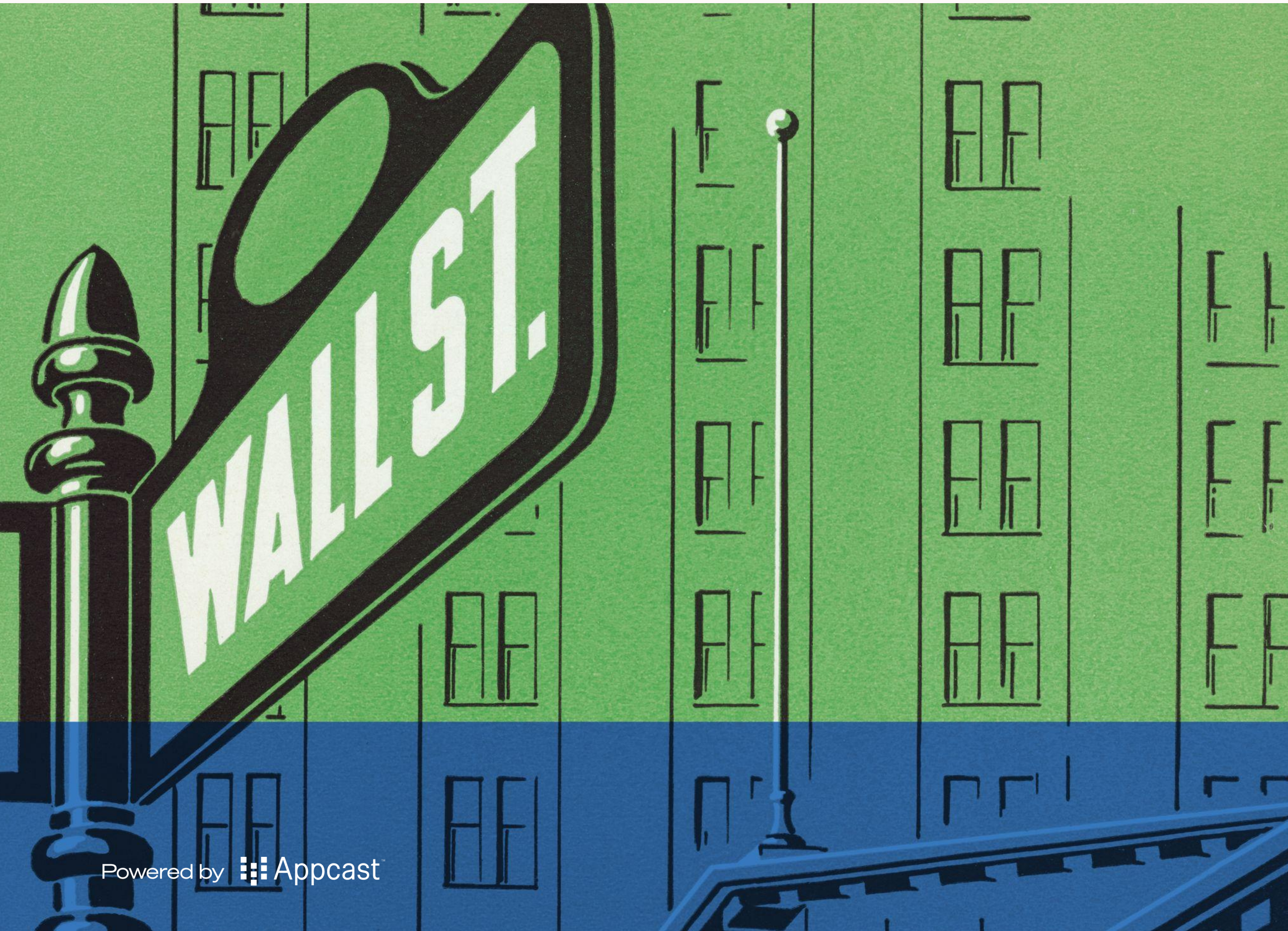
Recruitonomics™

Appcast Finance & Insurance Snapshot

Resilient Growth Despite Tightening Financial Conditions



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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.

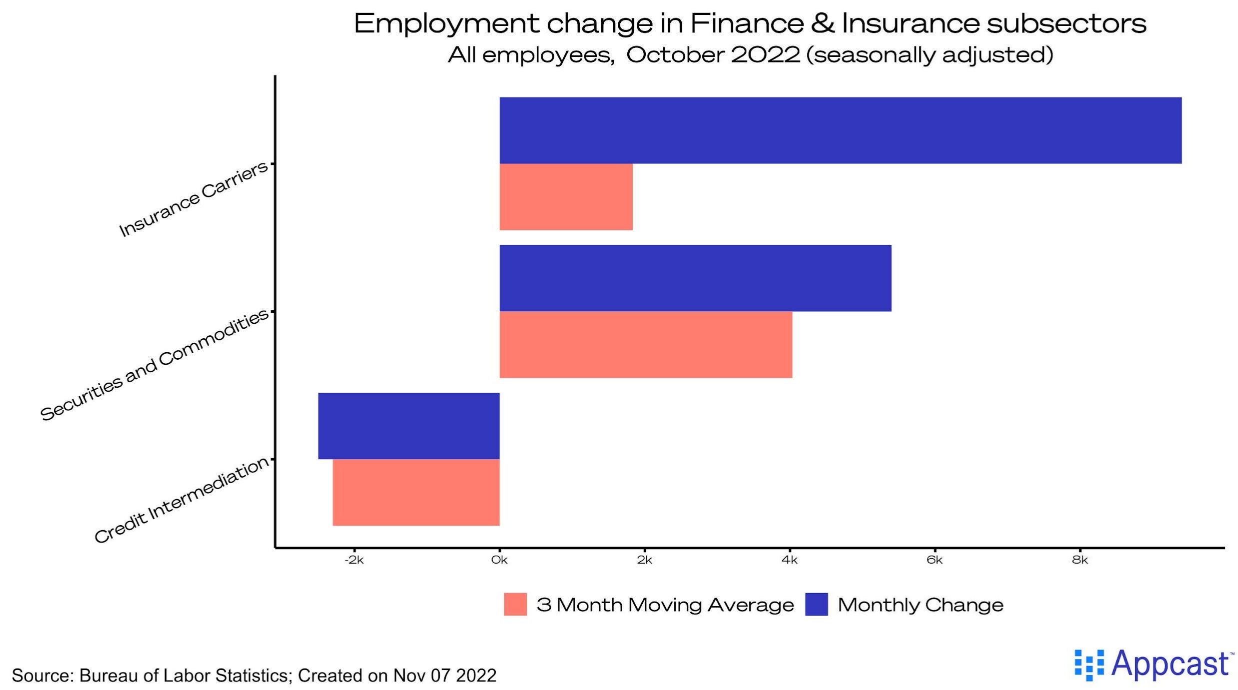
- Shifting employment growth trends reflect shifts in consumer demand and the receding influence of the pandemic. Goods-producing sectors that ruled the recent recession recovery, like warehousing, are slowing. Now, as pandemic fears ease, healthcare is leading monthly gains.

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

Employment Trends in Finance and Insurance

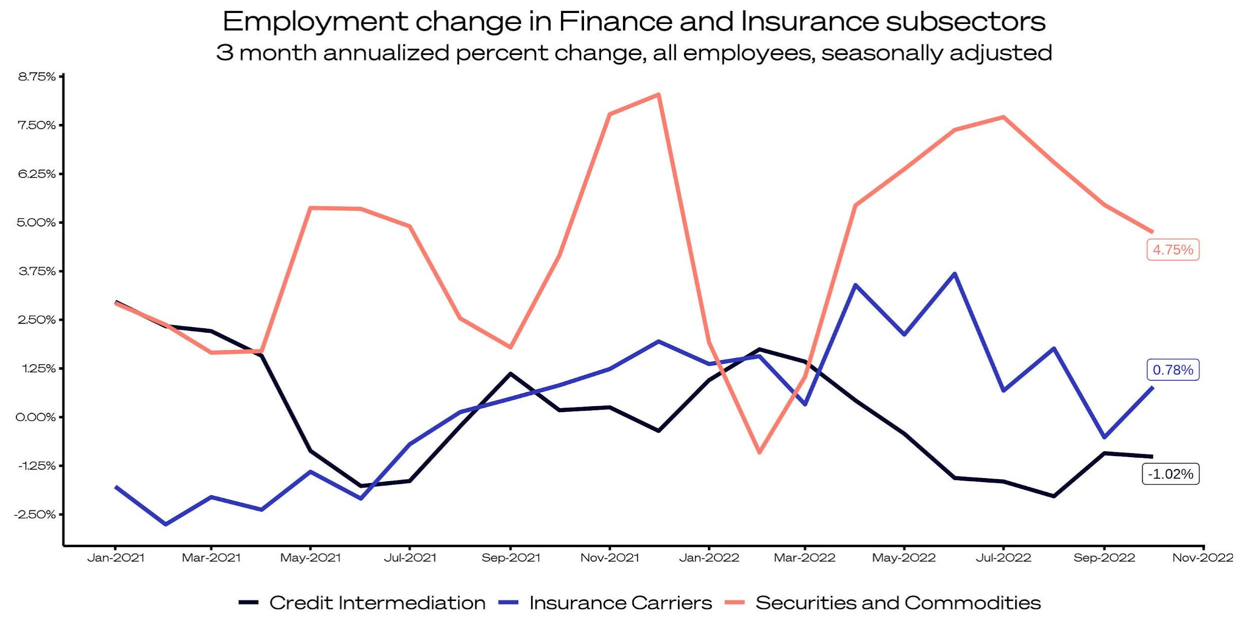
Following a tough September – in which the Finance and Insurance industry lost several thousand jobs – October was a surprising rebound. The sector added 12,400 new jobs, indicating a stronger labor market than what was expected by economists and market analysts.

Insurance comprised the majority of job gains with 9,400, while Finance added a modest 3,000. This positive growth in the face of a summer and fall of higher interest rates points to strong fundamental labor demand and supply.



Employment Trends in Finance and Insurance

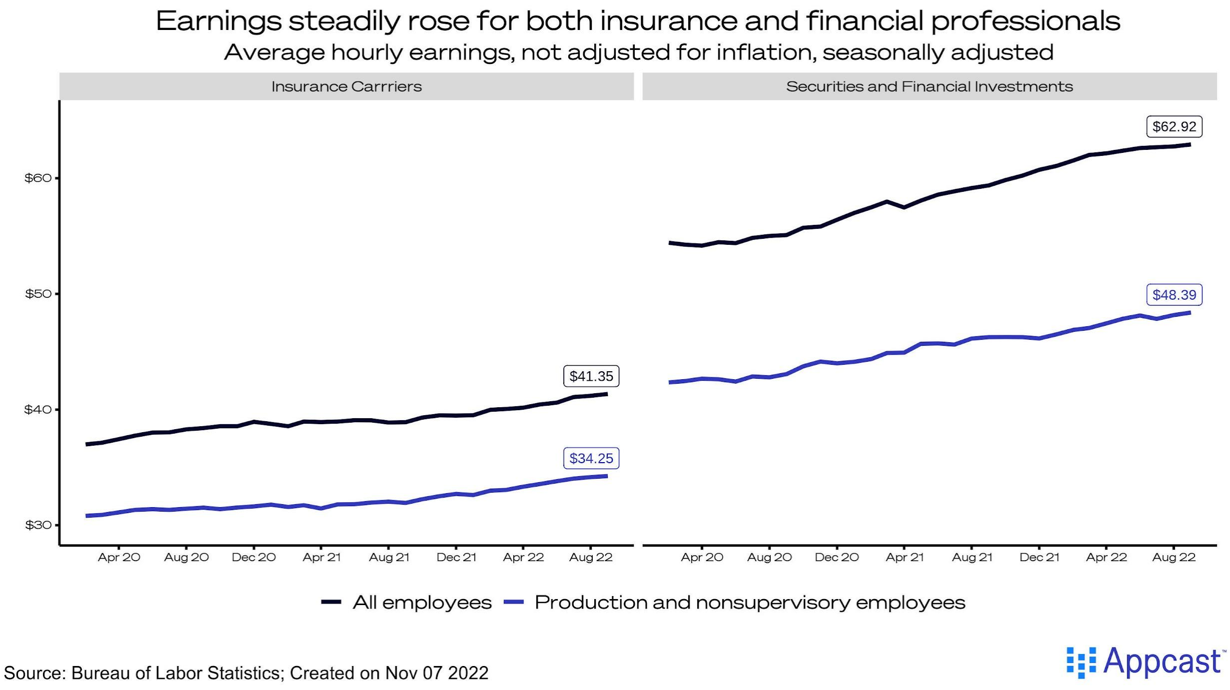
Securities and commodities job growth has been steadily declining, now at 4.75% annually. Credit Intermediation jobs have negative annualized growth, at -1.02%. Insurance jobs have reversed the trend of job losses, now at a positive 0.78% annualized.



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

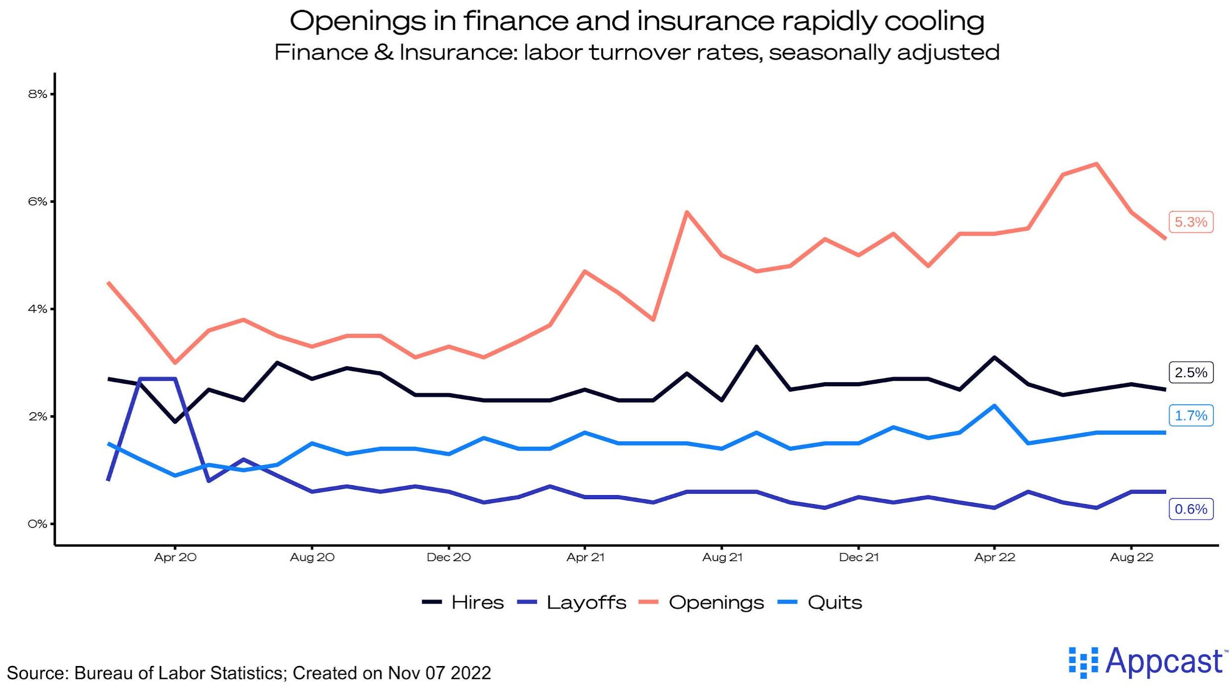
Wage Trends in Finance and Insurance

After strong wage gains throughout 2021 and early 2022, growth appears to be moderating. Securities and finance professionals saw their average hourly earnings fall slightly to $62.92, while insurance professionals' wages are flat at $41.35.



Openings and Turnover Trends in Finance and Insurance

The job openings rate continues to incrementally decline, now at 5.3%. Employers are slowly unwinding their demand for workers but are not increasing layoffs. Both the quits and hires rate are relatively flat, at 1.7% and 2.5%, respectively.

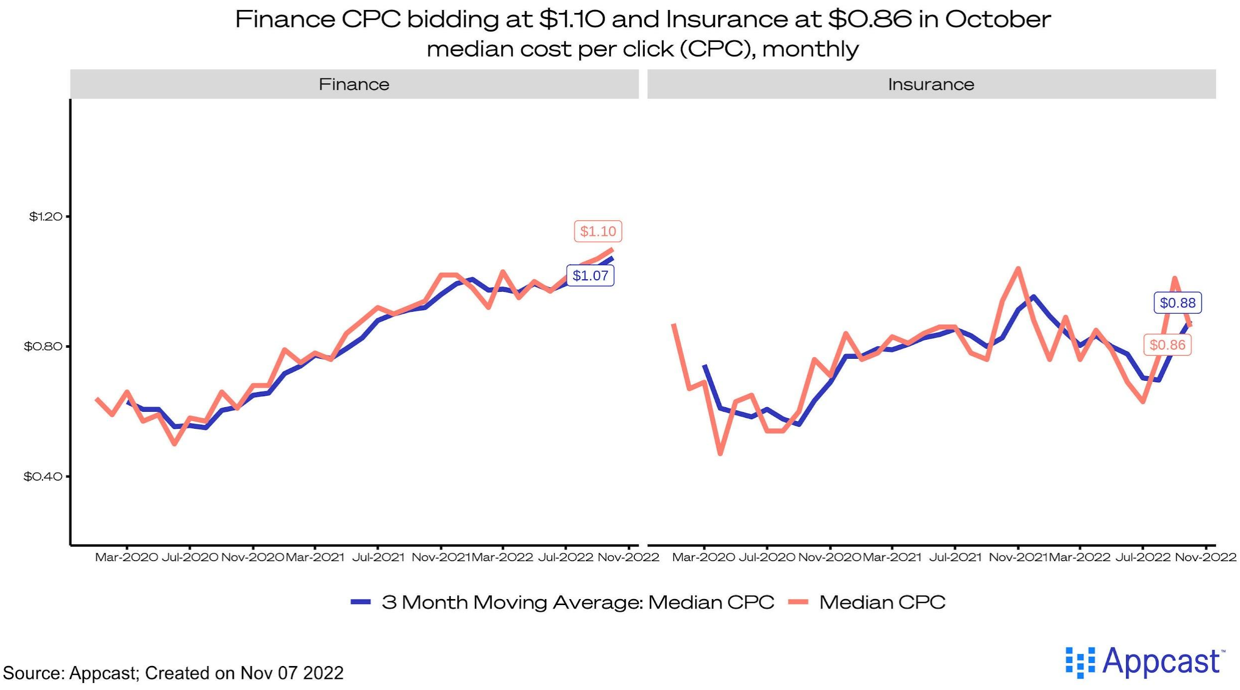


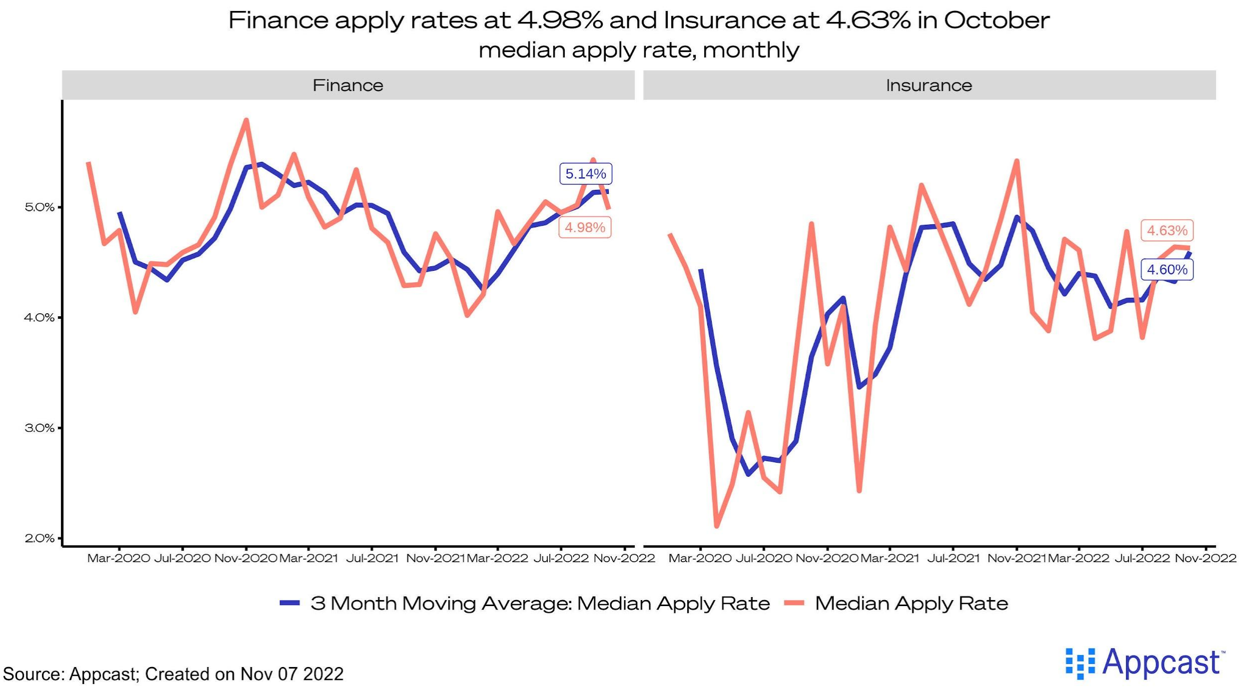
Recruitment Marketing Trends in Finance and Insurance

As noted in our other Labor Market Snapshot reports this month, it's possible that employment and job openings are leading indicators for recruitment costs. As employers reduce their headcount growth, that lowers competition between recruiters, possibly lowering recruitment costs. This is a trend we will monitor for the remainder of 2022 and into 2023.

The median cost-per-click (CPC) for finance jumped up to $1.10 in October. For insurance, CPCs declined modestly to $0.86.

Cost-per-application (CPA) continues its upward trajectory. Insurance CPAs increased to $21.13 and Finance's ticked up to $21.63. Apply rates have also seen modest growth, with Finance at 4.98% and Insurance at 4.63%.





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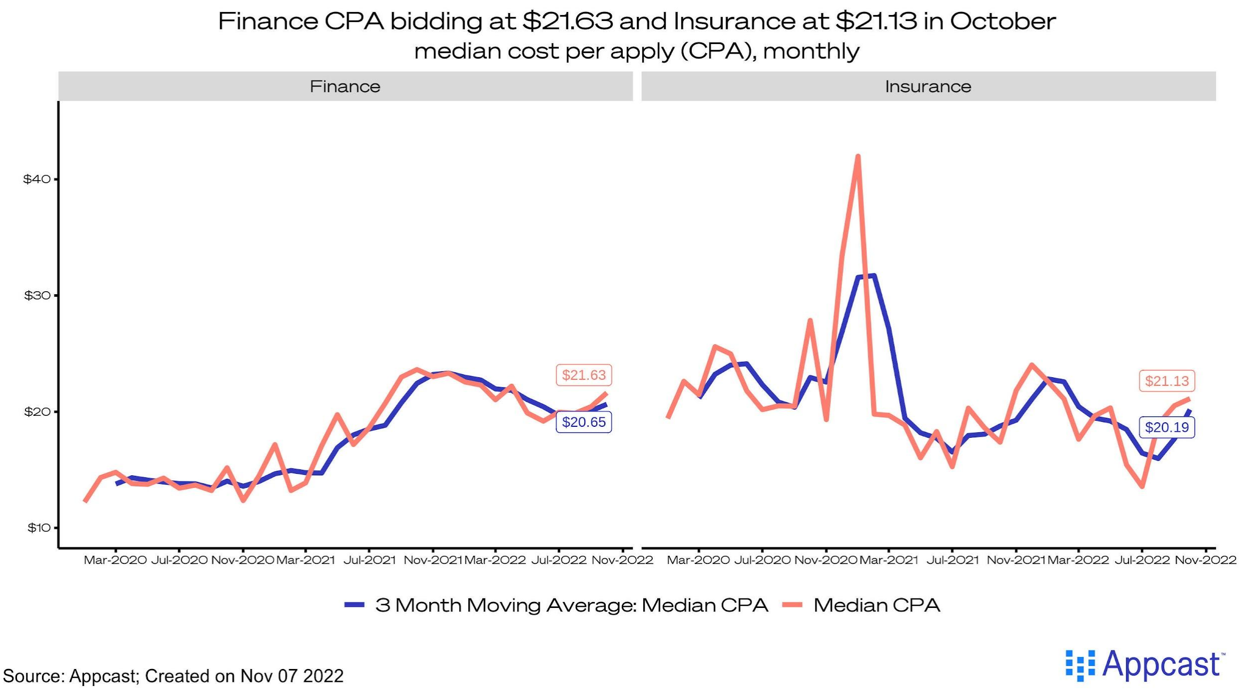

Source: Appcast; Created on Nov 07 2022

What does this mean for Finance and Insurance?

In September's edition of this report we warned that job losses could indicate a substantial weakening of this industry. However, October reversed this trend. Additionally, revisions from the Bureau of Labor Statistics showed that the sector actually gained 1,000 jobs in September. But the threat of weakening remains; Finance is uniquely exposed to soaring interest rates. The full impact of recent hikes has yet to be realized, as Jerome Powell noted in his most recent speech: "We will take into account the cumulative tightening of monetary policy and the lags with which monetary policy affects economic activity and inflation." The next two Employment Situation Reports (in November and December) will chart the path this industry will take in 2023.

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.