

New York-Newark-Jersey City

Los Angeles

Chicago-Naperville-Elgin, IL-IN-WI

Boston-Cambridge-Nashua, MA-NH

Dallas-Fort Worth-Arlington, TX

2022

U.S. Job Market Outlook

4 Key Trends to Help You Hire

Introduction

The U.S. economy, in early 2021, sped toward recovery faster than many predicted. Optimism abounded through six months, as COVID-19 cases declined, vaccines became available and more businesses reopened. But the emergence of the delta variant during the summer and fall drastically slowed the recovery's pace. New variants - like omicron - bring the potential for rising case counts and further disruption.

LaborIQ[®] by ThinkWhy projects ***the U.S. will reach more than 73 million hires in 2021.***



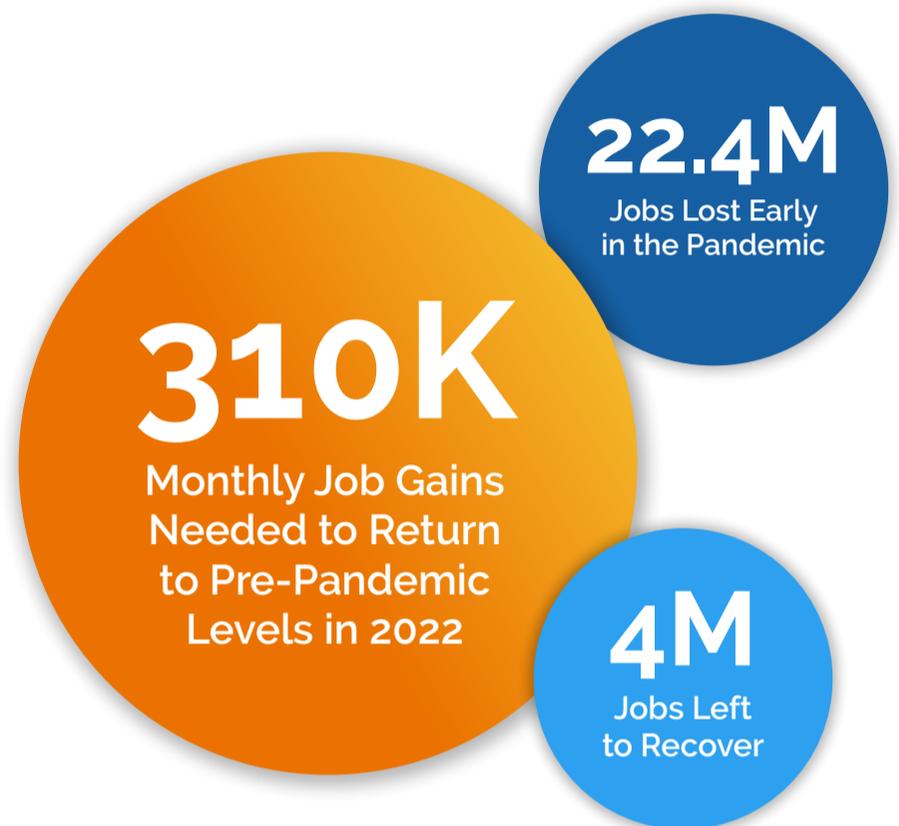
An aerial photograph of a dense urban area, likely New York City, showing numerous skyscrapers and buildings. A large, semi-circular orange graphic overlay is positioned on the left side of the image, containing white text. A dotted white line runs along the bottom edge of the orange overlay.

Many metros, and even some industries, may reach pre-pandemic employment levels in 2022, but not all locations and industries will see their lost jobs return.

The Big Picture & Challenge

Going into 2022, it's important to consider the big picture: We're trying to return to the strongest labor market in half a century. Despite losing **22.4 million** jobs early in the pandemic, the economy remains around 4 million jobs below pre-pandemic levels. Record job openings combined with steady job growth in late 2021 provides a strong foundation for continued recovery and economic growth.

The big challenge for talent acquisition is the tightness of the labor market - businesses are struggling to find and retain talent, and turnover is high as workers move across jobs, industries and geographies. Even with these challenges, a return to pre-pandemic employment levels is possible by the end of 2022, if around 310,000 jobs are added per month until then - a lower number than the average monthly gains for 2021.



This realignment will continue through 2022 and beyond, as workers and businesses adjust to the new reality. Through 2022, talent acquisition professionals will be challenged with filling record job openings amid high turnover and one of the tightest labor markets in decades.

At a Glance

01

RECOVERY

One major factor that could hinder job growth in 2022 is labor supply - there are simply not enough workers to fill open jobs and these shortages are likely to persist into 2022.

02

INDUSTRY

The economy is on track to add 3.6 million jobs in 2022, but the recovery has been uneven across industries. Some - like leisure and hospitality or mining and logging - may not recover until 2025 or later.

03

HOTTEST METROS

Some of the largest markets in the country were hit particularly hard by pandemic job losses in 2020 and were slower to regain jobs in early 2021. But these places are among the top-ten projected job-gainers in 2022, expected to add nearly 1.5 million jobs combined.

04

DIVERSITY

Meeting achievable diversity goals should involve setting benchmarks that reflect the available talent pool and searching for talent in a broader geographic region, if necessary.



01

Forecasting the Labor Market Recovery

The recovery from the COVID-19 recession has far outpaced the recovery from the Great Recession in terms of jobs added, and the unemployment rate is 4.2% now, compared to 9.5% at this point in the Great Recession. However, job growth slowed substantially in August and September 2021 due to the delta variant.

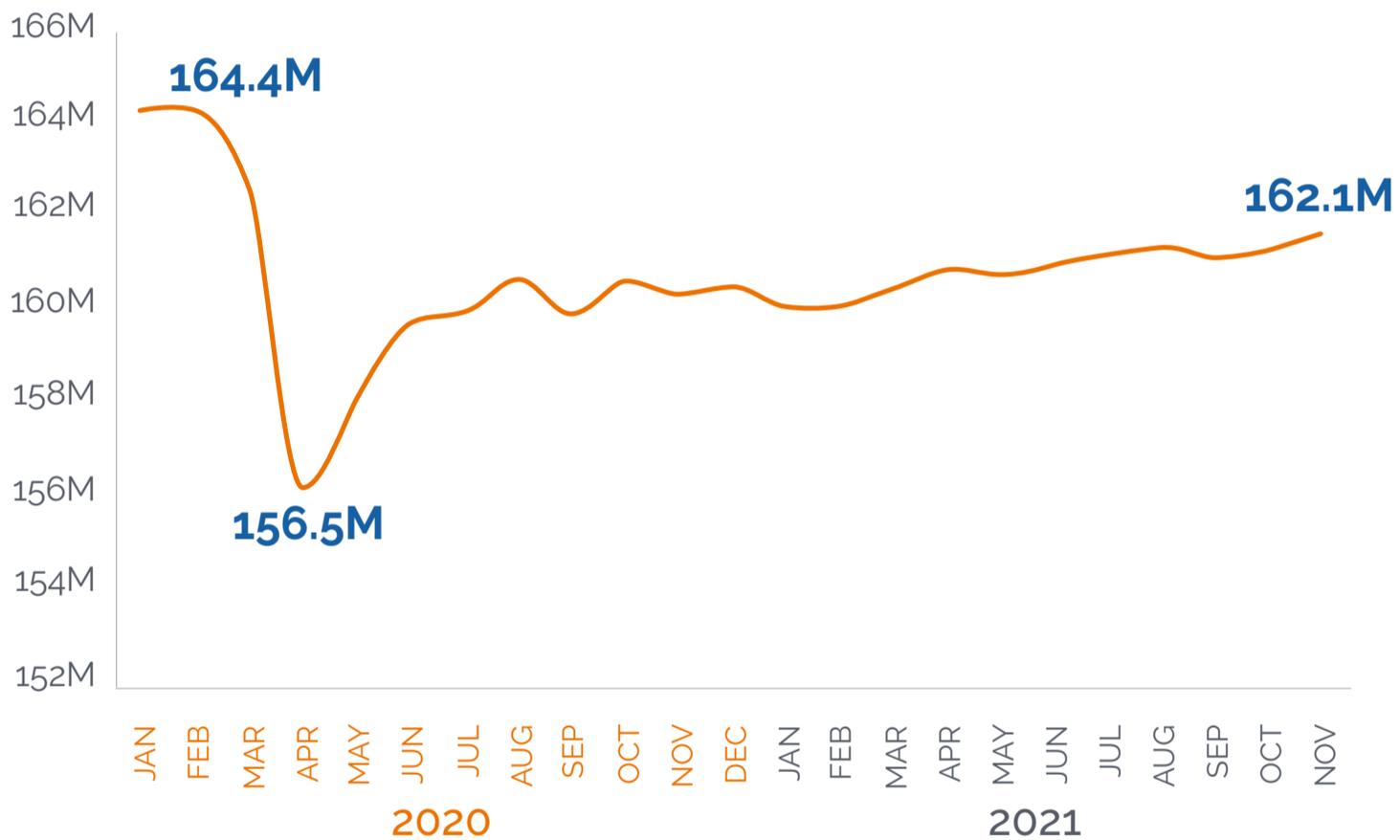
Two pieces of good news heading into 2022: the delta variant appears to have subsided, with cases peaking in mid-September; and October's better-than-expected jobs report provides some hope of similar news continuing in the new year. LaborIQ projects **3.6 million jobs will be added in 2022**, which means the labor market will keep getting tighter. Over the past decade, 2.5 million jobs would be a great year of job growth. But new COVID-19 variants - like omicron - are already here. While future increases in case counts could disrupt progress, businesses and workers are learning to adapt to these cycles.

3.6M
Projected Job
Gains for 2022

Why is the labor market so tight and when will it loosen?

One major factor that could hinder job growth in 2022 is labor supply - there simply aren't enough workers to fill open jobs and these shortages are likely to persist into 2022. The U.S. labor force - those who are either employed or unemployed and looking for work - decreased by just over **2.3 million** people since February 2020.

U.S. LABOR FORCE



The past two years have been filled with many labor market records - namely, historic job losses and gains. In 2021, the number of job openings hit all-time highs, topping **10 million** in August, September and October 2021. Additionally, more people are quitting their jobs than ever recorded - reaching as high as **4.4 million** people in a single month. For context, before the pandemic, the highest total was 3.6 million quits in a single month.

The background features a collage of business-related graphics including line graphs, bar charts, a circular gauge, and a flowchart with boxes labeled 'STRATEGY', 'STEP1', 'STEP2', 'STEP3', 'STEP4', 'CHECK', 'CONTROL', 'PLAN', and 'ANALYSIS'. A large, bold, yellow '02' is positioned on the right side of the page.

02

Industry Recovery Timeline: If Not Now, When?

Despite some ups-and-downs, 2021 was characterized by strong recovery and job gains. The economy is on track to add at least 5.2 million jobs in 2021 and **3.6 million jobs in 2022**, but the recovery has been uneven across industries. Some - like leisure and hospitality or mining and logging — may not recover until 2025 or later.

Even if every one of the nearly 7 million unemployed people took an open job, there would still not be enough people in the labor market to fill these open roles.

LaborIQ predicts that Construction, Healthcare, Professional and Business Services and Trade, Transportation and Utilities will recover jobs lost in 2022.

FINANCIAL ACTIVITIES

Due to lower job losses early in the pandemic, this was the first industry to recover, in October 2021, with several other industries poised to follow in 2022.

CONSTRUCTION

Construction experienced big gains in 2021. People moved to new locations for remote work or upgraded to larger spaces, taking advantage of low interest rates and spending the savings they'd accumulated during the early months of the pandemic. This industry is boosted by residential construction of single- and multifamily homes, but commercial construction was one of the worst-performing subsectors as the demand for office buildings and hotels plummeted. Supply-chain issues and rising costs are the main barriers for this industry. Expect a strong performance and recovery in 2022.

HEALTHCARE

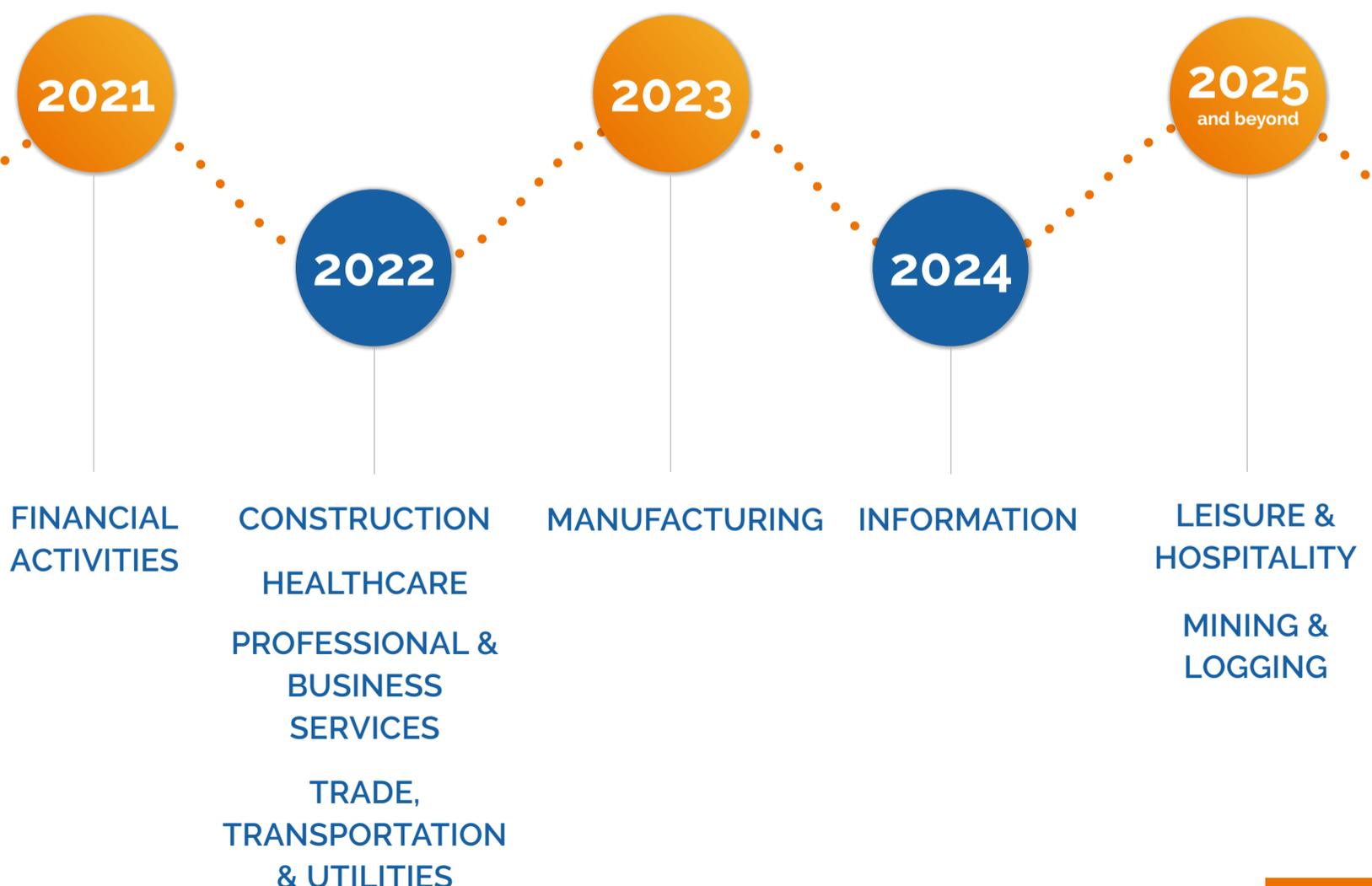
Healthcare faced some of the biggest challenges of any industry because of the pandemic. There was an increased demand for workers as cases surged and hospitals were overwhelmed, but these strains led to burnout, unprecedented quits and turnover. As cases subside and vaccination rates increase, the industry should see some relief, but there could be a backlog of patients with health conditions that were ignored during the pandemic. Healthcare workers are likely to remain in high demand, but the challenge will be finding talent after a stressful couple years for workers.

PROFESSIONAL & BUSINESS SERVICES

Comprising scientific, legal, advertising, management and administrative jobs, this industry was less impacted by the pandemic as white-collar office workers shifted to remote work. It will continue to add jobs and recovery is likely in 2022.

TRADE, TRANSPORTATION & UTILITIES

Trade, Transportation & Utilities saw growth due to hiring across key subsectors — durable goods, couriers and warehousing — that picked up in 2021. Consumers have been taking advantage of lower interest rates and using their accumulated savings to make big purchases, including cars, appliances and furniture. These purchases, combined with more online shopping, have driven hiring for couriers and warehousing. The industry in 2022 should recover all jobs lost to the pandemic. But inflation and supply-chain issues pose the biggest threat to recovery if consumers hold back on spending.





03

Hottest Metros for Talent Acquisition

Job loss and recovery have been uneven across geographies. Some of the largest markets in the country were hit particularly hard by pandemic job losses in 2020 and those made significant progress in 2021. Other than Dallas and Atlanta, these markets still remain well-below pre-pandemic employment levels. Talent acquisition professionals in these metros will be hard at work placing candidates. And businesses will need to focus on retention, so their employees don't get poached to another locale.

Job gains in high-population markets that were hardest hit by the pandemic will provide a boost to the national recovery in 2022.

Job Gains

The four metros expected to add the most jobs in 2022 New York, Los Angeles, Chicago and Dallas-Fort Worth, are also the four largest metros by population. Their projected job gains are over 880,000 - one in four jobs added nationally will be in these top markets.

TOP MARKETS FOR JOB GAINS IN 2022

MARKET	FORECASTED JOB GAINS
1 New York-Newark-Jersey City, NY-NJ-PA	374 K
2 Los Angeles-Long Beach-Anaheim, CA	200 K
3 Chicago-Naperville-Elgin, IL-IN-WI	181 K
4 Dallas-Fort Worth-Arlington, TX	128 K
5 Miami-Fort Lauderdale-West Palm Beach	91 K
6 Atlanta-Sandy Springs-Roswell, GA	89 K
7 Boston-Cambridge-Nashua, MA-NH	89 K
8 Washington-Arlington-Alexandria, DC-VA-MD-WV	87 K
9 Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	85 K
10 San Francisco-Oakland-Hayward, CA	82 K

Job Growth

Job gains for larger markets play an out-sized role in the national recovery and economy. But job growth as a share of population can shed light on relative improvements for some smaller markets, and for larger markets that show big improvements.

The top markets for job growth should expect to see 4% increases in employment over the course of 2022, adding a combined 845,000 jobs. Nationally, job growth in 2022 is expected to be just over 2%. Places like Las Vegas, Honolulu, Myrtle Beach and Orlando that saw huge drops in tourism should add more jobs as travel, especially business travel, start to pick up.

Notably, New York and Chicago are also projected to see major job growth relative to their populations. These metros were hit hard by the pandemic. As office workers went remote, and some even relocated permanently from the city center, the businesses supporting them - like coffee shops, restaurants and bars - weren't in high demand.

TOP MARKETS FOR JOB GROWTH IN 2022

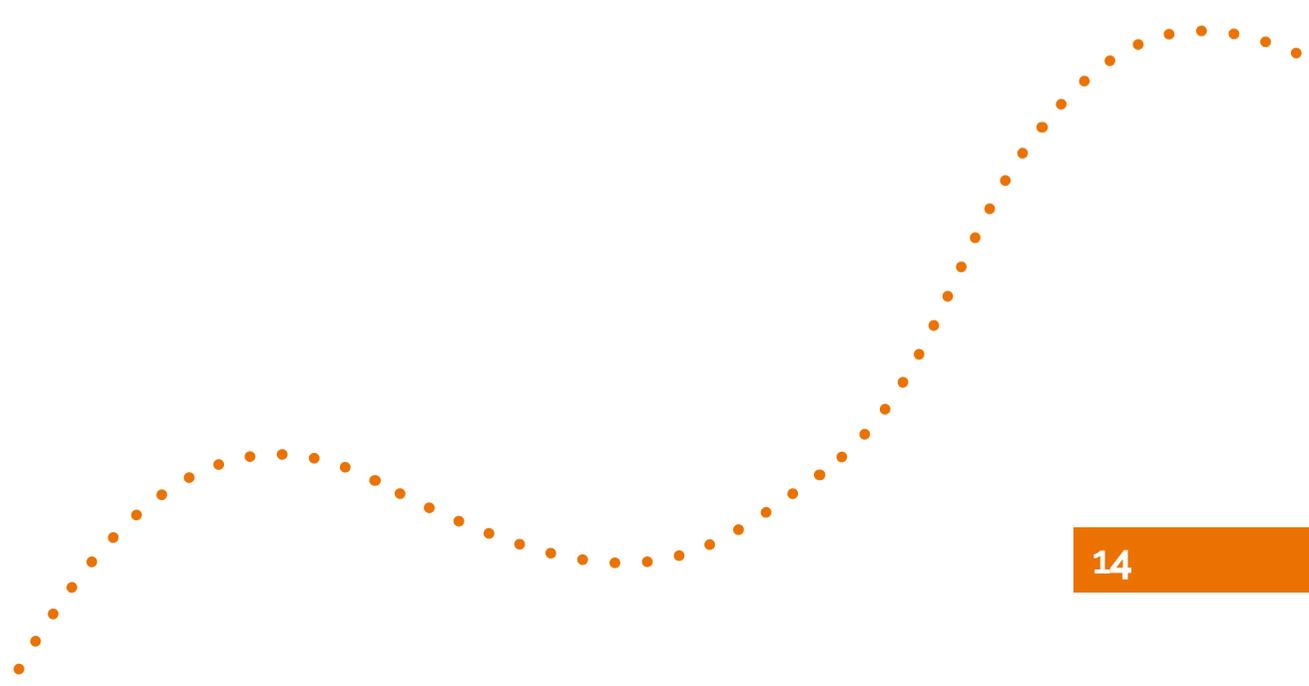
MARKET	JOB GROWTH
1 Las Vegas-Henderson-Paradise, NV	4.8%
2 Urban Honolulu, HI	4.7%
3 Myrtle Beach-Conway-North Myrtle Beach, SC-NC	4.5%
4 Charlotte-Concord-Gastonia, NC-SC	4.2%
5 Riverside-San Bernardino-Ontario, CA	4.2%
6 Columbus, OH	4.2%
7 Palm Bay-Melbourne-Titusville, FL	4.2%
8 New York-Newark-Jersey City, NY-NJ-PA	4.1%
9 Chicago-Naperville-Elgin, IL-IN-WI	4.1%
10 Orlando-Kissimmee-Sanford, FL	4.0%



04

How to Meet Diversity Goals & Create an Inclusive Workplace

Businesses in recent years have focused much more on proactive diversity initiatives and the trend will continue in 2022. Success in this area is difficult to achieve without understanding the underlying talent supply by job, either in a specific metro or across the country. Businesses' primary challenge is customized benchmarking based on types of roles and the requirements for each job.





Meeting achievable diversity goals should involve setting benchmarks that reflect the available talent pool and searching for talent in a broader geographic region, if necessary.

Many companies seek a talent mix that is reflective of their market demographics. However, local talent supply or population in aggregate may not reflect the demographics for certain skills or job titles - this can make the job of talent acquisition professionals very challenging. Whether viewing talent supply by race or gender, it's easy to see that some roles have a much different demographic mix than the overall metro.

When it comes to diversity, talent-supply metrics may not be enough. Businesses and talent acquisition professionals need to ensure a workplace culture that values equity and inclusion. Otherwise, retaining a diverse talent pool will be difficult.

These groups have been slower to rejoin the labor force and remain an untapped source of talent for businesses that are struggling to find and retain workers.



27%
HISPANIC

Approximately 27% of the workforce in Dallas is Hispanic, but the Hispanic population only represents 21% of paramedics, 9% of data scientists and 4% of dentists. Understanding the talent supply at a more granular level is critical when creating achievable diversity benchmarks.





Key Takeaways

The hiring outlook is strong going into 2022 - bolstered by job gains toward the end of 2021. Despite a positive outlook, one that is much rosier than could have been imagined at the start of 2021, there may be bumps along the way in 2022. Patience will be key.

Talent acquisition professionals will be busy trying to fill jobs as the economy expands and the demand for workers remains high. Turnover is likely to remain elevated and talent acquisition will play a key role in backfilling open positions. Businesses must focus on retaining workers, who have more power than ever, by offering competitive pay and benefits, as well as the flexibility employees have now come to expect during, and after, the pandemic.



About LaborIQ[®] by ThinkWhy

LaborIQ[®] is the first cloud-based solution for HR and talent acquisition professionals to optimize talent, hiring and compensation strategies for individual roles and locations.

LaborIQ reports, forecasts and advises on employment conditions and the impact to jobs, industries and businesses across all U.S. cities. Our advanced data science delivers precise compensation, talent supply forecasts, retention tools and job market answers for more than 20,000 job titles.

Visit ThinkWhy.com to learn more or [see how LaborIQ works](#).