 2.4%. Quits rates increased to 1.7%, and despite tighter financial conditions, layoffs are at a mere 0.3%. Throughout the economy, there has been a trend of slight depressurization, but the labor market for finance and insurance remains tight as of July.

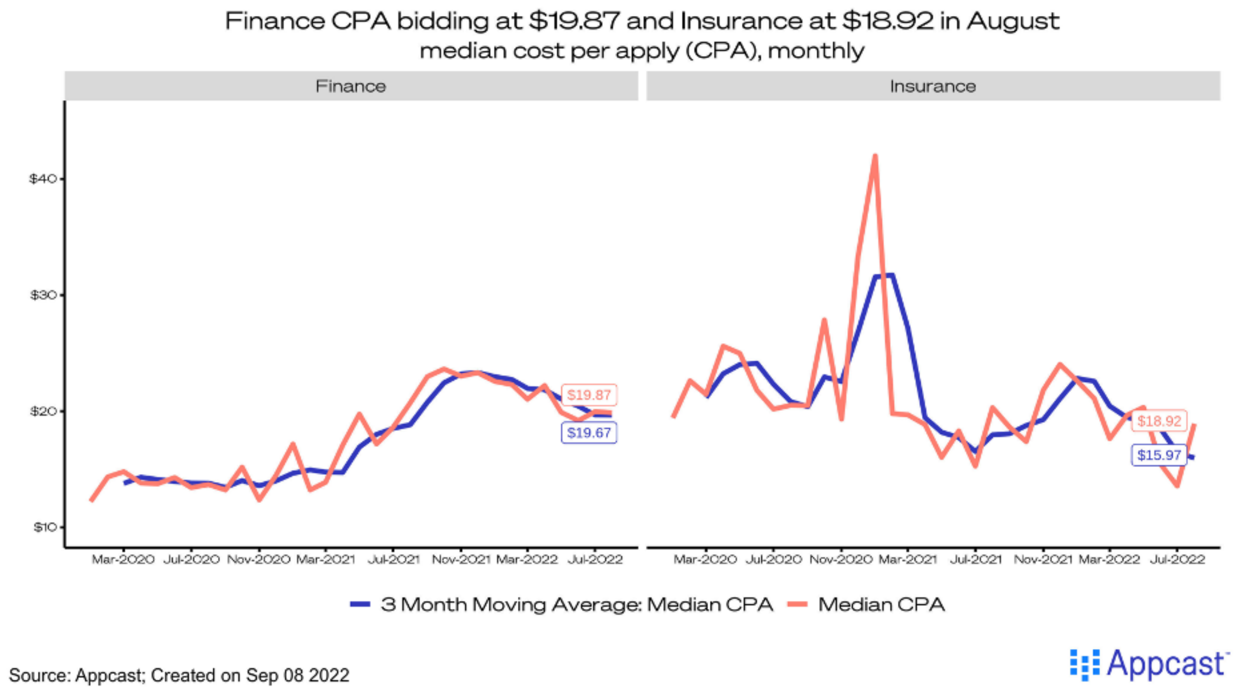


Recruitment Marketing Trends in Finance and Insurance

Recruitment marketing trends in finance and insurance cooled so far in Q3 2022, especially for insurance. The median cost per click (CPC) for finance has been steadily increasing to $1.01 in the three months to August. For insurance, it has trended downward, averaging $0.70 over the same period. For cost per application (CPA), the difference between the two subsectors is even more stark. For insurance, CPA has been on a downward trajectory, now at $15.97 for a three month average – the rare industry with lower recruiting costs now than before the COVID-19 recession. In finance, CPA has also been slowly falling – now at $19.67. Apply rates for both industries have been gradually increasing, with finance at 5.02% and insurance at 4.52%.




Finance apply rates at 5.02% and Insurance at 4.52% in August
median apply rate, monthly
Finance
Insurance
5.0%
4.0%
3.0%
2.0%
5.02%
5.01%
4.52%
4.37%
Mar-2020 Jul-2020 Nov-2020 Mar-2021 Jul-2021 Nov-2021 Mar-2022 Jul-2022
3 Month Moving Average: Median Apply Rate
Median Apply Rate
Source: Appcast; Created on Sep 08 2022
Appcast


Finance CPA bidding at $19.87 and Insurance at $18.92 in August
median cost per apply (CPA), monthly
Finance
Insurance
$40
$30
$20
$10
$19.87
$19.67
$18.92
$15.97
Mar-2020 Jul-2020 Nov-2020 Mar-2021 Jul-2021 Nov-2021 Mar-2022 Jul-2022
3 Month Moving Average: Median CPA
Median CPA
Source: Appcast; Created on Sep 08 2022
Appcast

What does this mean for Finance and Insurance?

Two solid months of job gains despite the Federal Reserve's goal to raise interest rates and lower inflation is welcome news. Recruiting for financial and insurance professionals has been relatively cheaper than other industries. A trend of lower CPA's should indicate that the market is cooling from its highs back in 2021, and should eventually normalize. The labor market remains one of the most robust parts of the US economy. As we look forward to 2023, we should expect recruiting costs to fall.

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.