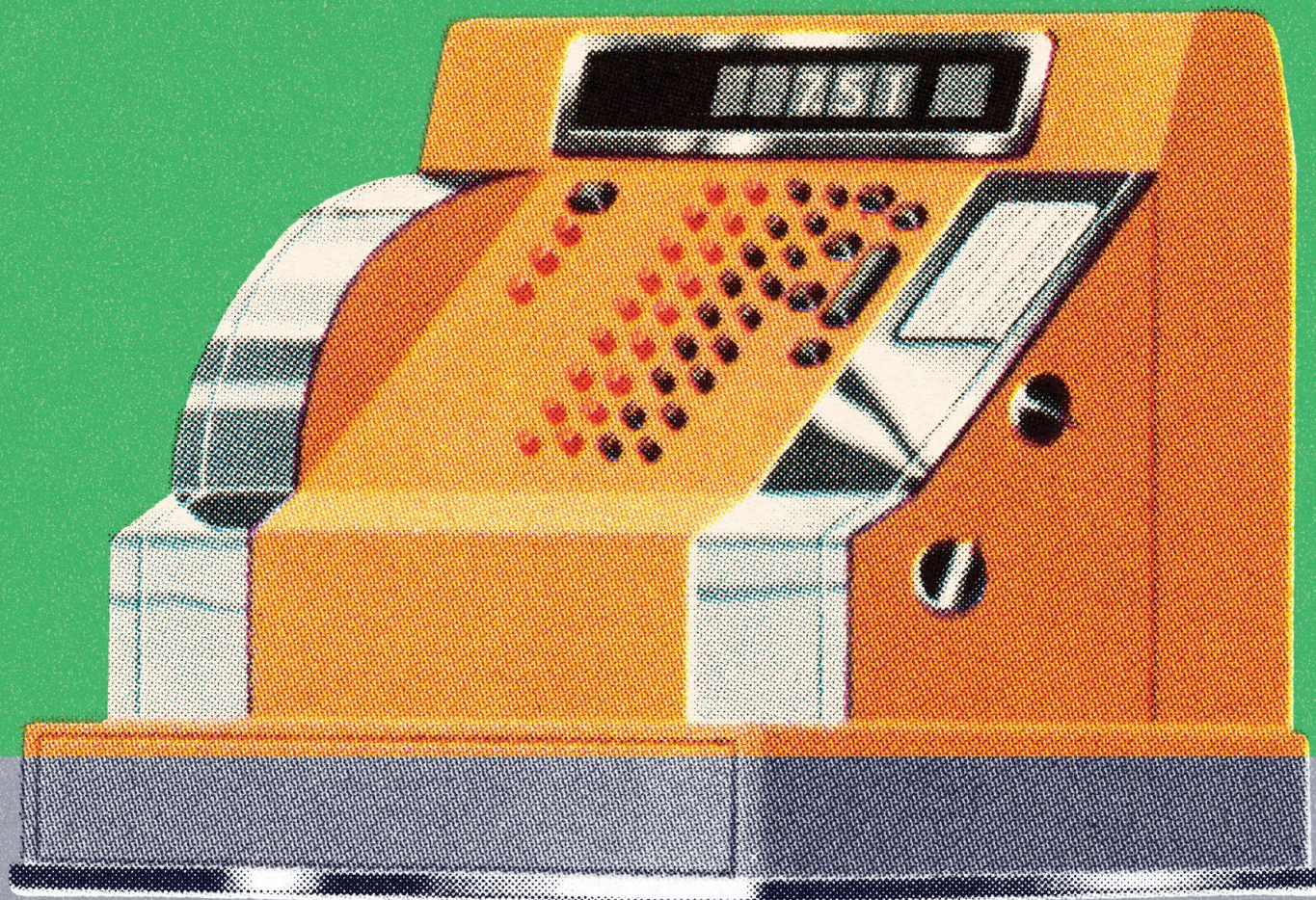


Appcast Retail Snapshot

Lackluster Employment Gains and Falling Demand



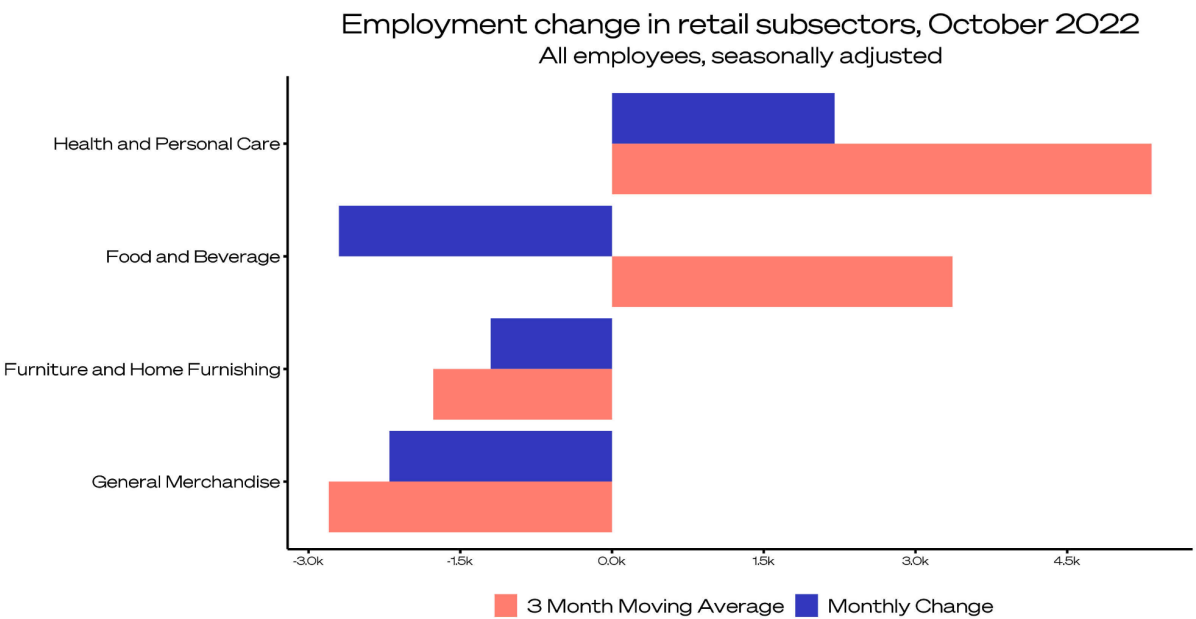
Economy-wide breakdown:

- 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 Retail

Retail trade gained a steady 7,200 net new jobs in October, nearly making up the loss of 7,600 jobs in September. The sector has slowed considerably in 2022 following strong gains in 2021. The sector added 42,000 jobs per month on average in 2021, compared to nearly 23,000 in 2022. Now, growth is substantially slowing. Consumer spending shifts have impacted hiring in the sector, despite the nearing holiday season.

Health and personal care stores gained 2,200 jobs in October, reflecting the resilience of health service demand in the face of high inflation. Food and beverage stores, which have been averaging nearly 3,400 new jobs a month, lost 2,700 in October. General merchandising lost jobs for a second consecutive month.

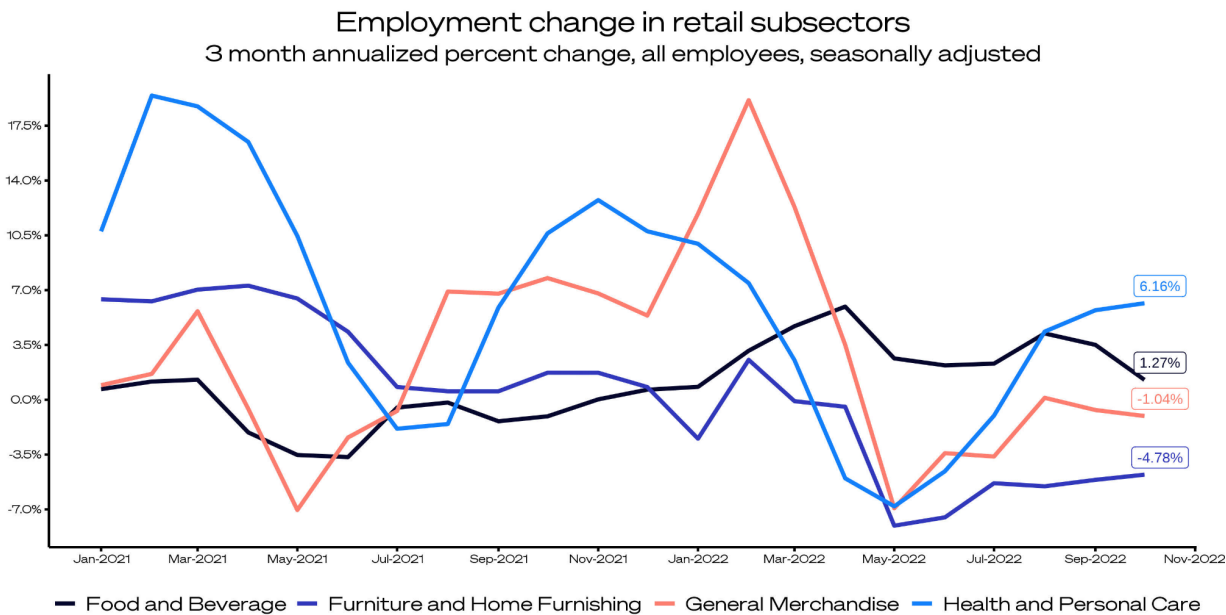


Source: Bureau of Labor Statistics; Created on Nov 07 2022



Employment Trends in Retail

Unsurprisingly, health and personal care retailers have recently overtaken food and beverage stores at the quickest growing subsector, now at a 6.16% annualized rate. Other sectors have slowed to negative rates, including general merchandising’s annualized rate of -1.04%

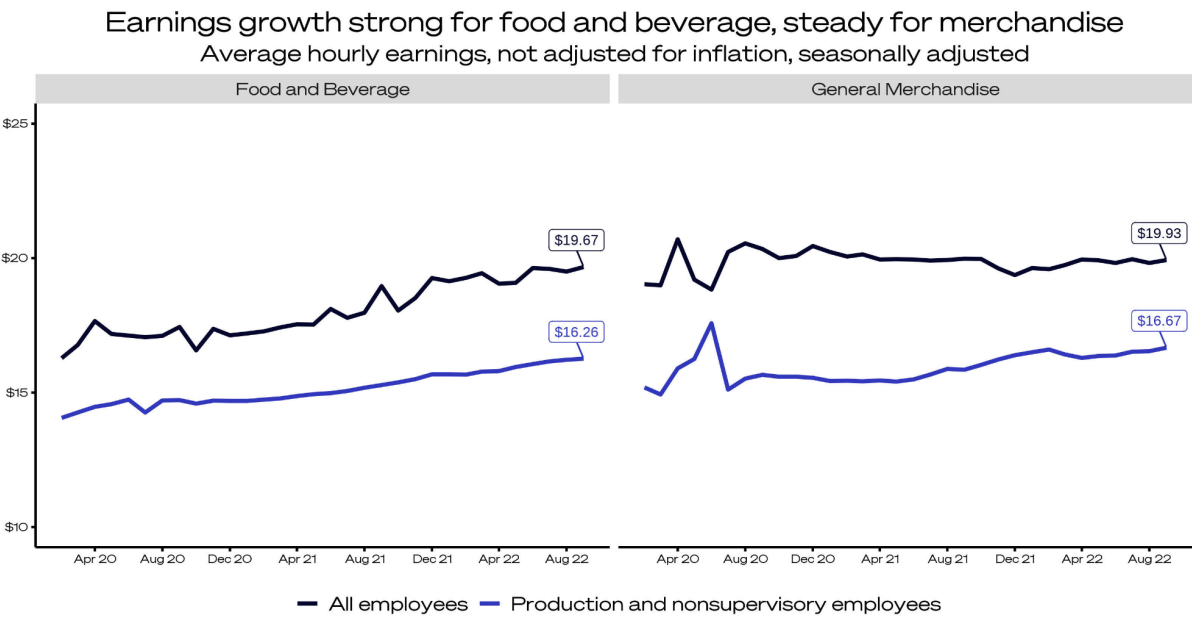


Source: Bureau of Labor Statistics; Created on Nov 07 2022



Wage Trends in Retail

Nominal average hourly earnings ticked up slightly for non-managers in both general stores and food and beverage stores. In food and beverage stores, these rank-and-file workers added just five cents to September’s average, now at \$16.26. General store workers made an average of \$16.67 an hour. Managers in food and beverage and general stores took home \$19.87 and \$19.93 respectively.

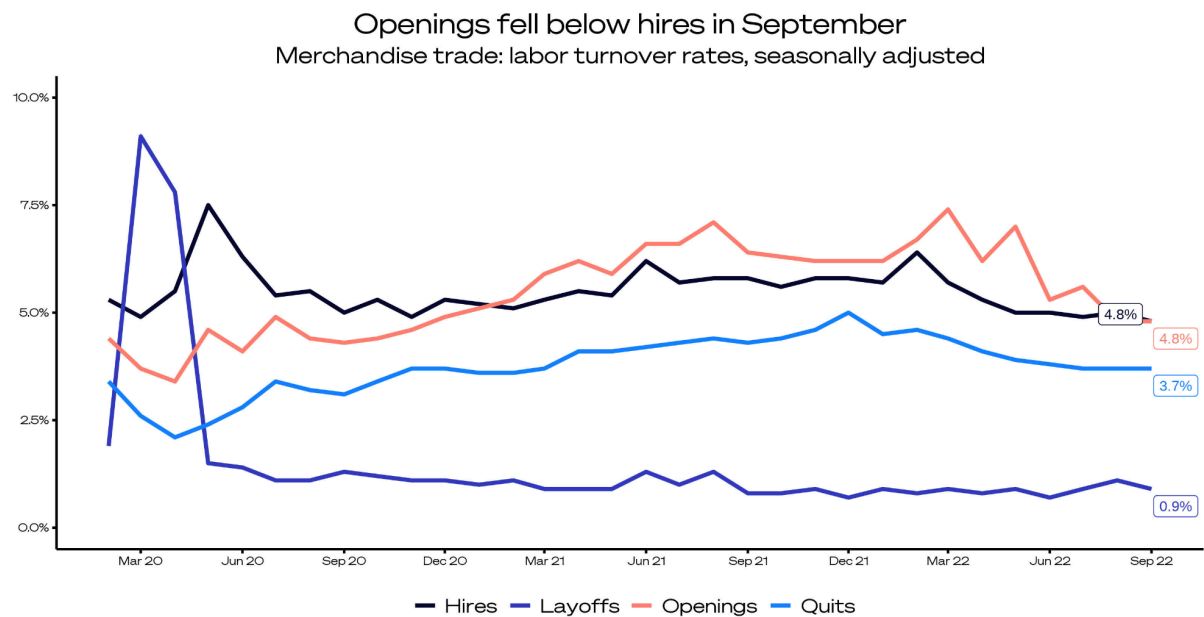


Source: Bureau of Labor Statistics; Created on Nov 07 2022



Openings and Turnover Trends in Retail

Hires and openings were equal in September, both at 4.8%. Openings and hires are both coming down from highs earlier in the year, indicating falling demand in the sector. Meanwhile, quits remained steady and historically elevated – turnover remains high, so retailers may be cutting down their workforces by simply not hiring as workers leave. Layoffs dipped even lower in September, to 0.9%.



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



Recruitment Marketing Trends in Retail

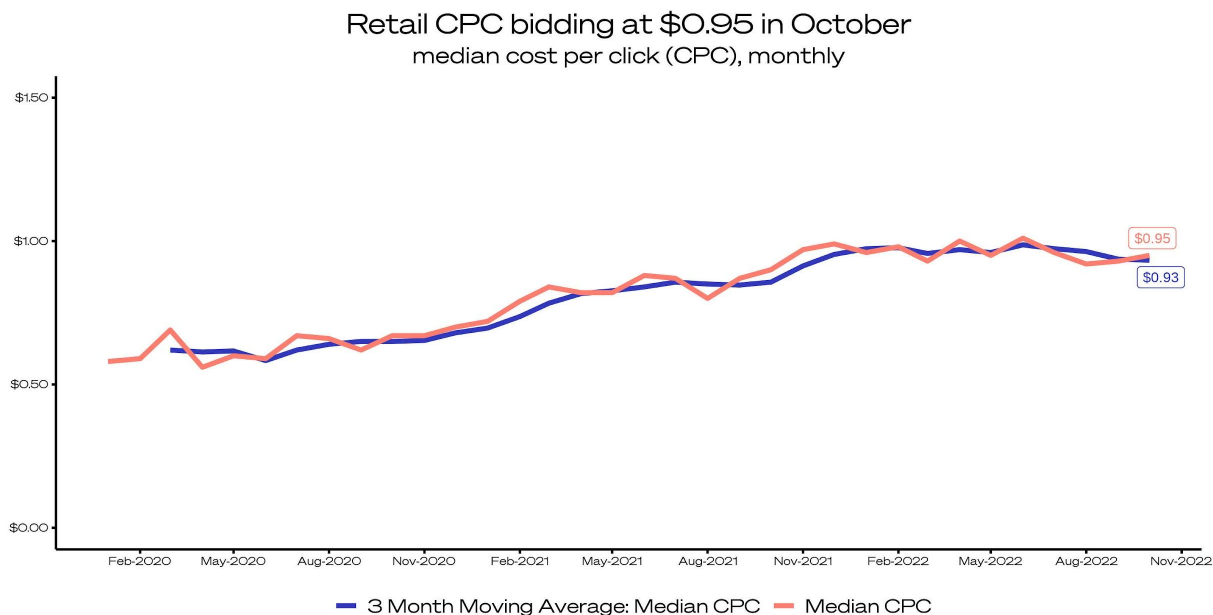
As employment growth slows and job openings fall, it's possible that recruiting costs will follow. Reducing growth and demand leads to decreasing competition and eventually falling costs.

Cost-per-click (CPC) is on a soft decline in retail, but cost-per-application (CPA) is increasing stubbornly. We will continue to monitor this possible trend for the remainder of 2022 and into 2023.

Median CPC increased slightly \$0.95 in October, while the moving average continued to decline slightly to \$0.93.

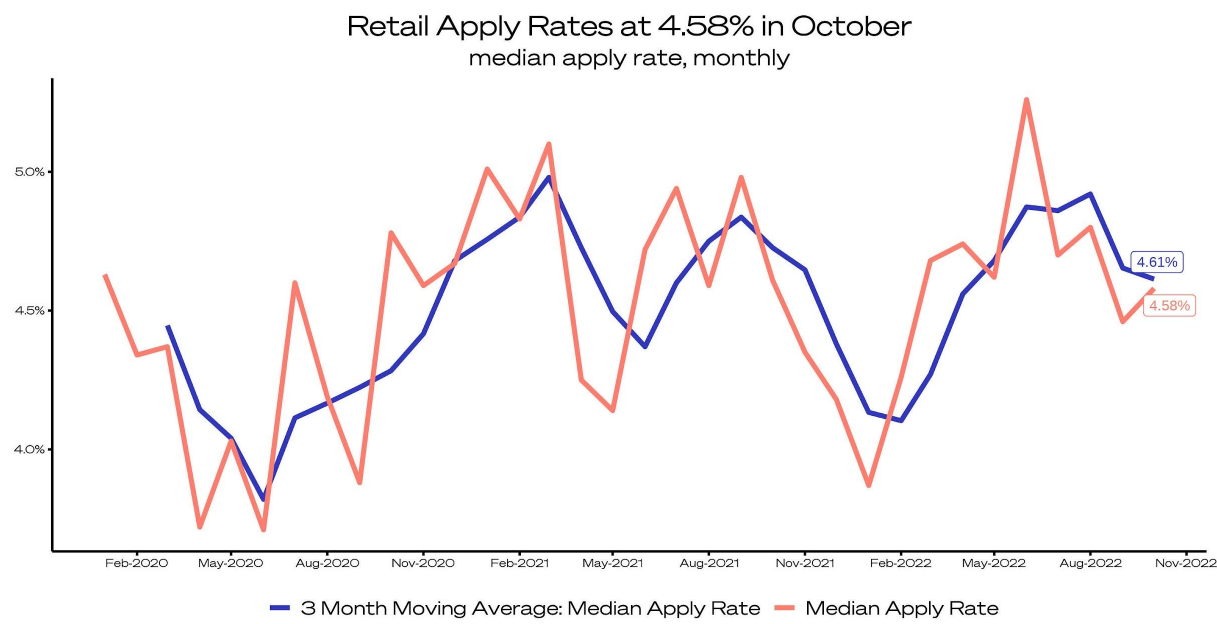
The three-month moving average for CPA, meanwhile, increased to \$20.75, on a slight rebound from lows this summer.

Apply rates, meanwhile, are trending downwards, with the three-month moving average decreasing to 4.61%. It's possible that more job seekers are looking at retail jobs as the holiday season approaches but fewer are actually going through with an application.

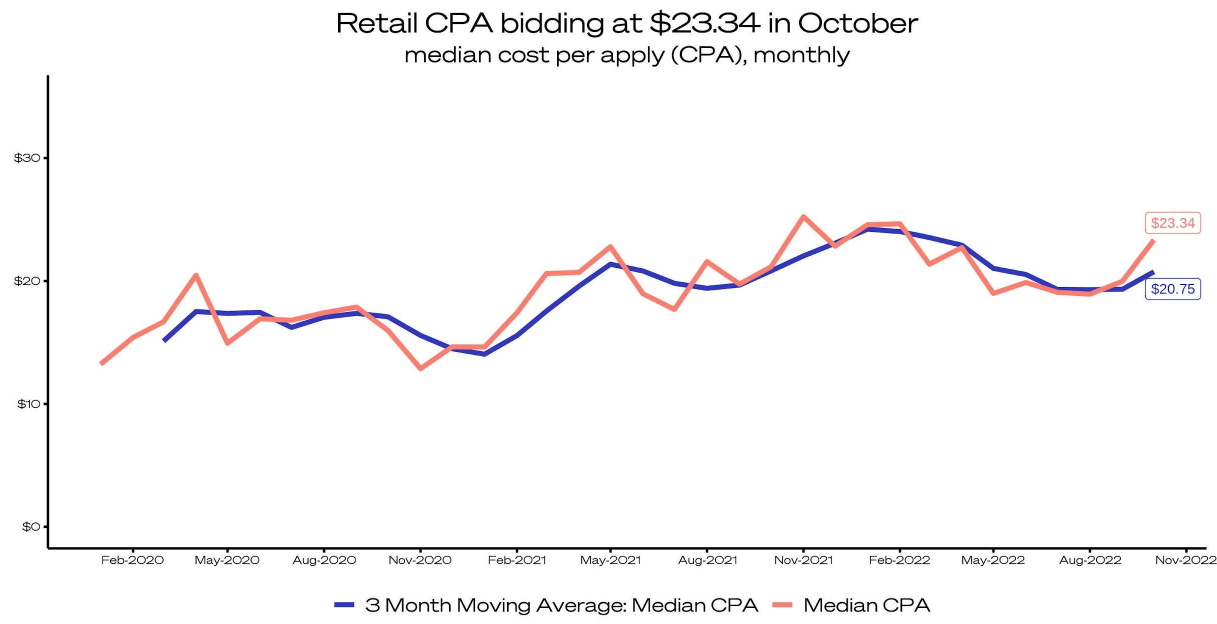


Source: Appcast; Created on Nov 07 2022

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Source: Appcast; Created on Nov 07 2022



Source: Appcast; Created on Nov 07 2022

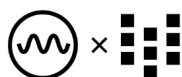


What does this mean for Retail?

Employers in the retail sector are definitely feeling the shift in consumer spending. As demand has decreased for goods, so too has demand for labor in this sector. Even during the supposedly robust seasonal hiring cycle, employment gains have been lackluster. Moderating wage growth, decreasing openings, and tepid hiring all point to a further slowing of employer demand. Hopefully, these trends will translate to receding recruiting costs moving into 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.

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