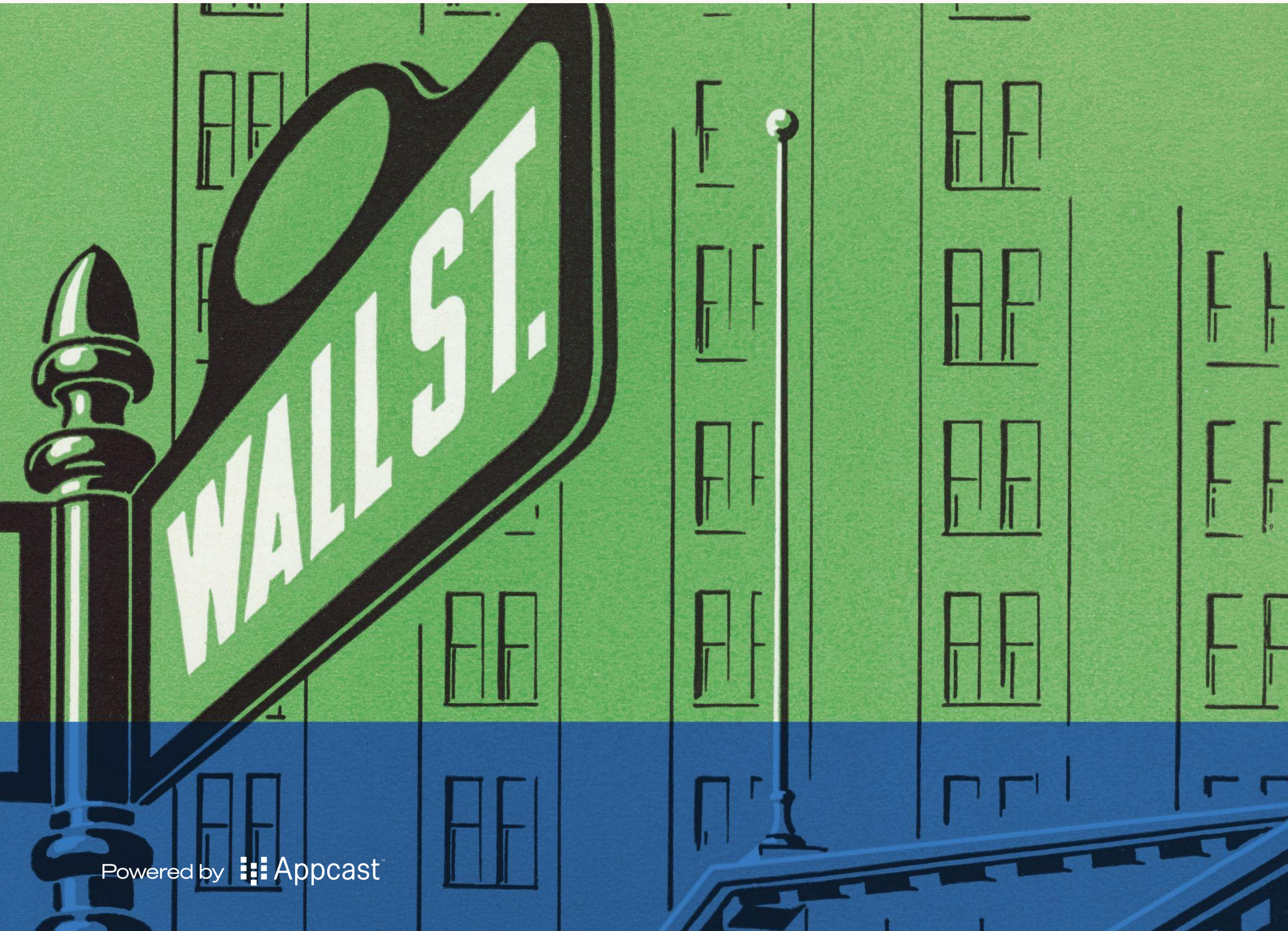
Recruitonomics™

Appcast Finance & Insurance Snapshot

Substanstantial Job Losses and Lower Openings



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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.

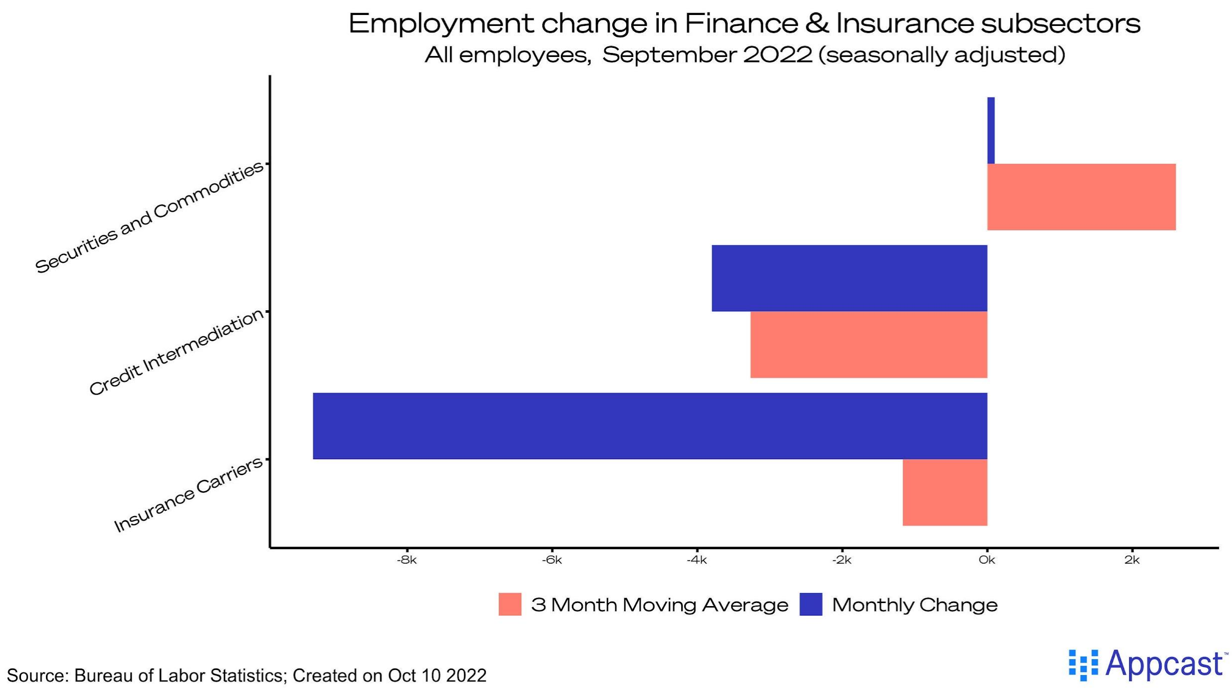
- Wage growth once again steadied – promising news for the Federal Reserve and its commitment to price stability. Job openings also cooled significantly (without layoffs rising), suggesting its hope for a "soft-landing" is within grasp.

- 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.

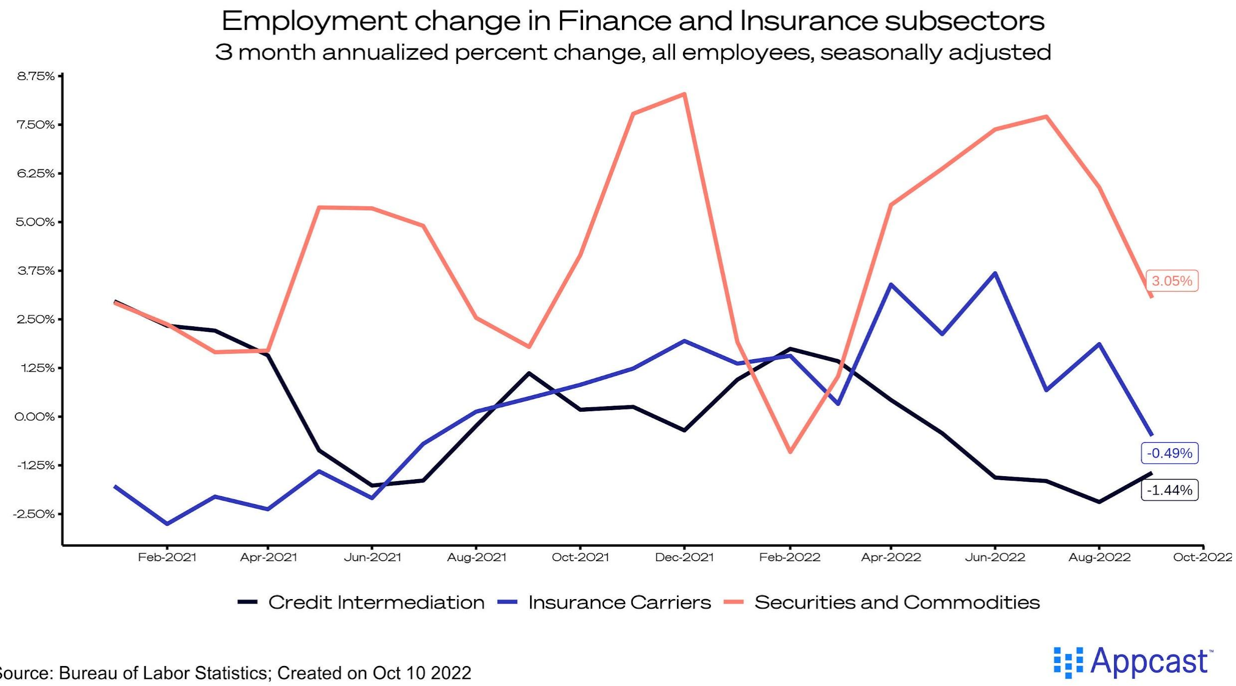
Employment Trends in Finance and Insurance

September was a very disappointing month for finance and insurance – employment fell by 13,000 jobs. This is the largest drop since the onset of COVID-19 in April 2020. The summer months all had consistent gains, averaging 4,300 jobs over three months. This drop can potentially be explained by the recent volatility of the stock market, as billions of dollars have been erased from the gains of 2020 and 2021.



Securities and commodities jobs growth has been steadily declining, now at 3.05% annually. Both Insurance and Credit Intermediation jobs have negative annualized growth, at -0.49% and -1.44%, respectively. Negative or flat growth across the board has been a sticking point for this industry.

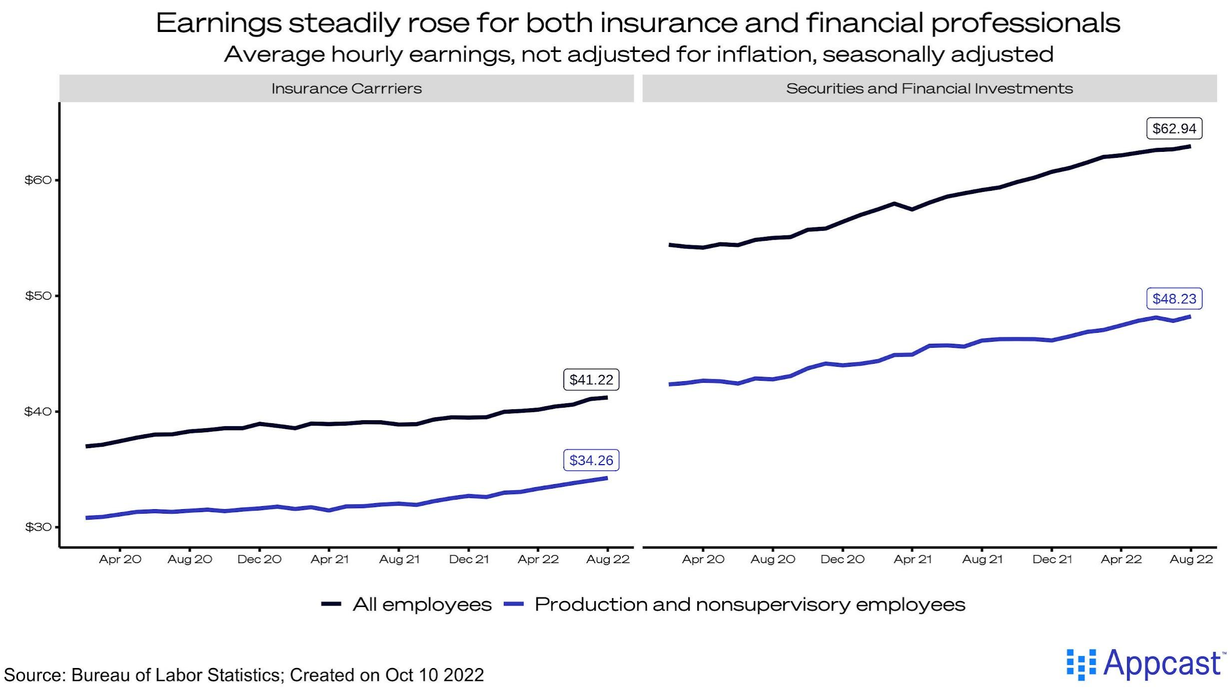
Employment Trends in Finance and Insurance



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

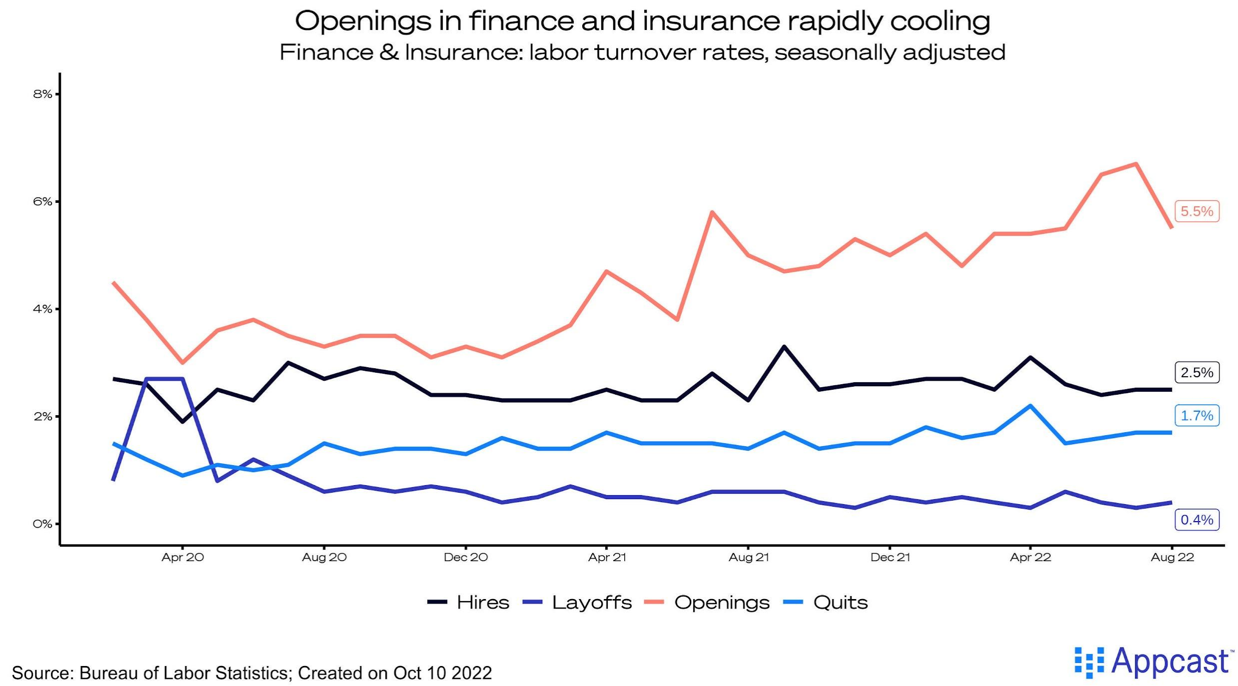
Wage Trends in Finance and Insurance

Despite weak job growth, wages continue to climb. For insurance carriers, hourly earnings reached $41.22 in August (for all employees). For securities and financial investment professionals, earnings reached a high of $62.94.



Openings and Turnover Trends in Finance and Insurance

The job openings rate fell substantially for finance and insurance, down to 5.5%. This data point is especially interesting given hiring and quits remained flat in August – possibly indicating that employers have closed open requisitions without filling them with candidates. This is the overall goal of the Federal Reserve, to slowly unwind the openings rate without an increase in unemployment.



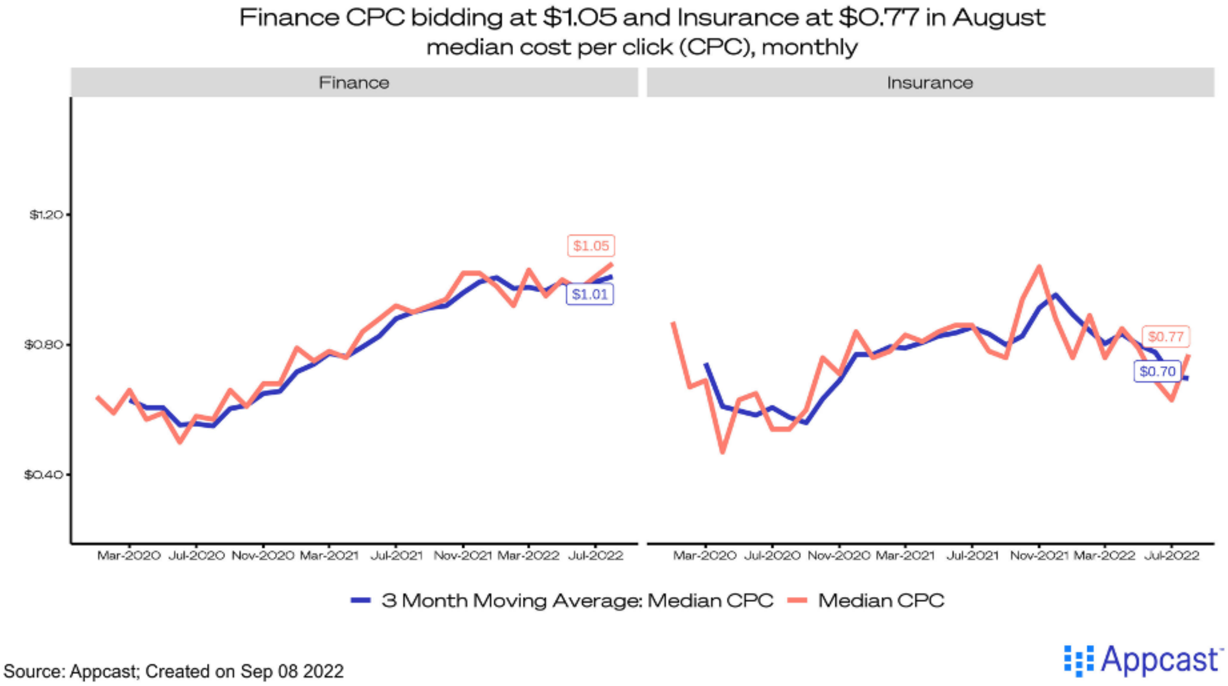
Recruitment Marketing Trends in Finance and Insurance

Despite the overall trend of job losses and lower openings, recruitment costs have continued to climb.

The median cost per click (CPC) for finance jumped up to $1.07 in September. For insurance, CPC increased dramatically to $1.01.

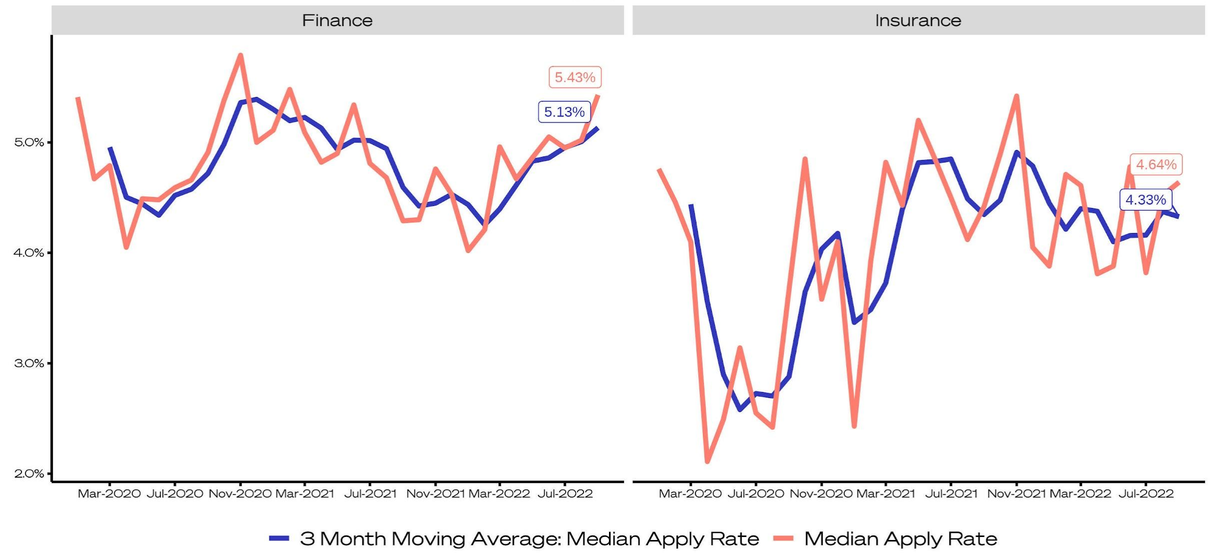
Cost per application (CPA)is climbing fairly significantly after a summer of cooling. Insurance CPAs increased to $20.52, and Finance's ticked up to $20.44. Apply rates have also seen strong growth, with Finance reaching 5.43% (near an all-time high) and Insurance at 4.64%.

This is an interesting case of conflicting trends – government collected employment data indicates trouble for this industry, but recruitment marketing data shows robust job seeker activity.



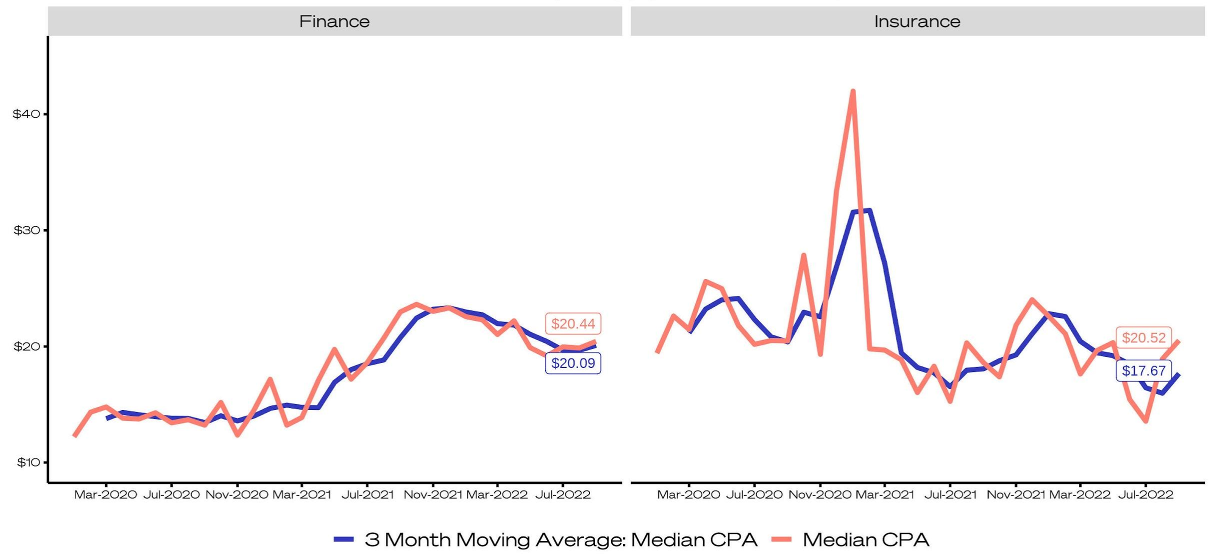
Source: Appcast; Created on Sep 08 2022

Finance apply rates at 5.43% and Insurance at 4.64% in September
median apply rate, monthly



Source: Appcast; Created on Oct 10 2022

Finance CPA bidding at $20.44 and Insurance at $20.52 in September
median cost per apply (CPA), monthly



Source: Appcast; Created on Oct 10 2022

What does this mean for Finance and Insurance?

After reaching an all-time high in January of 2022, the S&P 500 is now back to its December 2020 level. Broad-based declines in assets were bound to affect finance and insurance jobs eventually, and this has materialized in the September employment data. Not only was this the worst month since April 2020, it's comparable to several months during the Great Recession. This should signal a warning that this industry is facing deeper problems, however recruitment marketing data indicates strong job seeker activity and continued competition for talent. This month could be an outlier or a leading indicator of a recession.

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.