

## Strong Job Growth Continues in July

*Unemployment Remains Unchanged*

**JOB GROWTH:** The number of new jobs rose in July by 255,000, exceeding many estimates. With upward revisions to employment gains in the previous two months totaling 18,000 jobs, the three-month average increased from 147,000 to 190,000 jobs.

**TOP INDUSTRIES:** In July, employment was up in professional and business services, healthcare and financial activities, with continued losses in the energy sector.

**UNEMPLOYMENT:** The unemployment rate was unchanged at 4.9 percent, with the number of unemployed remaining fairly constant for nearly a year now at 7.8 million, including approximately two million long-term unemployed.

**WAGES:** Salaries gained another eight cents this past month, reaching an average hourly rate of \$25.69, sustaining the annual average increase at 2.6 percent.

**WORK WEEK:** Workers spent a bit more time at work in July, with the average work week adding .1 hour to reach 34.5 hours.

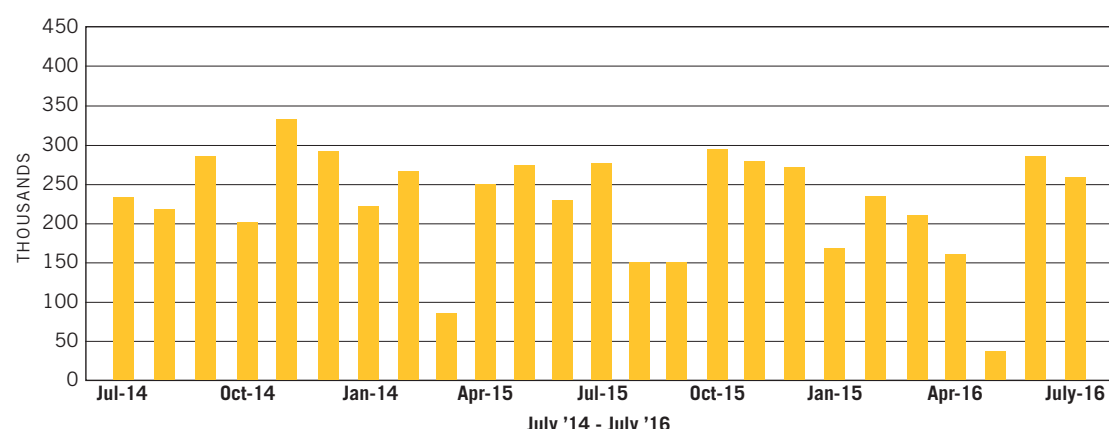
**TEMPORARY JOB TRENDS:** The temporary staffing sector added 17,000 jobs in July, edging up its share of the total labor market to 2.03 percent.

**SO WHAT DOES IT ALL MEAN?** With two solid months of job gains, many economists are more optimistic about continued growth in the labor market for the remainder of the year. However, despite solid growth in both job activity and consumer spending, a lack of strong positive momentum in several other key economic indices, such as GDP, corporate earnings and investment in the capital-intensive energy and manufacturing sectors, is worrisome. For employers, a robust labor market signals even tougher competition for the best candidates.

Sources: U.S. Bureau of Labor Statistics (BLS), Steinberg Employment Research, Bloomberg, MarketWatch, USA Today, Business Insider, Staffing Industry Analysts

CHART 1: EMPLOYMENT NUMBERS / SOURCE: BLS

NONFARM PAYROLL EMPLOYMENT MONTH-OVER-MONTH CHANGE



Employers added 255,000 jobs in July.



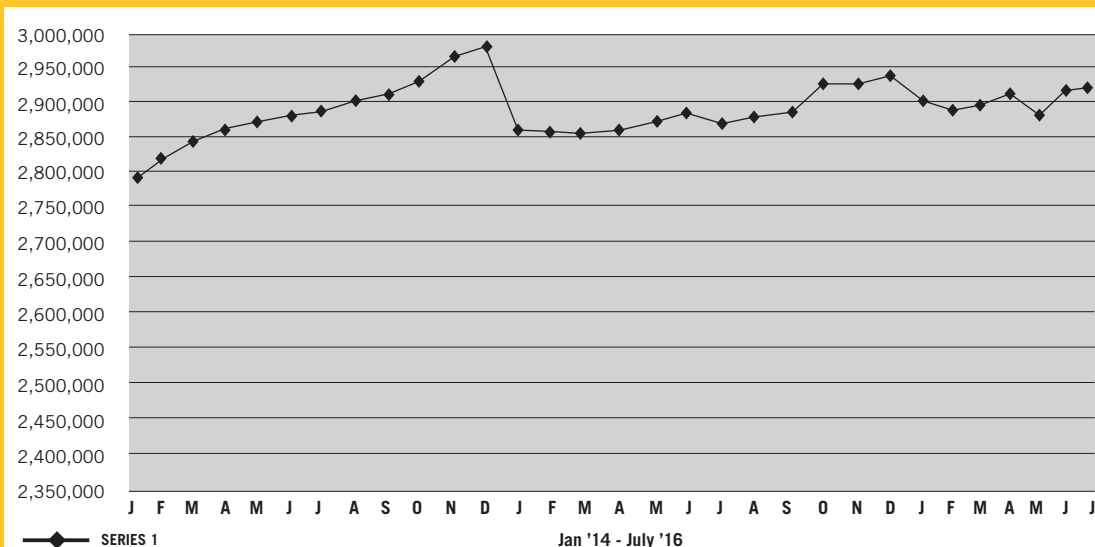
CHART 2: TOP INDUSTRIES / SOURCE: BLS

JOB GAINS	JOB INCREASE
Professional & Business Services	+70,000
Education & Health Services	+48,800
Leisure & Hospitality	+45,000
Retail Trade	+14,700
Transportation & Warehousing	+11,700
Manufacturing	+9,000
JOB LOSSES	JOB DECLINE
Mining & Logging	-7,000

Nonfarm jobs increased by 255,000 in July 2016, with the highest gains in professional and business services.



CHART 3: TEMPORARY WORKFORCE / SOURCE: BLS & STEINBERG EMPLOYMENT RESEARCH



Temporary help services gained 17,000 jobs in July, bringing total temp employment to more than 2.9 million, representing 2.03 percent of the U.S. workforce.



## What Keeps Employers Up at Night?

Worries about the workforce seem to have taken up permanent residence at the top of almost every survey of business leaders in recent years. So it should come as no surprise that turnover and retention experienced the highest year-over-year growth among top HR concerns reported in the 2016 Emerging Workforce® Study by Spherion. More than three-fourths of U.S. employers who participated in the study said they are more worried about the talent shortage this year than they were a year ago. Of particular concern are critical skills gaps, talent pipelining and succession planning—and the cost to get it all done—while navigating a host of larger social, economic and demographic issues. Despite these fundamental concerns, only 23 percent of employers in the Spherion study say workforce planning is a major initiative in their organization. More than half of companies (51 percent) say workforce planning is only a minor initiative, and 26 percent say it isn't an initiative at all.

CHART 4: TOP HR CONCERNS / 2016 SPHERION EMERGING WORKFORCE STUDY

## Top HR Concerns

- 47% Finding qualified/skilled workers
- 39% Retention/turnover
- 25% Navigating healthcare reform
- 23% Increasing employee engagement
- 23% Controlling employment costs

CHART 5: BIGGEST TALENT CHALLENGES / SOURCE: 2016 SPHERION EMERGING WORKFORCE STUDY

A closer look at talent challenges highlights skills gaps, generational shifts and the cost to maintain high performance.

- 51% Finding qualified STEM professionals (science/technology/engineering/math)
- 50% Recruiting and hiring Millennials
- 48% Keeping up with evolving training demands to ensure workers' skills are up to date
- 48% Cost to keep workers trained for future skill needs/requirements



CHART 6: TOP SOCIAL ISSUES / 2016 SPHERION EMERGING WORKFORCE STUDY

Improving employee diversity

Workplace collaboration

Demands for increased minimum wage

Overall wage stagnation

Healthcare reform

## TALENT Roadmap

HR leaders must navigate a host of larger social, economic and demographic issues in crafting their workforce strategies.

Learn more about the [Emerging Workforce® Study](#) and how to [subscribe](#) to this newsletter.