

# The Next Hiring Wave

Navigating the Labor Shortage | Compensation Demands  
Diversity and Demographics



**Jay Denton**  
*Chief Analyst*  
LaborIQ by ThinkWhy

# Let's Connect



@LaborMarketGuru



/company/ThinkWhy-LLC



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# TalentTech™

EMPLOYMENT &  
WORKFORCE

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# »» TODAY'S AGENDA

- Job Recovery Progress
- Tennessee's Job Market
- Talent Supply by Occupation
- Diversity & Demographics
- Outlook for Hiring

# Job Recovery Progress

- ▶▶▶ Substantial Traction Across Industries
- ▶▶▶ Record Number of Open Jobs
- ▶▶▶ Quits Rate is Soaring

# Job Gain Consistency

## Number of U.S. Jobs

22.4 M

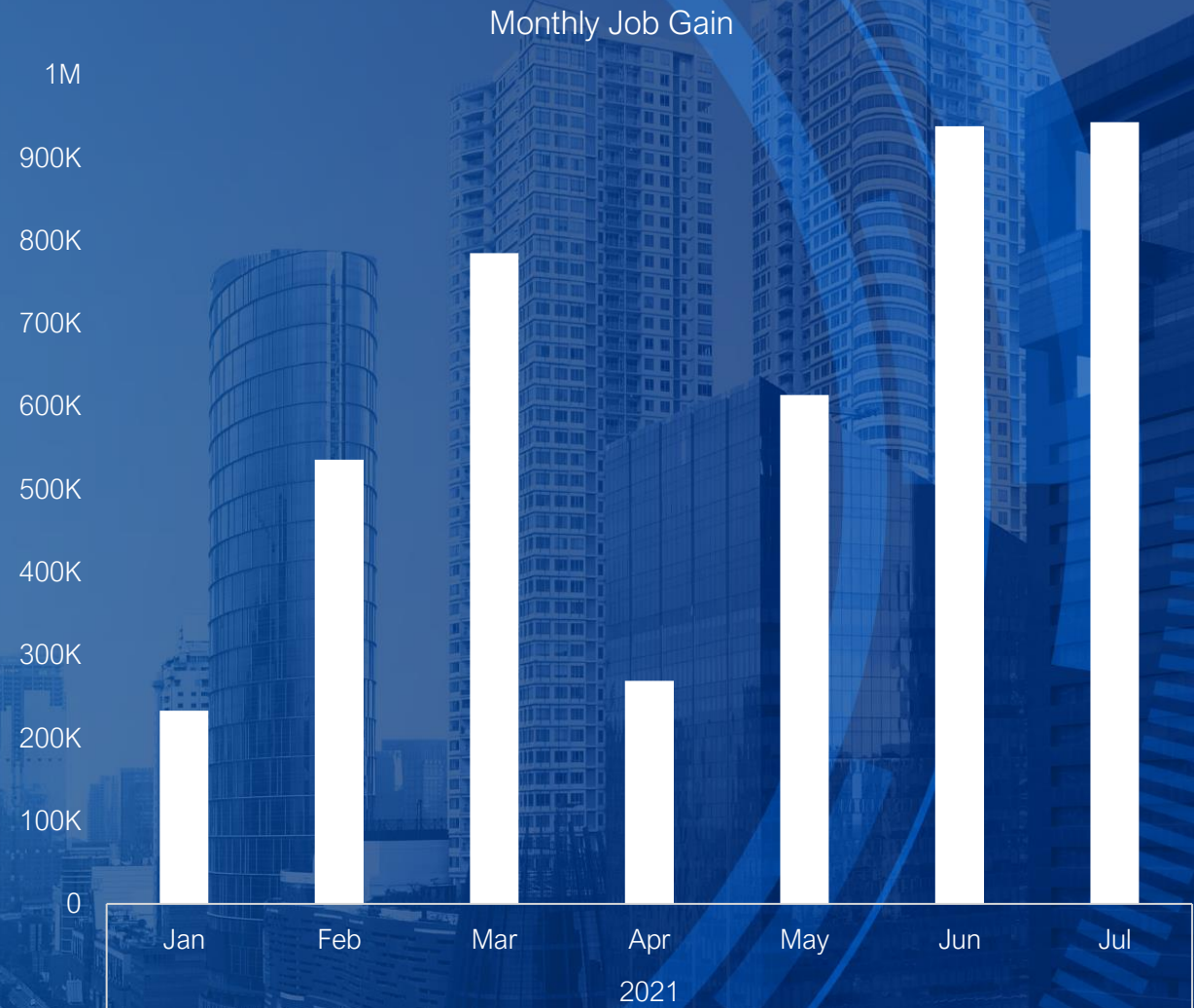
Lost Mar and Apr 2020

16.7 M

Jobs Recovered

5.7 M

Remaining  
Jobs to Recover



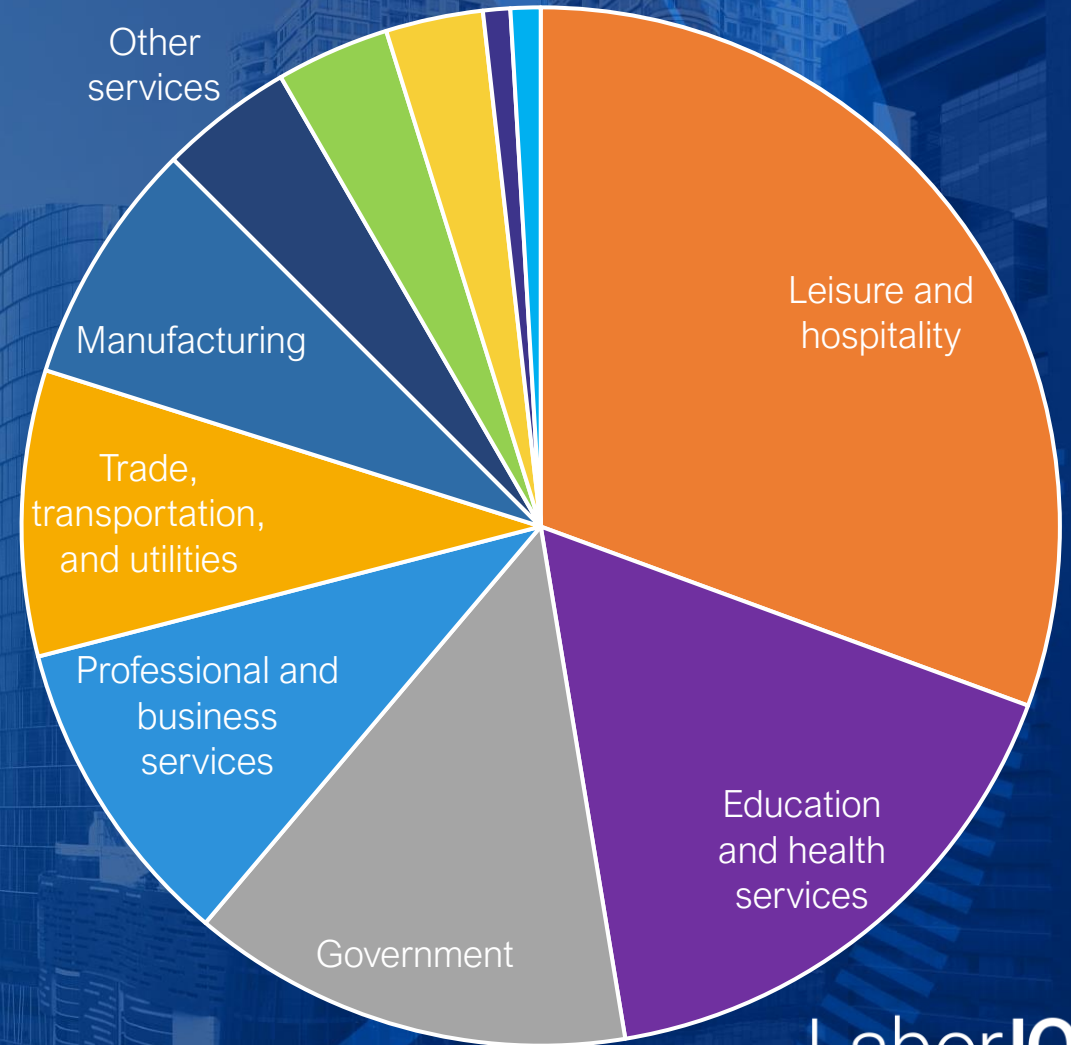
Sources: LaborIQ®; Bureau of Labor Statistics

# Top Industries Headed Toward Recovery

## Employment Level Compared to Pre-COVID-19

Industry	Jobs (000's)	%
Financial activities	-48	-0.5%
Transportation and warehousing	-41	-0.7%
Retail trade	-270	-1.7%
Professional and business services	-556	-2.6%
Construction	-227	-3.0%
Health care	-502	-3.0%
Manufacturing	-433	-3.4%
Government	-782	-3.4%
<b>U.S.</b>	<b>-5,702</b>	<b>-3.7%</b>
Educational services	-207	-5.5%
Mining and logging	-53	-7.7%
Leisure and hospitality	-1,737	-10.3%

## Share of Jobs to Recover



# Record Number of Open Jobs

Jobs Open In U.S.  
(Millions)



## Job Openings by Industry



1.5M Healthcare



1.4M Restaurants and Hotels



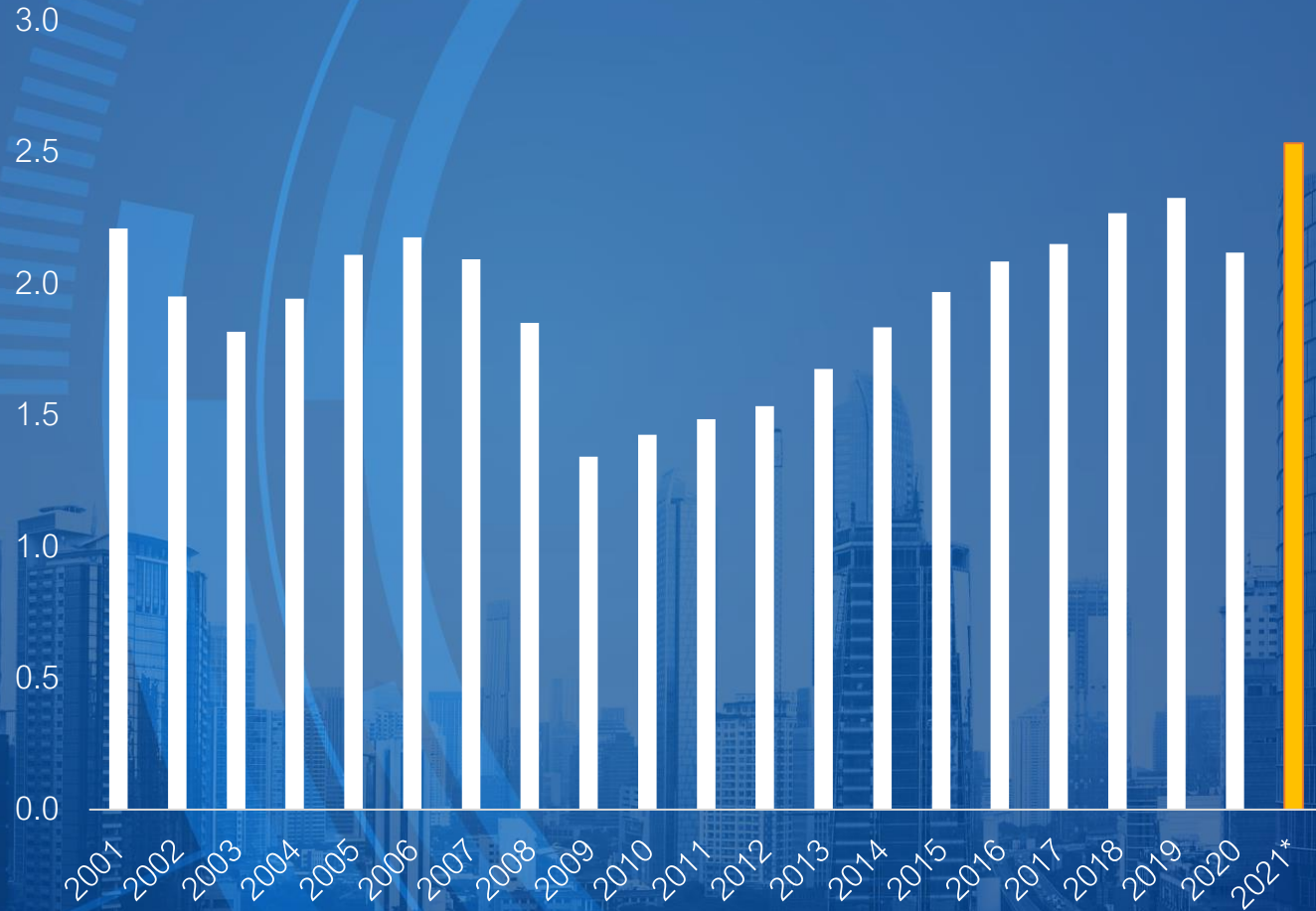
826K Manufacturing



339K Construction

# The Transition of Talent

Average Monthly Quits Rate by Year



- Record 4.0 million people quit in April (2.8% of employment base)
- 11.5 million quits in a 3-month stretch from April-June
- Pace was close to double the rate after 2009 recession
- Layoffs at all-time low

# Job Openings Soar; Not Enough Workers



Sources: Bureau of Labor Statistics

# The Shortest Recession in History



# Compared to Recent Recessions



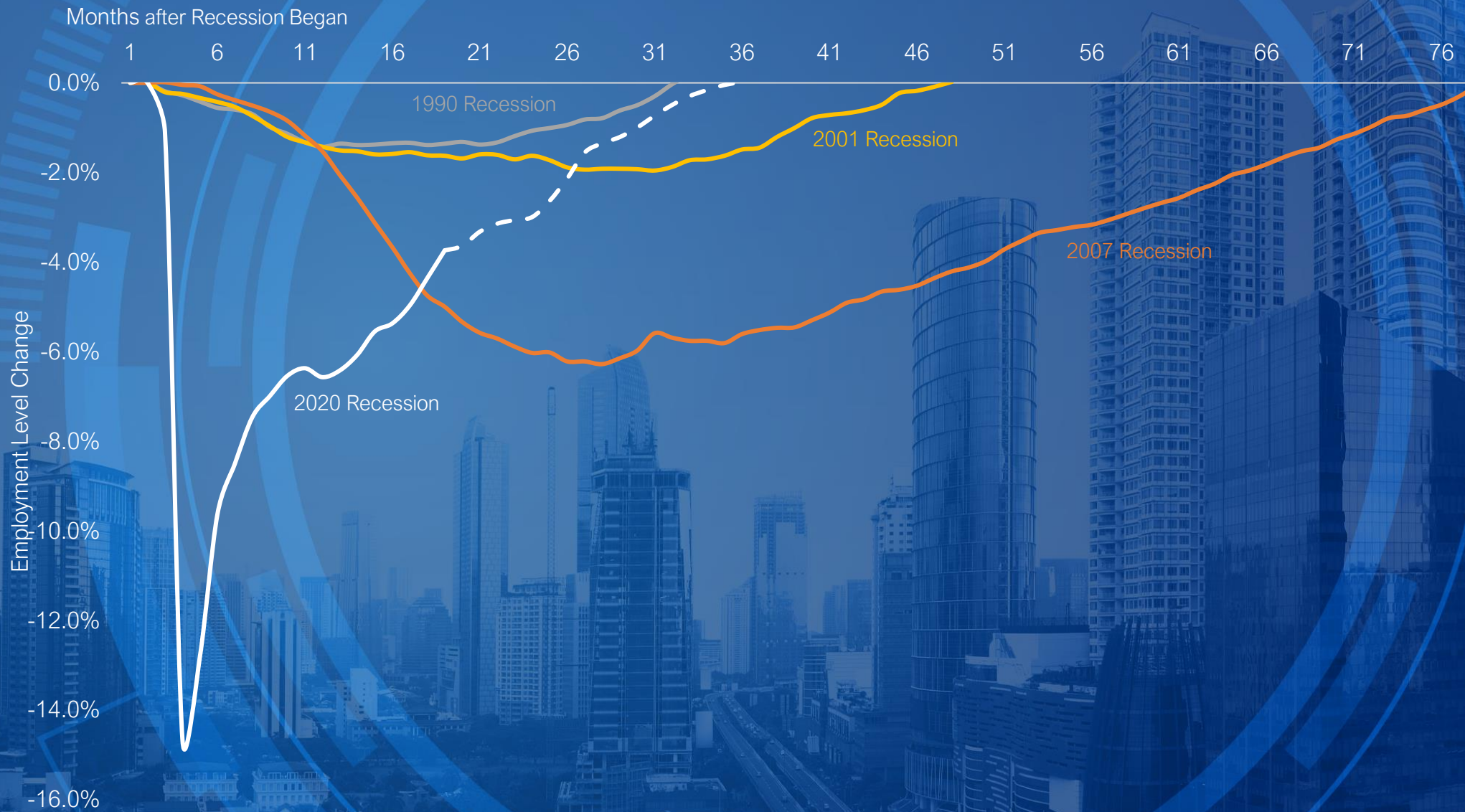
# Compared to Recent Recessions



# Compared to Recent Recessions



# Comparing to Recent Recessions



# Tennessee's Job Market

»» Comparison to Other Metros

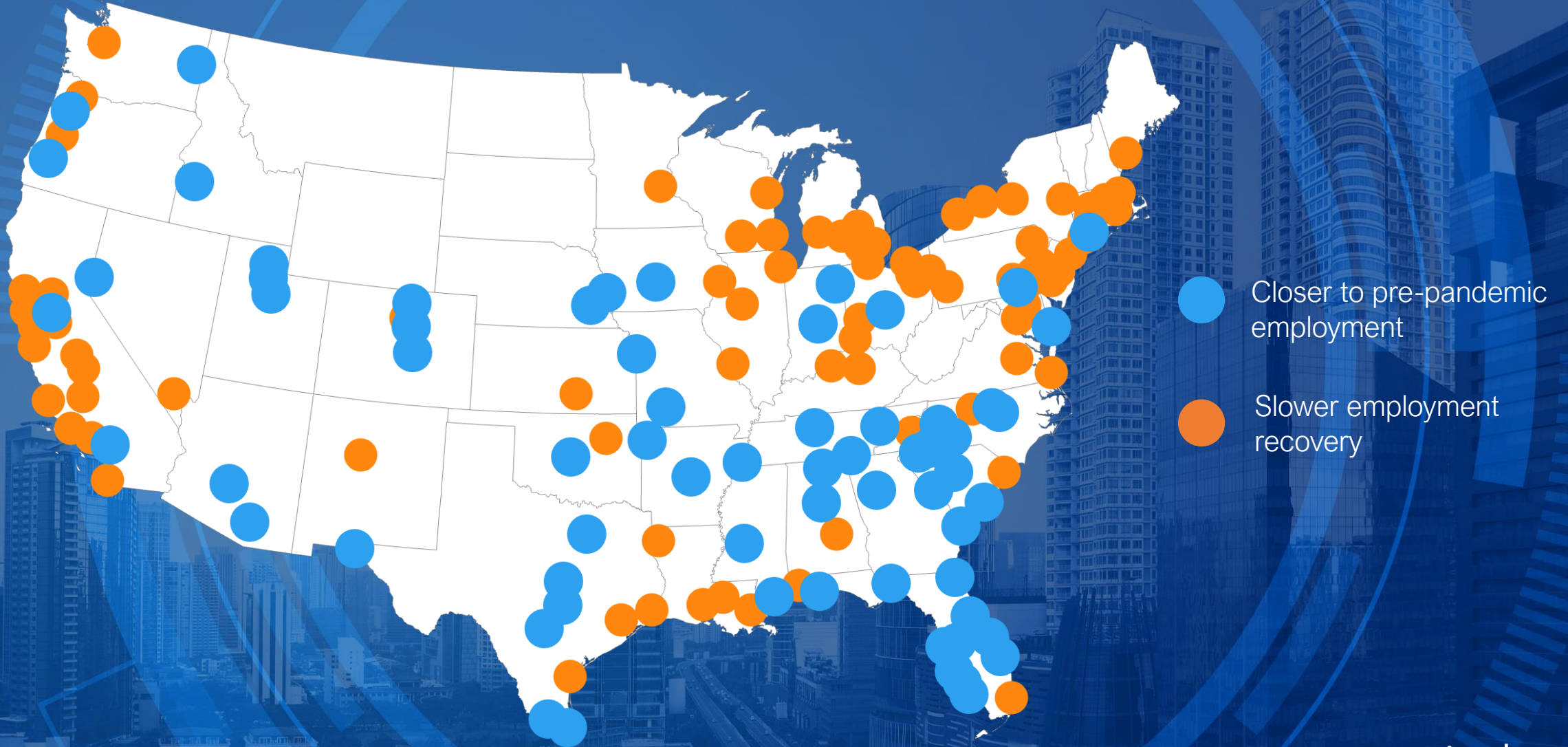
»» Industry Progress

# Tennessee Job Market Highlights

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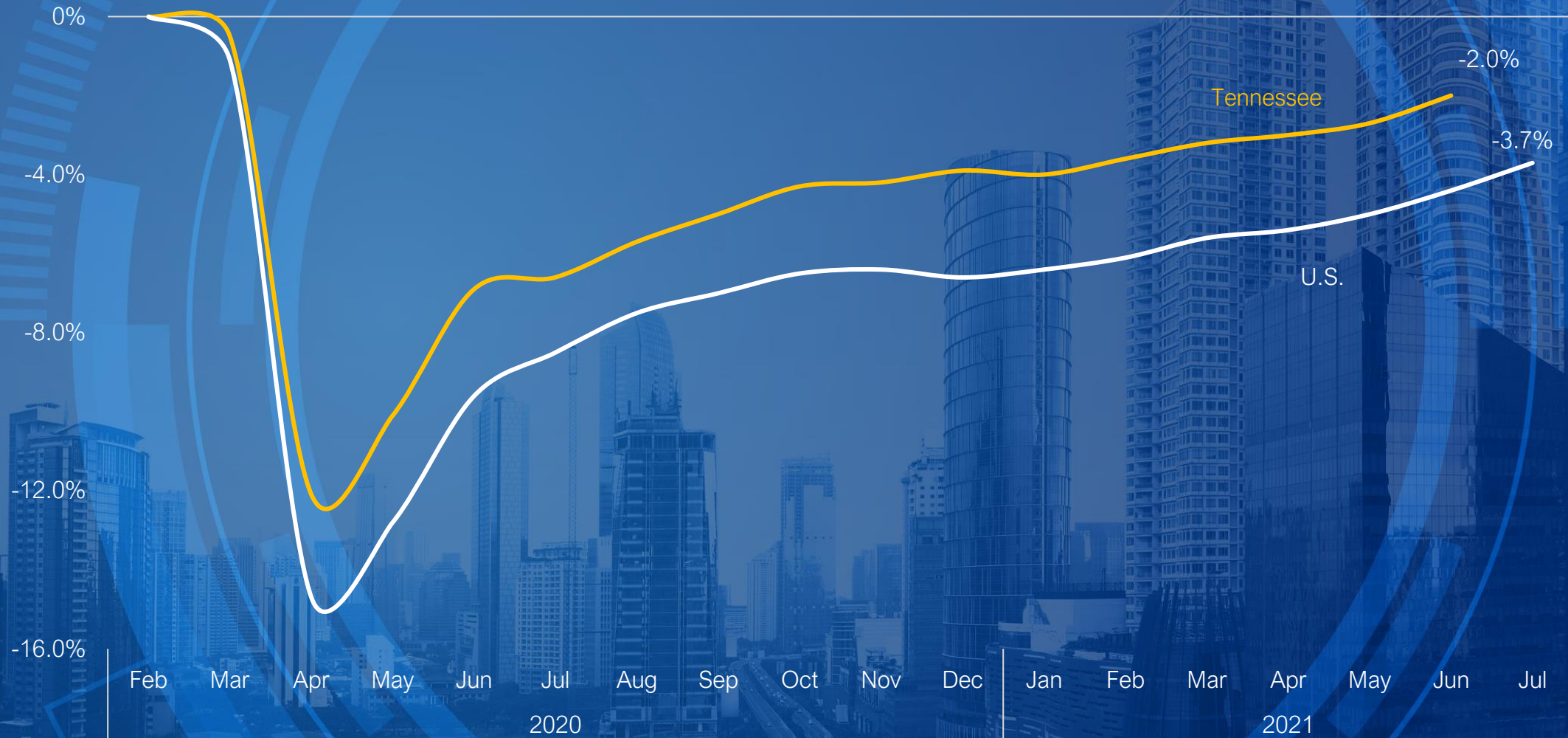
- Massive job gains in June
- Tennessee and some other Southeast Metros are outpacing the U.S. in recovering jobs
- At a state level, some industries have already fully recovered all jobs lost

# Metros Closer to Full Jobs Recovery

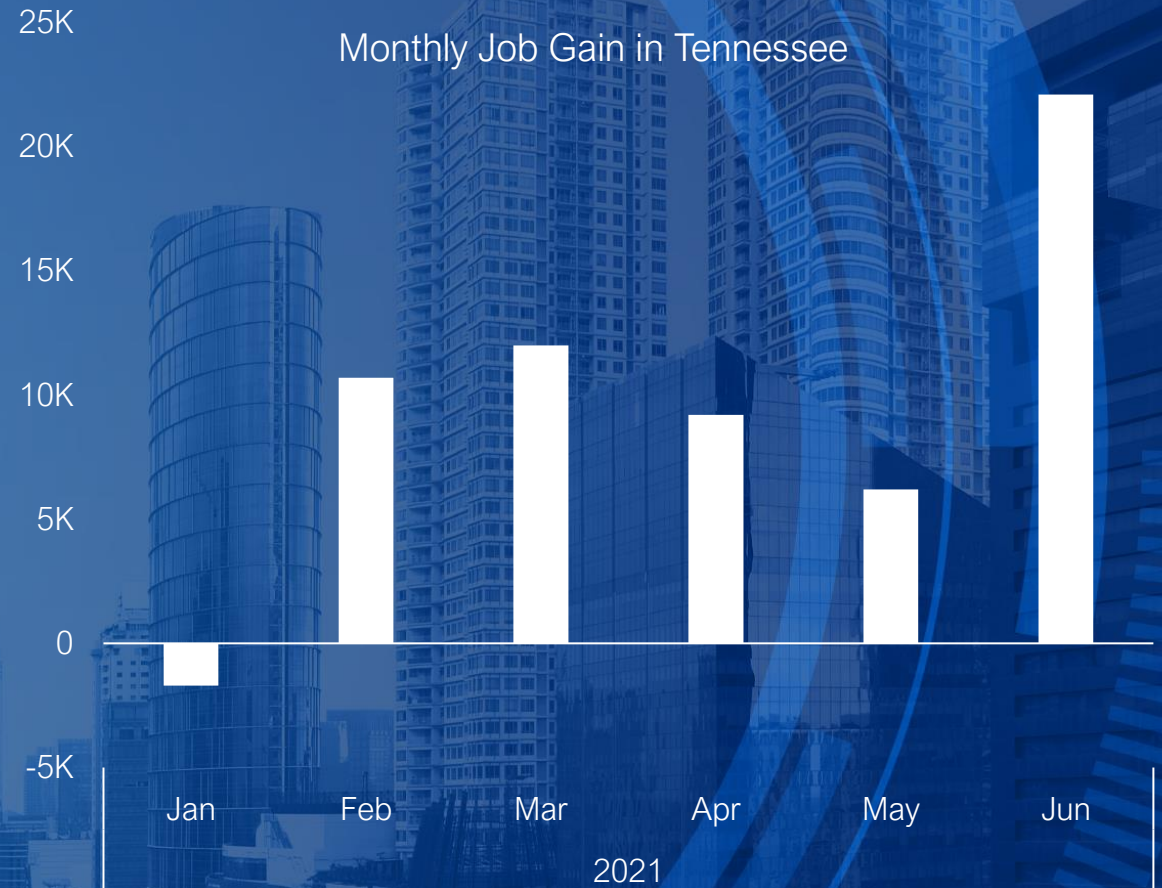


# Tennessee's Job Recovery Outpacing U.S. Average

Employment Level



# Tennessee's Job Numbers Gain Momentum



# Statewide Industry Recovery | Tennessee

## Employment Level Compared to Pre-COVID-19

Industry	Jobs (000's)	%
Professional and Business Services	6.2	1.4%
Trade, Transportation and Utilities	1.7	0.3%
Financial Activities	-2.3	-1.3%
Retail Trade	-4.4	-1.3%
Manufacturing	-7.1	-2.0%
<b>Overall Tennessee</b>	<b>-64.7</b>	<b>-2.1%</b>
Other Services	-2.7	-2.2%
Construction	-5.0	-3.8%
Education and Health Services	-20.7	-4.6%
Leisure and Hospitality	-46.3	-12.4%

Tennessee's labor force has  
returned to pre-pandemic levels

The U.S. Labor Force is still down 2%

# Business Growth Outpaced U.S. & Southeast

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## GDP Growth for Q1 2021

*Tennessee: 7.4%*

*Southeast: 6.7%*

*National: 6.4%*

# Industry Performance

*Industries boosted by solid consumer activity and high-skilled roles are in strong position*

Industry	Q1 GDP Growth	Current employment vs pre-pandemic
Retail Trade	14.3%	-1.3%
Professional, Scientific & Technical Services	12.6%	+8.0%
Transportation and Warehousing	9.1%	+4.6%

# Tennessee Employment Recovery | Largest Metros

Lost Mar - Apr 2020

Memphis

-64.4K

Nashville

-147.1K

Knoxville

-43.6K

Remaining to recover

-13.0K

-28.1K

-4.7K

# Talent Supply by Occupation

- » Blue- and White-collar Comparison
- » Wide Variance in Unemployment Rate

# Hourly, Gig, Blue-collar Workers To Drive Recovery

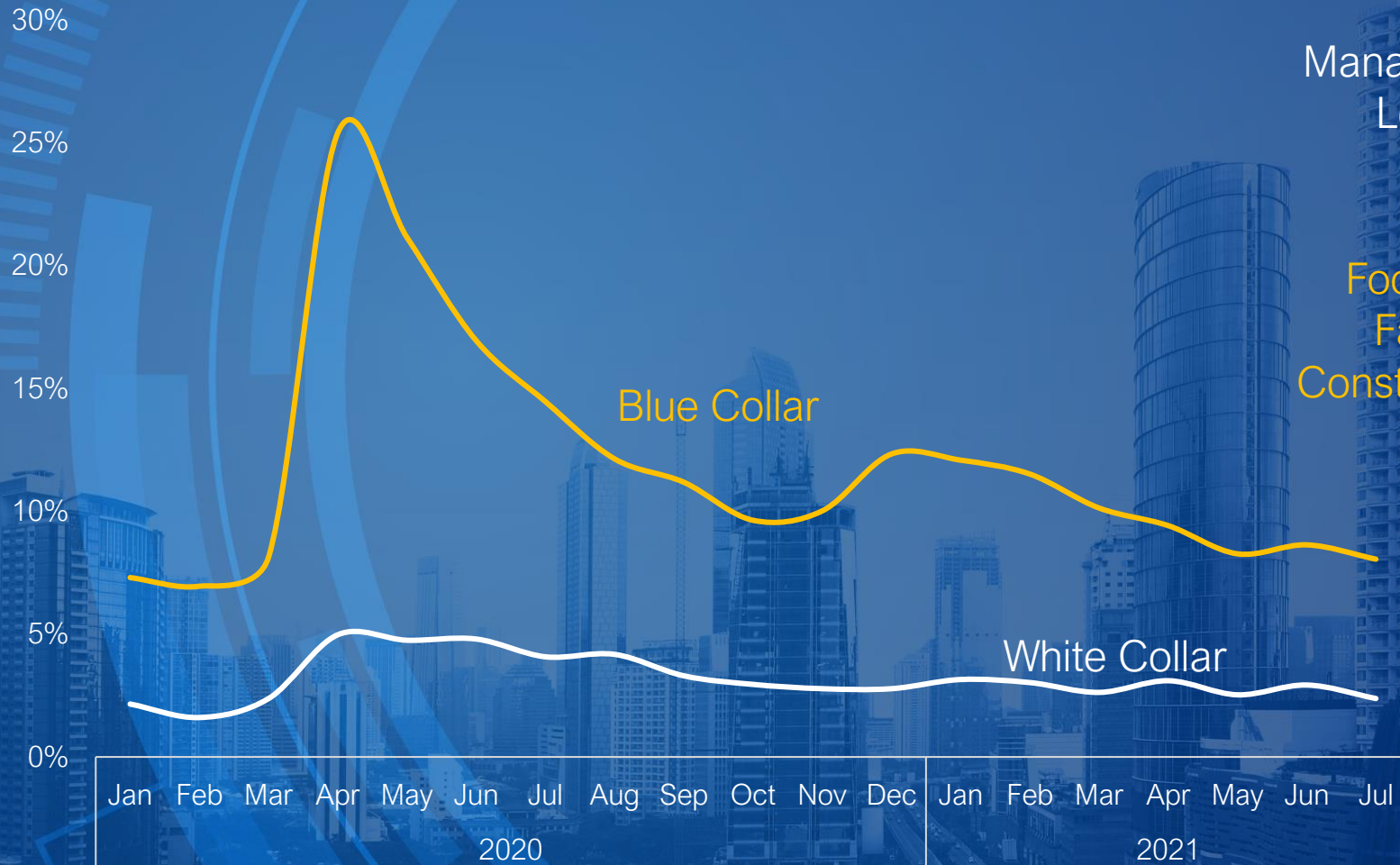
Initial shock: **1/4** of jobs lost were hourly

Today: **90%** of jobs that remain lost are hourly

*Almost 7% fewer hourly workers  
were employed in June than before the pandemic*

# Pandemic Impact by Job Type

U.S. Unemployment Rate by Occupation



## White Collar Occupations

Management, Computer and Mathematical, Legal, Architecture and Engineering

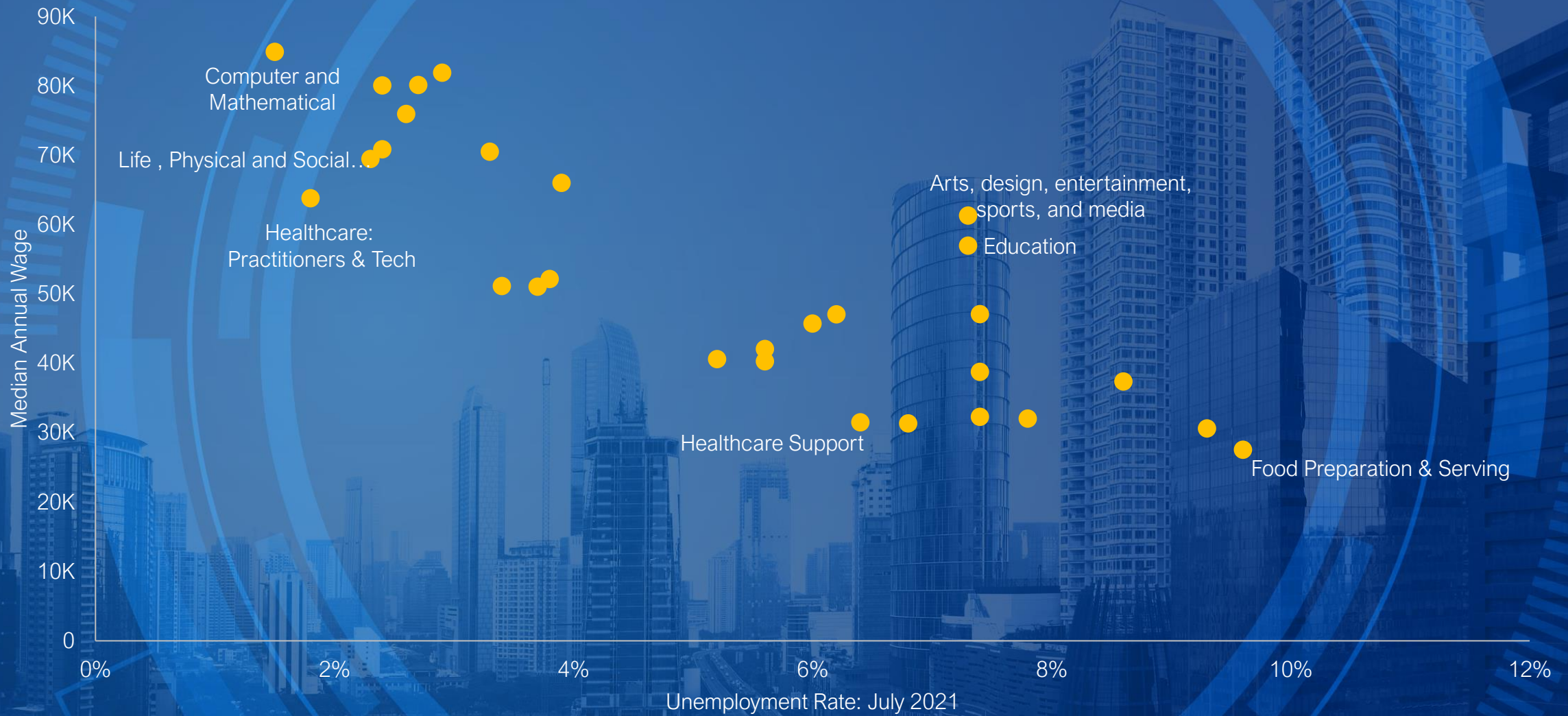
## Blue Collar Occupations

Food Prep and Serving, Personal Care, Farming, Building and Maintenance, Construction, Production and Transportation

# Unemployment Rate by Occupation

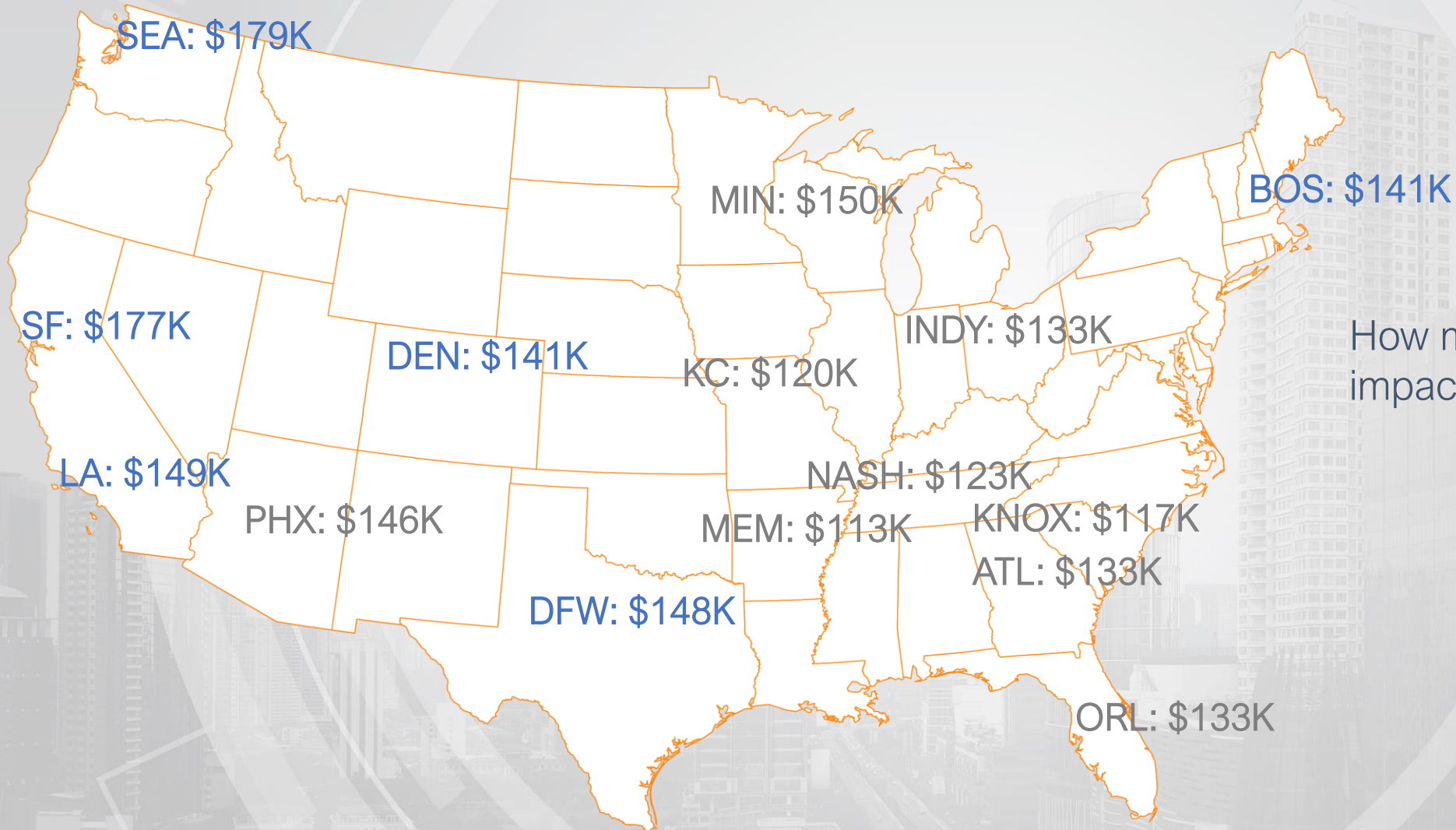


# Unemployment Rate by Occupation



Unemployment Rate: July 2021

# Recommended Salary | Engineer at a Software Development Company



How might this pay variance impact the remote work trend?

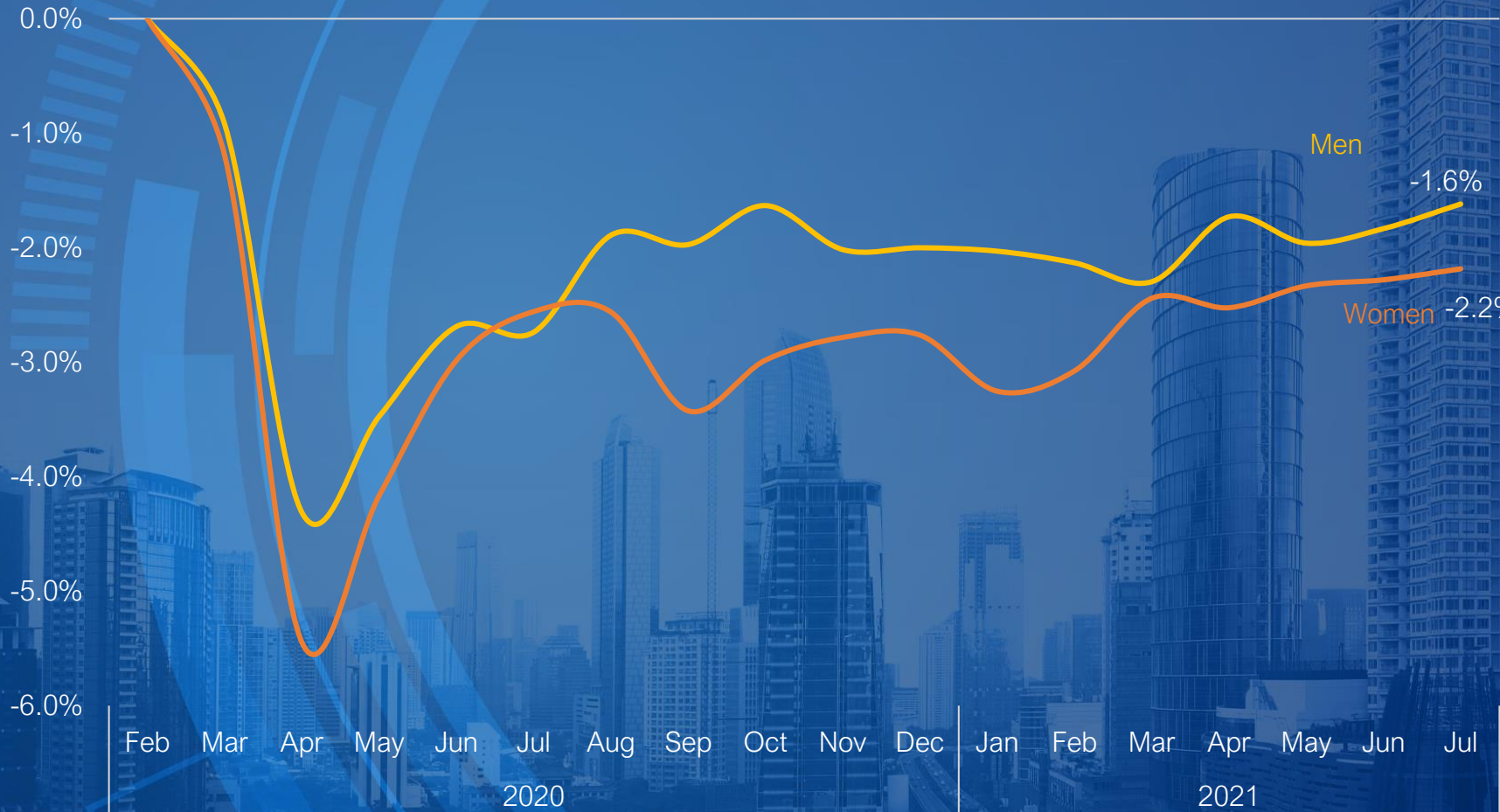
# Diversity & Demographics Trends

» Labor Force Participation

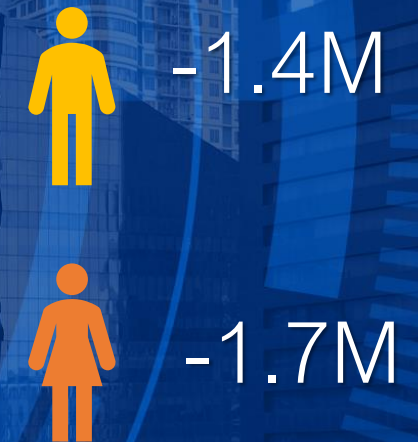
» Unemployment Trends

# Labor Force Participation by Gender

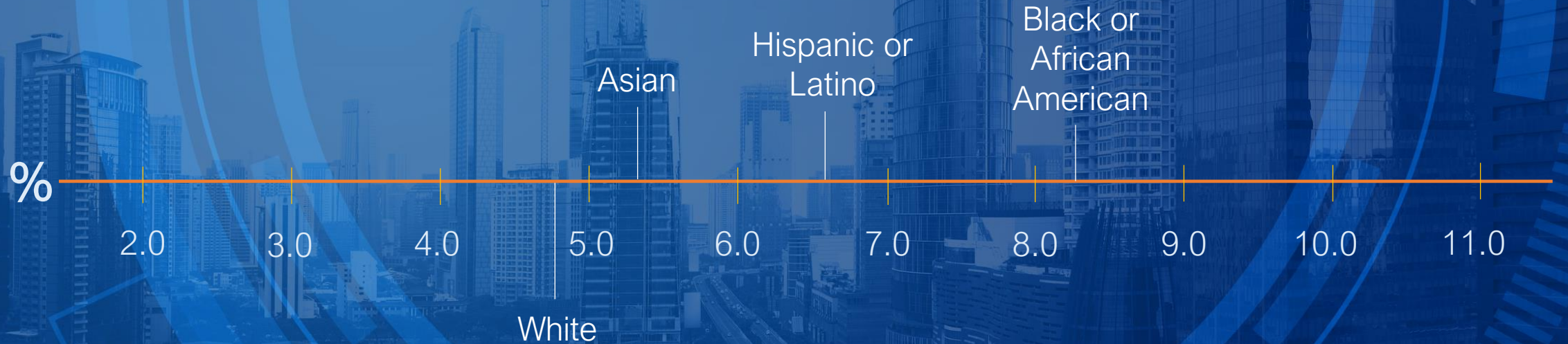
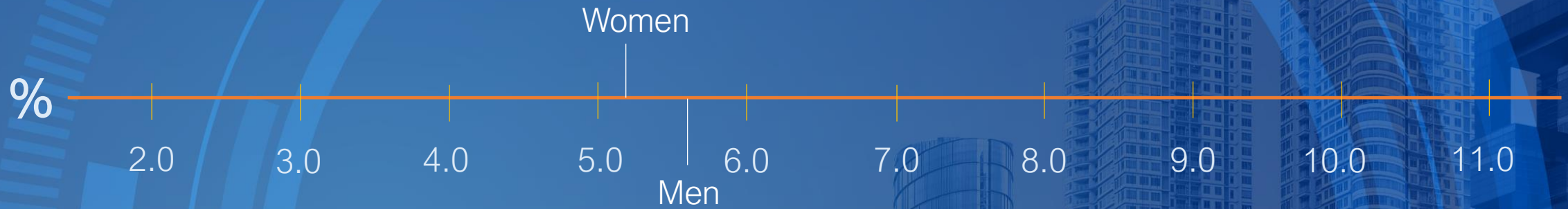
Change in Labor Force by Gender Since February 2020



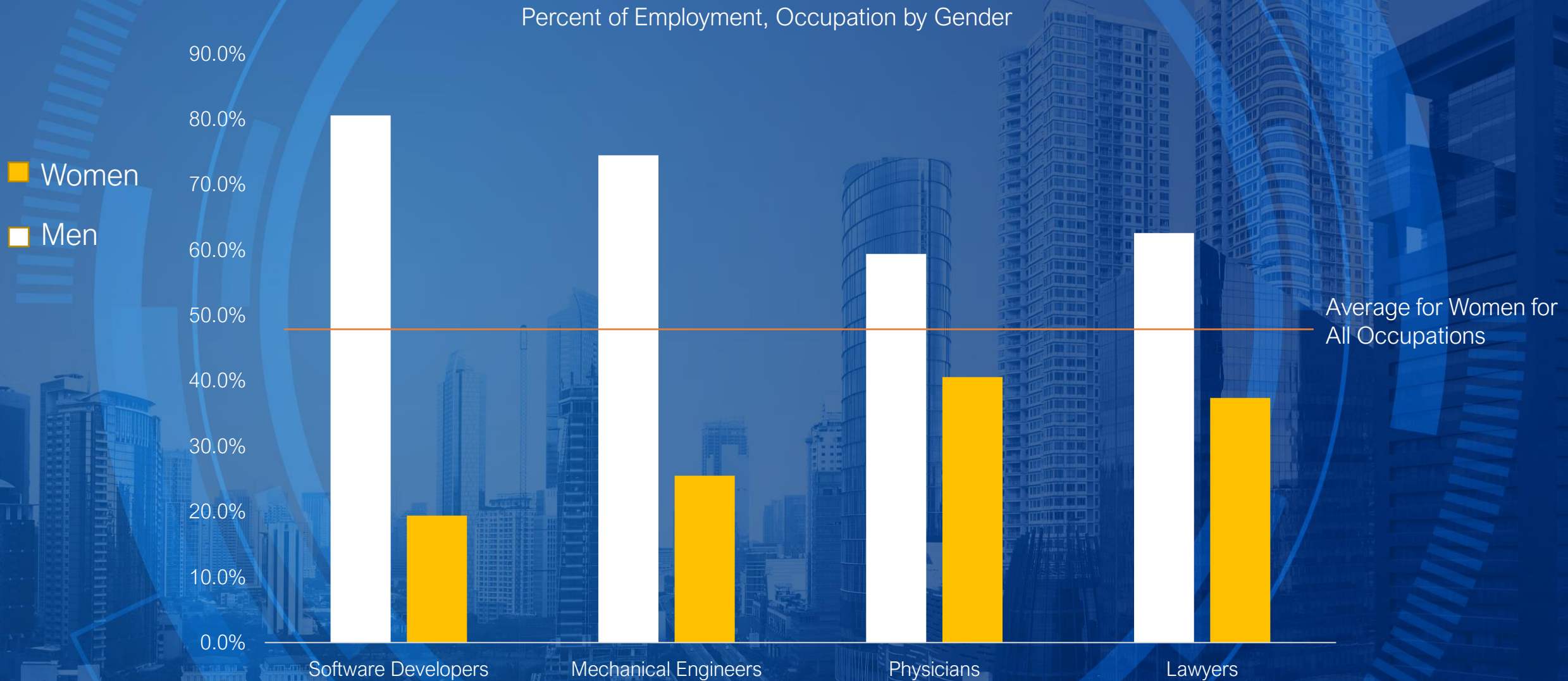
Absolute Change in Labor Force from Feb 2020



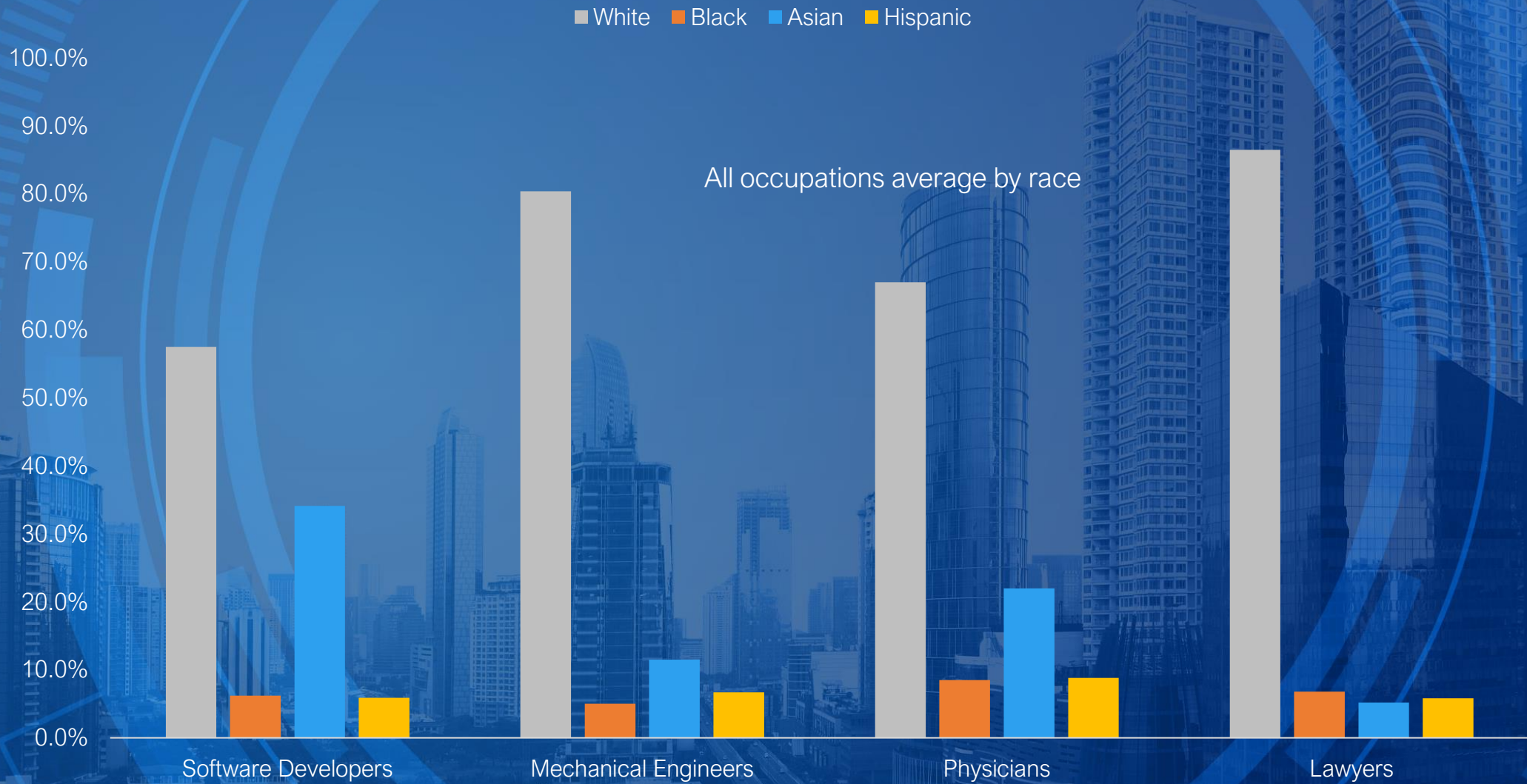
# Unemployment Rate by Gender & Race



# Occupational Employment by Gender



# Occupational Employment by Race



# Elevated Unemployment for Young & Inexperienced Professionals

Unemployment Rate by Age – U.S.



# The Hiring Outlook

»» Projections for Tennessee Metros

»» Overall U.S. Trends

# U.S | Recovery Timeline by Industry

Industry	Year of Full Recovery
Financial Activities	2021
Construction	2022
Healthcare and Social Assistance	2022
Professional & Business Services	2022
Trade, Transportation, Utilities	2022
Manufacturing	2023
Educational Services	2023
U.S.	2023
Leisure and Hospitality	2025

# Nashville | Recovery Timeline by Industry

Industry	Year of Full Recovery
Construction	Recovered
Financial Activities	Recovered
Professional and Business Services	2021
Healthcare and Social Assistance	2021
Trade, Transportation and Utilities	2021
Government	2021
Manufacturing	2022
Educational Services	2022
<b>Nashville</b>	<b>2022</b>
Leisure and Hospitality	2025+

# Knoxville | Recovery Timeline by Industry

Industry	Year of Full Recovery
Manufacturing	2021
Professional & Business Services	2021
Trade, Transportation, Utilities	2021
Educational Services	2021
Financial Activities	2022
<b>Knoxville</b>	<b>2022</b>
Government	2022
Leisure and Hospitality	2025+

# Memphis | Recovery Timeline by Industry

Industry	Year of Full Recovery
Mining, Logging and Construction	2021
Trade, Transportation and Utilities	2021
Government	2022
Manufacturing	2022
Professional and Business Services	2022
Education and Health Services	2023
<b>Memphis</b>	<b>2023</b>
Financial Activities	2023
Leisure and Hospitality	2025+

# Recovery Timeline | Tennessee & Other Key Locations

2022

Atlanta  
Austin  
Charlotte  
Dallas  
**Nashville**  
**Knoxville**  
Birmingham  
**Chattanooga**  
Durham-Chapel Hill

2023

Chicago  
Denver  
**Memphis**  
Greenville, SC  
Little Rock  
Asheville

2024

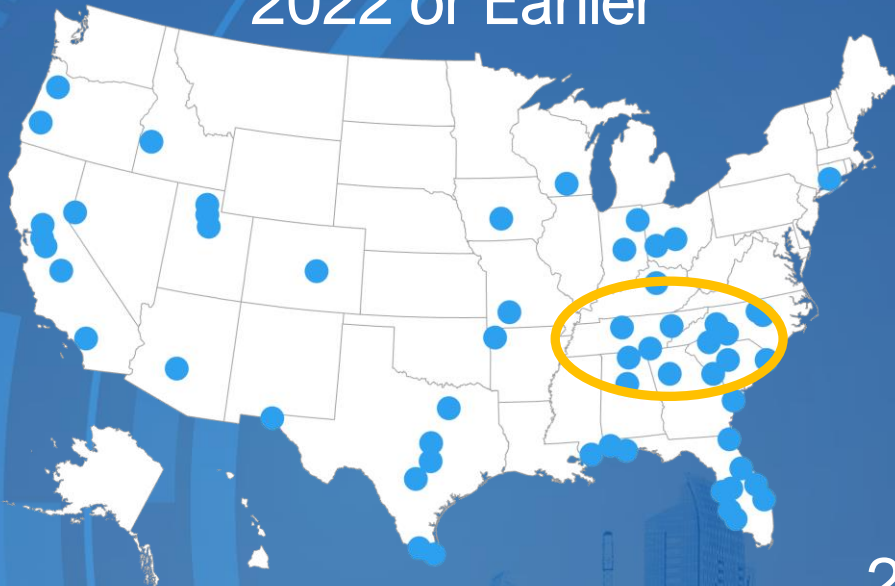
Orlando  
Los Angeles  
San Francisco  
New York  
Richmond, VA

2025+

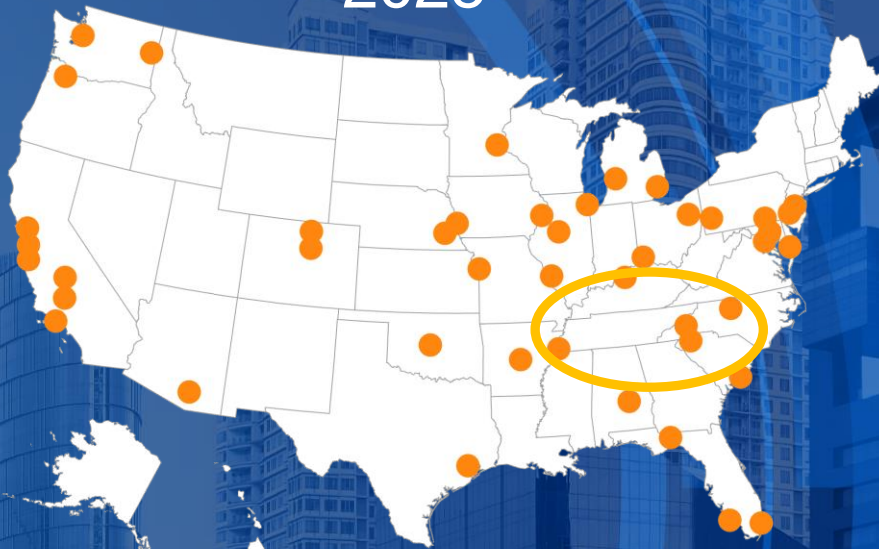
New Orleans  
Jackson, MS

# Returning to Pre-pandemic Employment Levels

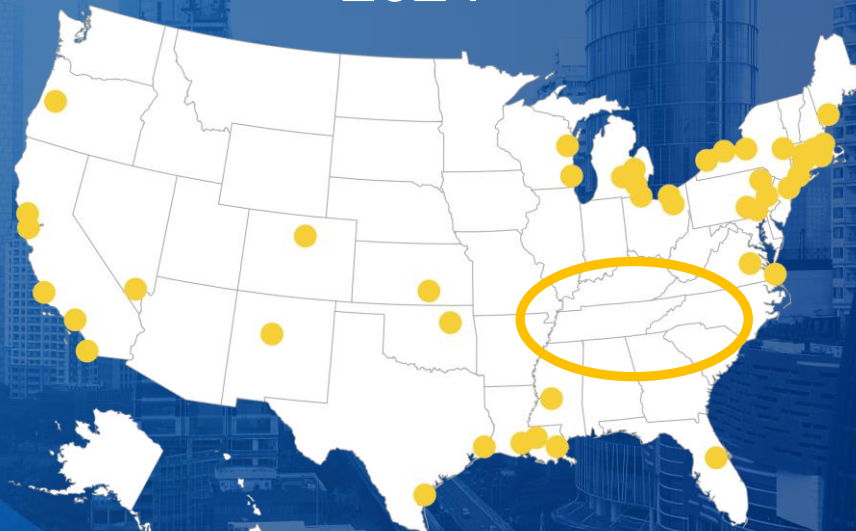
2022 or Earlier



2023



2024+



Tennessee and most other Southeast metros are on the first wave of the recovery.

The job market will become tighter in this region faster than other places.

# Summary of Outlook

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- Employee resignations will remain high in the near-term
- Hiring will remain robust, but maintaining mid-summer pace will be challenging
- COVID counts will influence recovery in the near-term; Some industries and locations could be more at risk than others
- Metros and industries on the frontend of the recovery will start to see more moderate job gains *(not necessarily a bad thing)*

A grayscale photograph of a dense city skyline, likely New York City, with numerous skyscrapers. Overlaid on the image is a light gray network diagram consisting of interconnected nodes and lines. The text "Thank you!" is written in a large, orange, cursive font across the center of the image.

*Thank you!*