

Appcast Accommodation and Food Services Snapshot

High Consumer Demand Brings Steady Job Creation



Economy-wide breakdown:

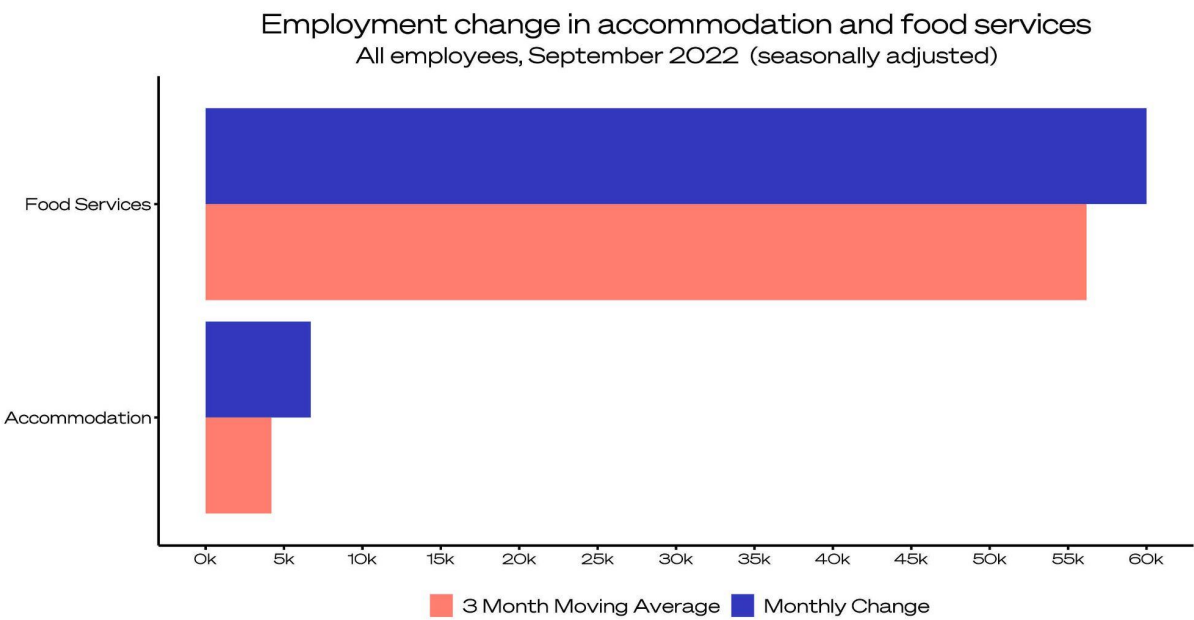
- The U.S. economy added 267,000 net new jobs in September, subdued gains compared to the 420,000 average monthly gains so far this year. Though lower than average for 2022, these gains show the resilience of the labor market against several challenges. The unemployment rate dropped to a historically low 3.5%.
- Consumer spending shifts officially made their mark on the jobs report in September – many goods-producing sectors suffered employment losses, while service-providing sectors added jobs at an impressive clip.
- Wage growth once again steadied – promising news for the Federal Reserve and its commitment to price stability. Job openings also cooled significantly (without layoffs rising), suggesting its hope for a “soft-landing” is within grasp.
- Labor force participation rates continue to disappoint and have yet to return to pre-COVID levels. In September, prime-age labor force participation was at 82.7%, compared to 83% in February 2020.
- [Read our economy-wide breakdown of the September numbers.](#)



Employment Trends in Accommodation and Food Services

Accommodation and Food Services added an impressive 66,700 net new jobs in September after a tepid month of gains in August (just 22,500). The sector is still short over 950,000 jobs compared to its February 2020 level. The immediate and lingering impacts of the pandemic have hampered the sector’s recovery.

Once again, food services and drinking places added far more jobs than accommodations, 60,000 and 7,500, respectively. Both sectors gained more than the average of the past three months; employment growth was robust this month.

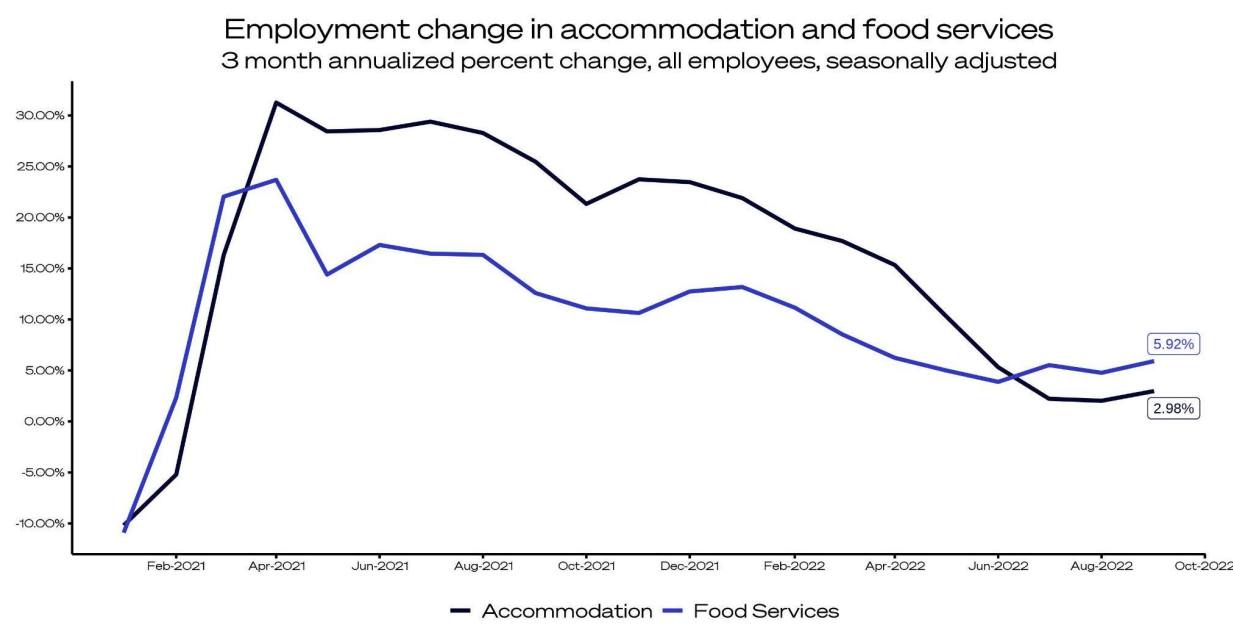


Source: Bureau of Labor Statistics; Created on Oct 10 2022



Employment Trends in Accommodation and Food Services

Both accommodations and food services added jobs at a quicker pace last month, with rates at 2.98% and 5.92%, respectively. Accommodation rates have reached a steady state after declining for the past year.



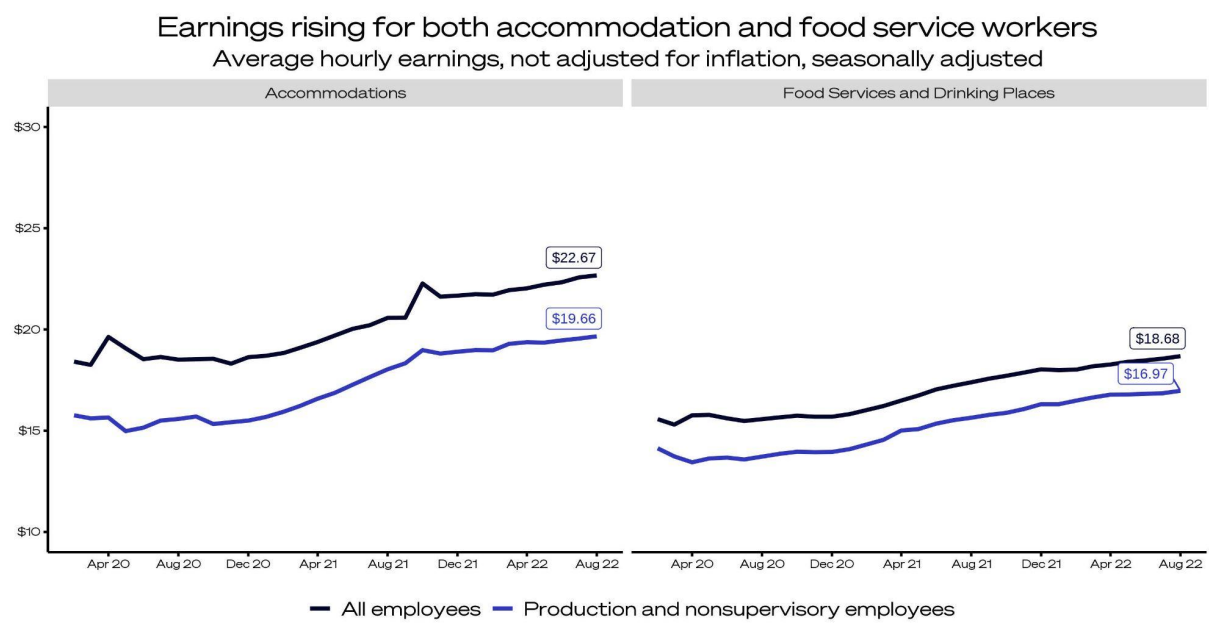
Source: Bureau of Labor Statistics; Created on Oct 10 2022



Wage Trends in Accommodation and Food Services

Nominal average hourly earnings for non-managers in accommodation and food services remained relatively steady in September, at \$19.66 and \$16.97, respectively. The gap between wages for all employees and nonsupervisory employees continued to widen in accommodations, growing to \$3.01.

Wage growth in leisure and hospitality, the sector that contains both accommodations and food services, continued to slow in September. Slowing wage growth could suggest a larger trend throughout the economy, as declining demand for labor in other industries pushes workers towards leisure and hospitality positions.



Source: Bureau of Labor Statistics; Created on Oct 11 2022

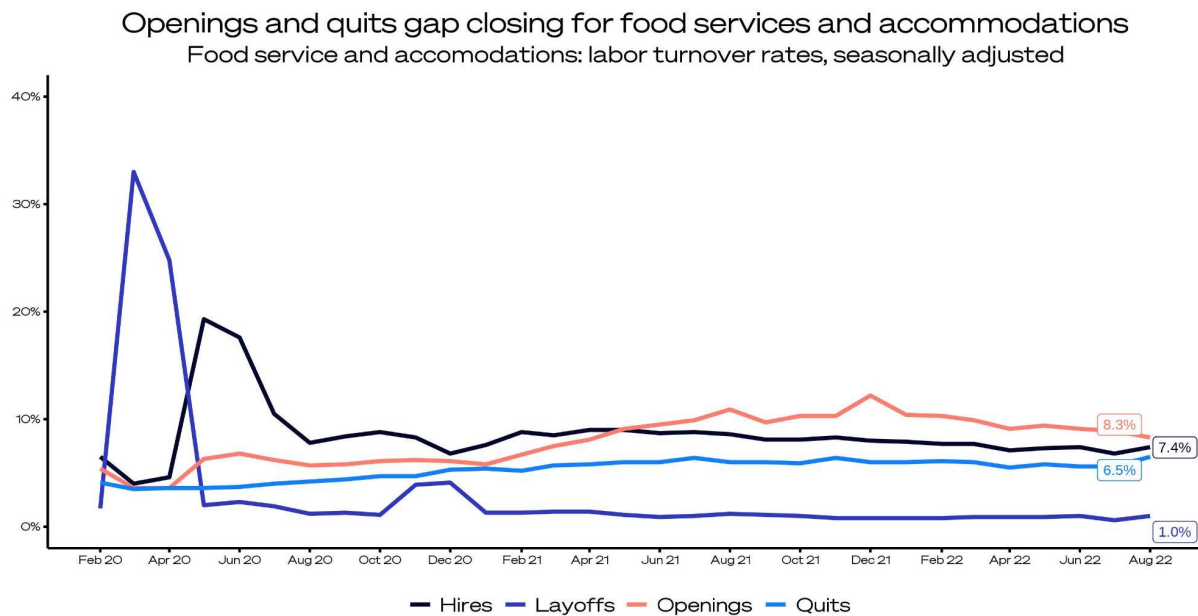


Openings and Turnover Trends in Accommodation and Food Services

Hires in Accommodation and Food Services nearly eclipsed openings in August, while quits rates jumped and layoffs increased ever so slightly.

The job openings rate fell to 8.3% in August, still far above the economy-wide rate of 6.2%. The sector often has higher measures of turnover than other sectors, but the trend has been especially pronounced during the pandemic. A falling openings rate may hint that demand is cooling, but a surprise jump in the quits rates suggests workers are still exercising their power.

Low layoffs rates contribute to the economy-wide trend of demand cooling without layoffs increasing.



Source: Bureau of Labor Statistics; Created on Oct 10 2022

Appcast™



Recruitment Marketing Trends in Accommodation and Food Services

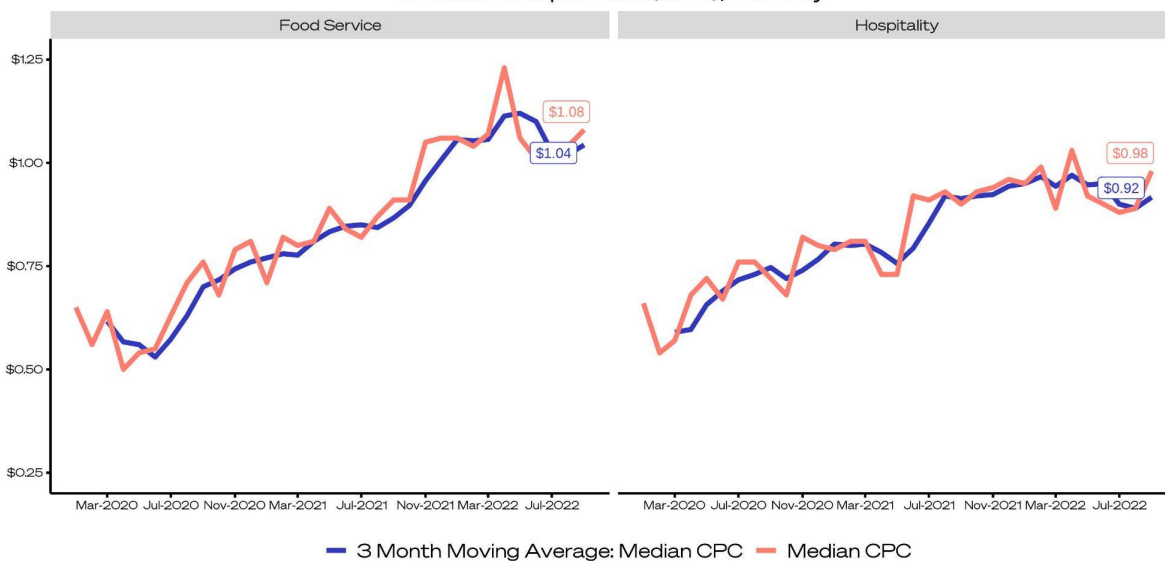
Both food services and hospitality saw a slight increase in recruitment costs in September, following a decreasing trend throughout the summer months. This seasonal effect should begin to slip away as peak travel season passes.

CPC for food service postings averaged \$1.04 for the past three months. Hospitality (the Appcast sector that aligns with the Bureau of Labor Statistics' "Accommodations" designation) saw their average increase slightly to \$0.92. Though once relatively even, food service CPCs have climbed above hospitality's since the onset of the pandemic.

Apply rates for both food services and hospitality jumped in September, but the less volatile three month moving average shows apply rates climbing for food service to 5.02%, while remaining relatively steady in hospitality at 4.57%.

The CPA in food services has fallen from highs earlier in the year. Though the average ticked up a bit in September to \$21.10, the cost has not begun to rebound strongly from this lower level. Hospitality, meanwhile, has seen CPAs jump in the past two months, now up to \$21.79.

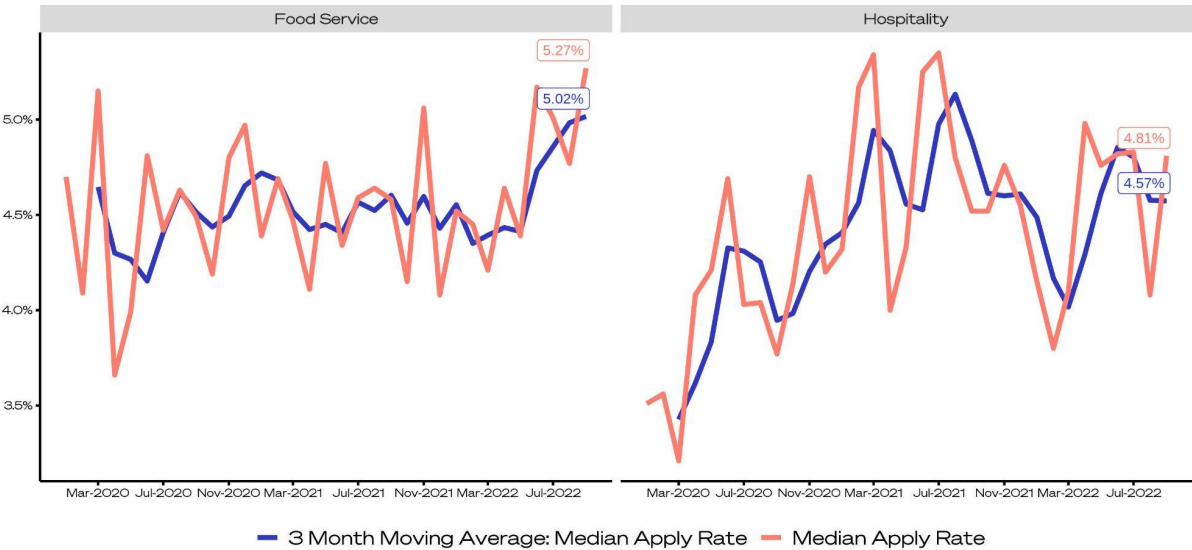
Food Service CPC bidding at \$1.08 and Accommodation at \$0.98 in September
median cost per click (CPC), monthly



Source: Appcast; Created on Oct 10 2022



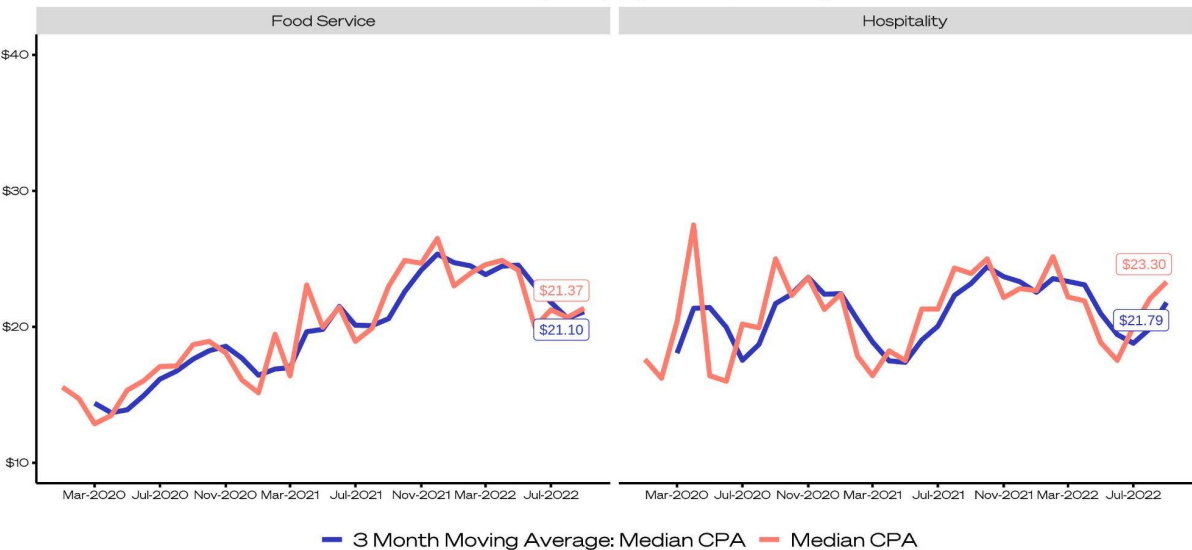
Food Service apply rates at 5.27% and Accommodation apply rates at 4.81% in September median apply rate, monthly



Source: Appcast; Created on Oct 10 2022



Food Service CPA bidding at \$21.37 and Accommodation at \$23.30 in September median cost per apply (CPA), monthly



Source: Appcast; Created on Oct 10 2022



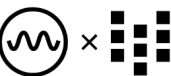
What does this mean for Accommodation and Food Services?

In September, consumer spending patterns impacted job creation across the labor market. Accommodation and food services was no exception, experiencing steady gains compared to goods-producing sectors. The sector has yet to recover all jobs lost during the initial pandemic shock, but steady job gains bring them closer each month. Demand in the sector is falling slightly, but a high quits rate shows that workers are still feeling their power. Recruitment costs were higher in September than past months. Increasing apply rates in food services suggest job seekers were more engaged in September, while hospitality experienced the opposite.



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.

© Recruitonomics 2022

