

Appcast Accommodation and Food Services Snapshot

Demand for Labor is High but Gains Were Unremarkable



Economy-wide breakdown:

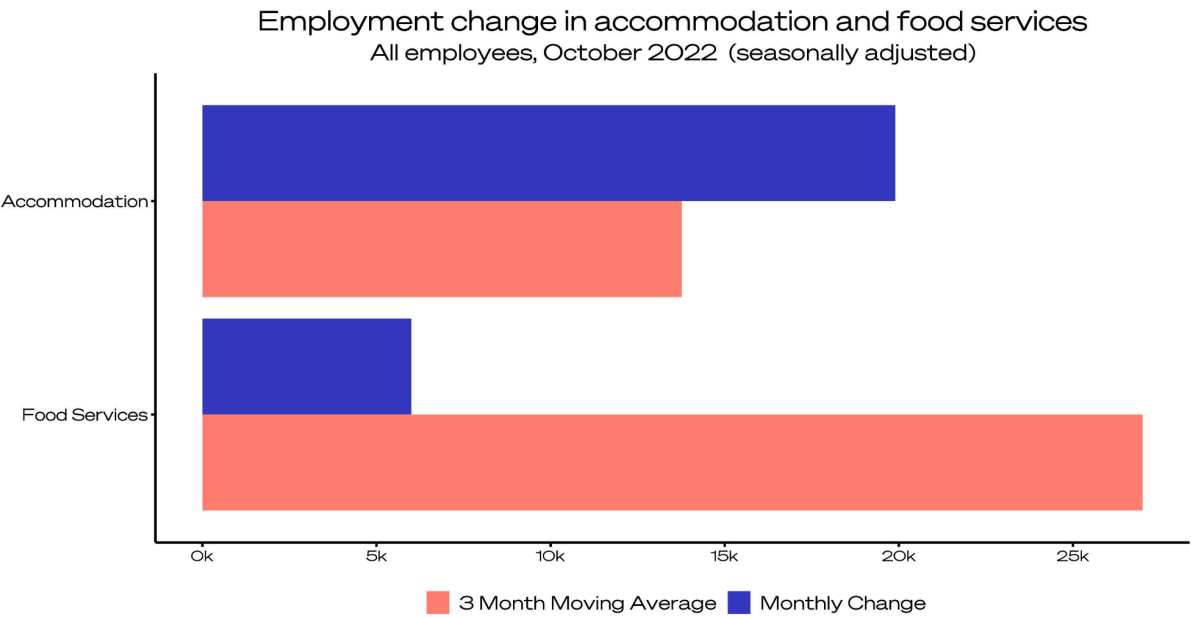
- The U.S. labor market continued to be a bright spot in an otherwise challenging economy last month. In October, the economy added 261,000 net new jobs. The unemployment rate increased slightly to 3.7% from a historically low 3.5%.
- Encouragingly, wage growth moderated once again last month – the Federal Reserve’s fears of a wage-price spiral are steadily abating. Average hourly earnings (3-month annualized rate) grew at just 4.3%.
- It was not all clear skies, however. Labor force participation disappointed yet again, with the prime-age participation rate declining to 82.5%. The labor force participation rate has yet to return to February 2020 levels.
- Shifting employment growth trends reflect shifts in consumer demand and the receding influence of the pandemic. Goods-producing sectors that ruled the recent recession recovery, like warehousing, are slowing. Now, as pandemic fears ease, healthcare is leading monthly gains.
- [Read our economy-wide breakdown of the October numbers.](#)



Employment Trends in Accommodation and Food Services

October employment gains in Accommodation and Food Services were restrained – just 25,900 jobs were added last month, compared to the monthly average of nearly 64,000 for 2022. Consumer demand shifts from goods to services have assisted the recovery of this sector but it is still far below February 2020 employment levels.

Accommodation gains outnumbered food services gains for once last month. The former sector added 19,900 jobs in October and the latter just 6,000. Food service gains were far below recent averages.

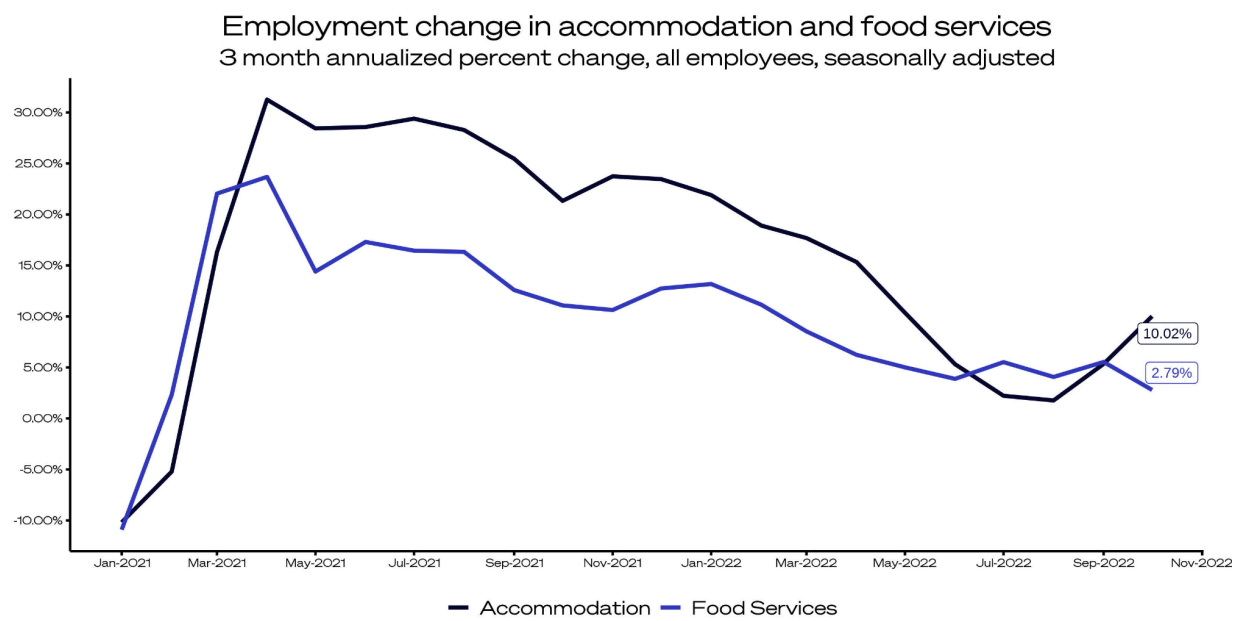


Source: Bureau of Labor Statistics; Created on Nov 07 2022



Employment Trends in Accommodation and Food Services

Growth is slipping in food services employment – the three-month annualized percent change slowed to 2.79% in October. Workforces in the accommodation subsector, meanwhile, have been growing at impressive rates in recent months.

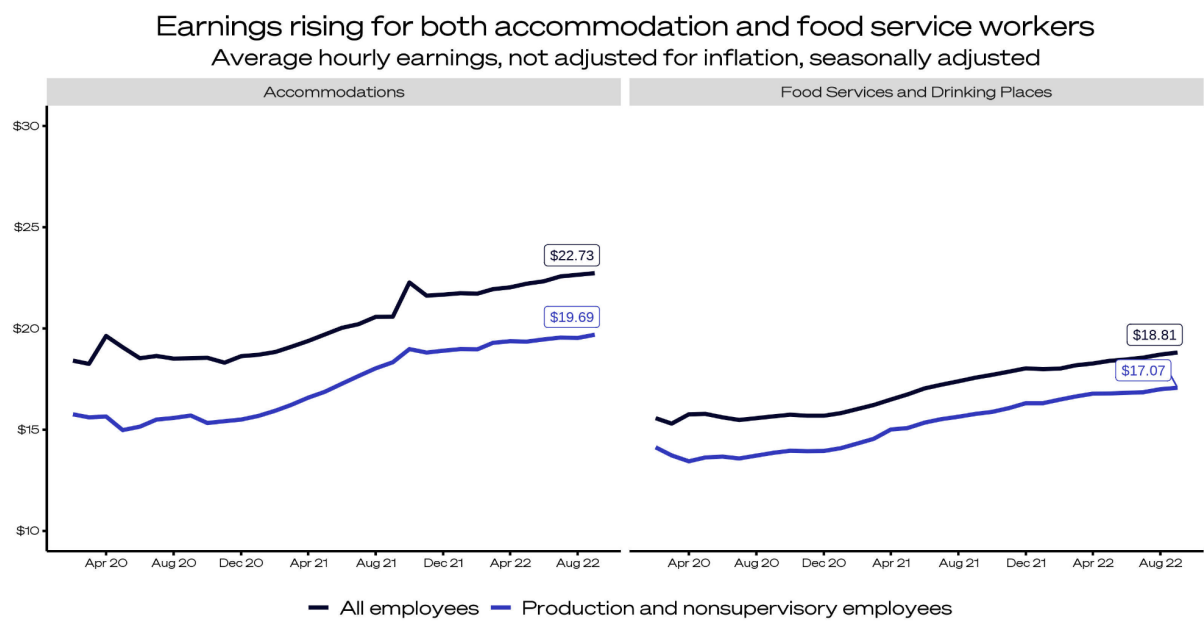


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Wage Trends in Accommodation and Food Services

Nominal average hourly earnings for non-managers in food services continued to grow steadily in October, at \$17.07. Rank-and-file workers in the accommodation sector are seeing wage growth falter, increasing to just \$19.69 in October compared to September's \$19.66. The gap between managers' pay and their own continues to widen.



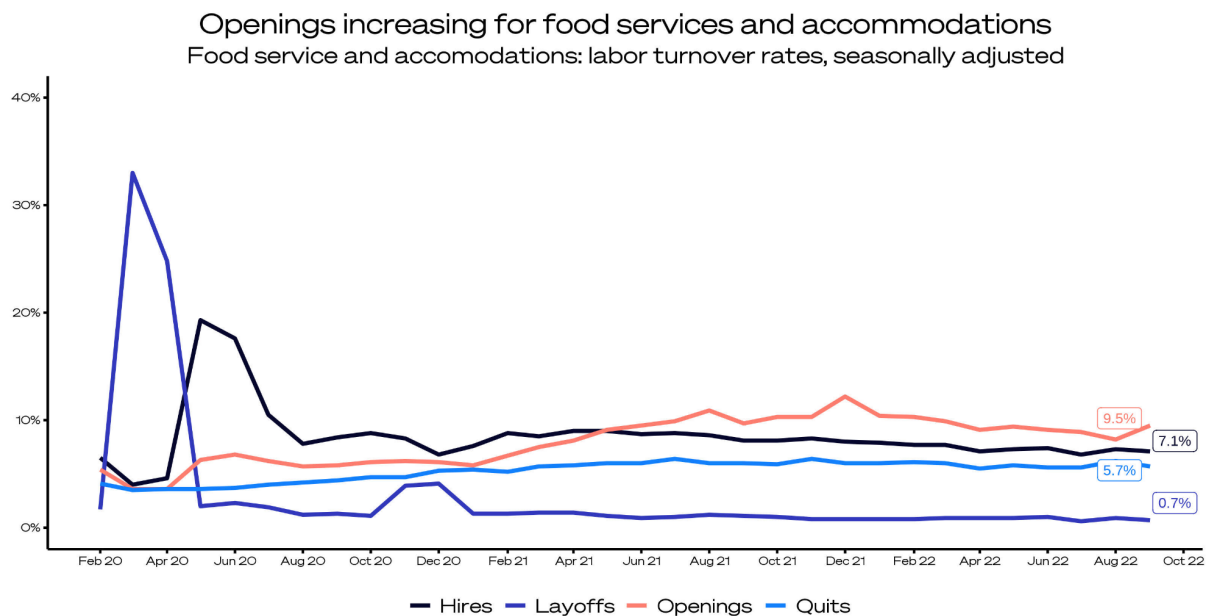
Source: Bureau of Labor Statistics; Created on Nov 07 2022



Openings and Turnover Trends in Accommodation and Food Services

Across the labor market, openings rebounded in September after an encouraging drop in August. In food services and accommodations, the openings rate increased slightly in September to 9.5% after a decline in August. This rate remains elevated, both by historic standards and compared to the economy-wide rate. High inflation has not destroyed consumers' appetite for food away from home, so demand for labor in these sectors remains high.

Hires, quits, and layoffs were largely unchanged in September. The quits rate remained remarkably high at 5.7%. Hires cooled ever so slightly to 7.1%. Layoffs are incredibly low; high quits rates and a continued struggle to rebuild the workforce are encouraging employers to hold on to the labor they have.



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

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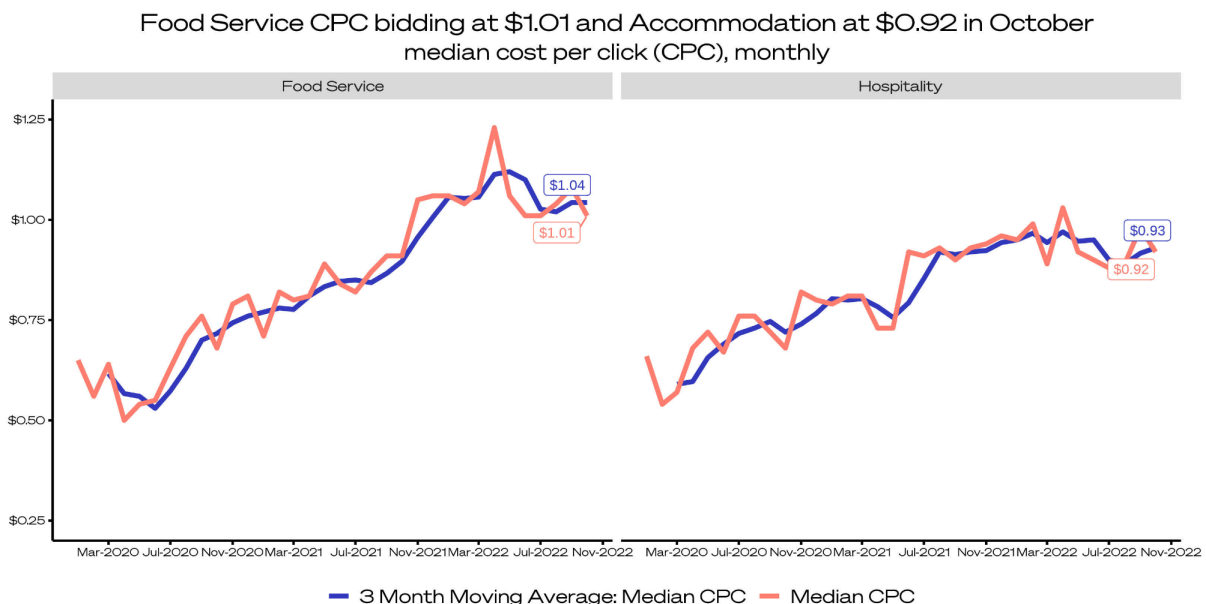
Recruitment Marketing Trends in Accommodation and Food Services

In this competitive recruiting environment, food services and hospitality have both experienced recruiting costs far above pre-pandemic trends. Last month was no different.

Median cost-per-click (CPC) decreased for both food services and hospitality (Appcast's corresponding sector to the Bureau of Labor Statistics' "Accommodation") after a jump in September. Average CPCs remained steady at \$1.04 for food service posting – October's decrease erased September's hike. For postings in hospitality, the average increased slightly to \$0.93.

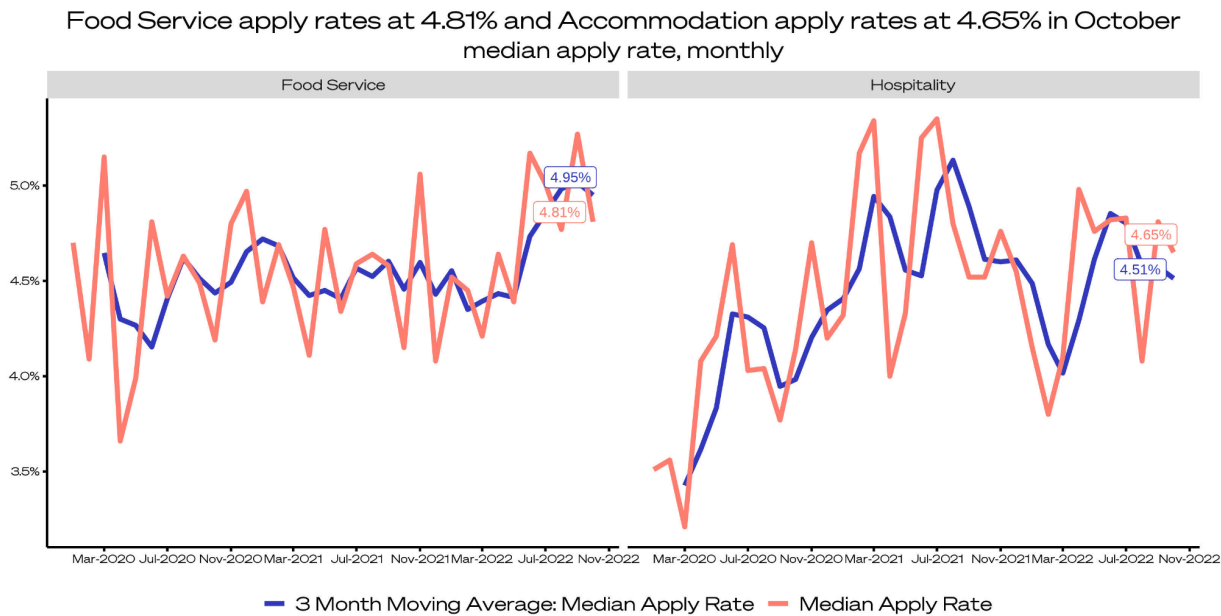
Apply rates took an unfortunate dive in both sectors last month, with the less-volatile three month moving average decreasing to 4.95% for food services job ads and 4.51% for accommodation postings. Job seekers seem to have waning interest last month but the measure is very volatile.

Cost-per-application in food services is a bright spot in these recruitment metrics; it has been trending downwards from peaks in late 2021 and earlier in 2022. In October, CPA for the industry fell to \$20.93 and the average slowed to \$20.47. Hospitality CPAs, meanwhile, have strongly rebounded from a dip earlier this year and the average once again increased in October to \$22.59.

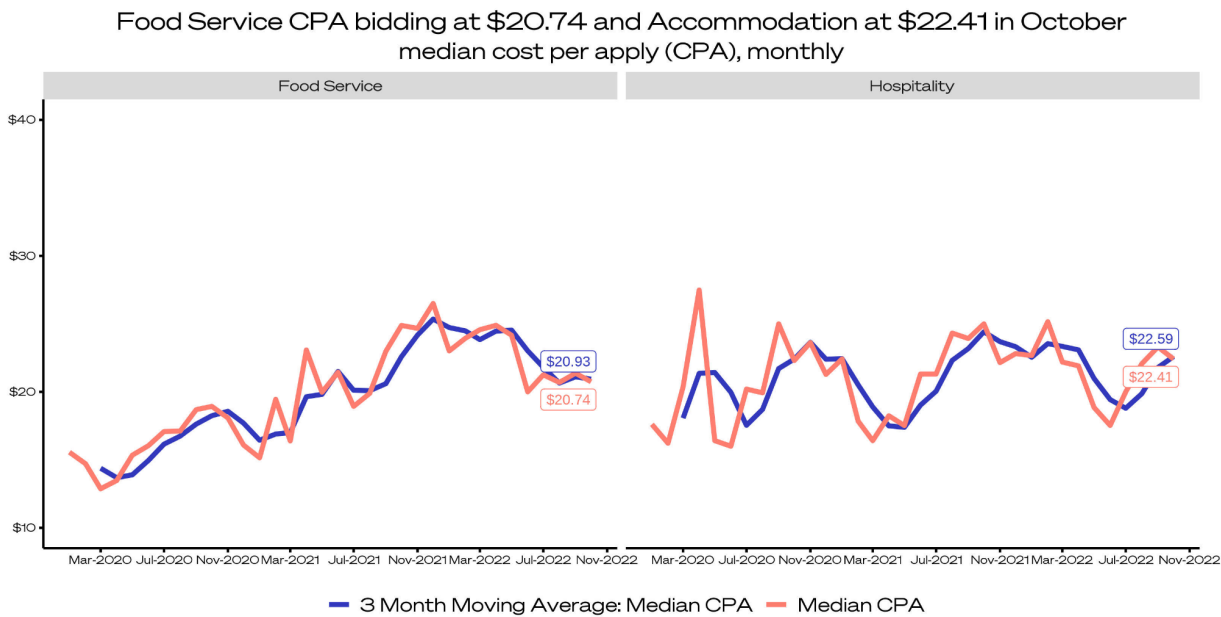


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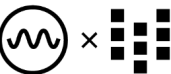
What does this mean for Accommodation and Food Services?

Accommodation and food services was an underwhelming sector in October: employment gains were good but not great. Wage growth remained steady. Recruitment costs hardly budged from the month before. Consumer demand for leisure and hospitality services remains high but recruiting for positions is still difficult. Elevated openings and recruitment costs speak to the continued tight competition in the industry – employers are still lacking workers compared to February 2020 levels.



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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