

This month's "SPOTLIGHT" topic:
Compensation Still King

Labor Market Closes the Year with Solid Job Growth of 145,000

Unemployment Remains at 50-Year Low

JOB GROWTH: Another 145,000 jobs were created in the final month of the year, bringing the total number of job gains to 2.1 million for 2019. Following moderate downward adjustments to the October and November numbers, average job gains over the past three months netted out at 184,000.

TOP INDUSTRIES: The strongest gains in December were made in the retail and healthcare sectors.

UNEMPLOYMENT: There was no change in the unemployment rate in December, which maintained its 50-year historic low of 3.5%.

WAGES: Wage growth in December was modest, with average hourly earnings hitting 2.9% for the year.

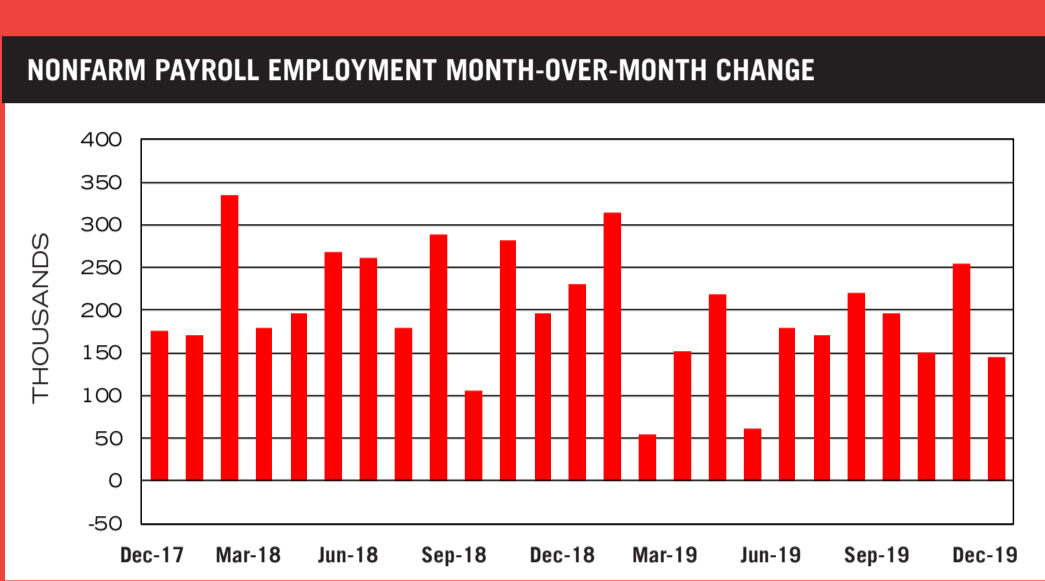
WORK WEEK: The work week was again unchanged, with average hours steady at 34.3.

TEMPORARY JOB TRENDS: The temporary help sector added 6,400 new jobs in December.

WHAT DOES IT ALL MEAN? Even as job creation moderates, forward momentum continues. Hiring activity in December, albeit less robust than anticipated, capped both a year and a decade of continuous job growth. Although the strongest sectors tend to be service oriented, with fewer job gains attributed to more industrial sectors, such as manufacturing and transportation, more people are working today than there were a year ago. Wages are on the rise but at a pace that has left many workers dissatisfied and more open to competitive offers from other employers.

Sources: U.S. Bureau of Labor Statistics (BLS), Steinberg Employment Research, CNBC, USA Today, FOX Business, Staffing Industry Analysts, The New York Times, The Wall Street Journal, NBC, Bloomberg

CHART 1: EMPLOYMENT NUMBERS / SOURCE: BLS



December job growth of 145,000 brought the annual total to 2.1 million new jobs for the year.

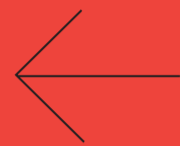


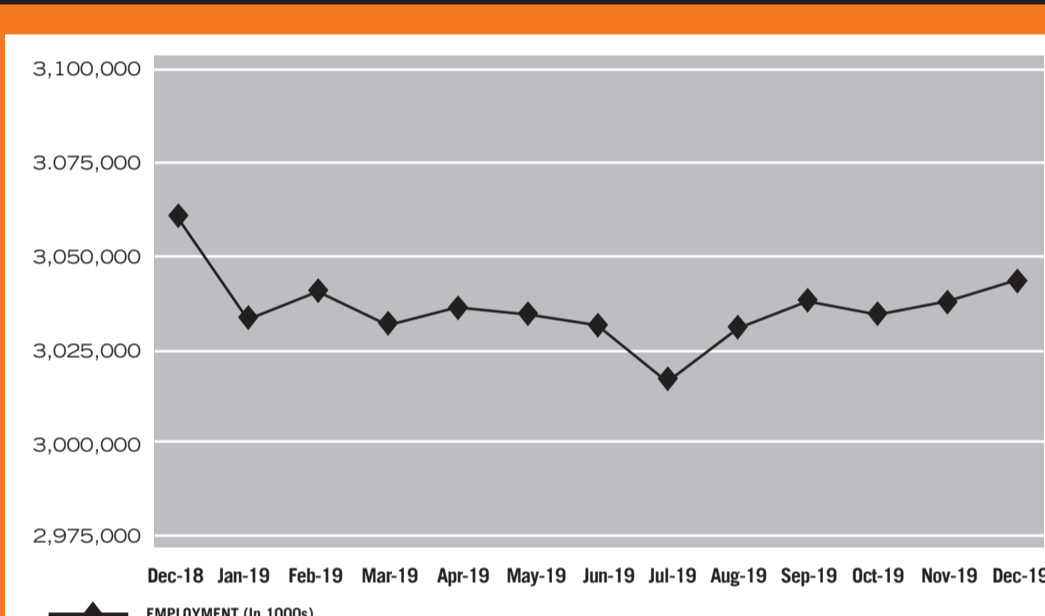
CHART 2: TOP INDUSTRIES / SOURCE: BLS

Job growth of 145,000 in December reflected slower hiring activity in several sectors.



SECTOR GAINS	JOB INCREASE
Retail Trade	+41,200
Leisure & Hospitality	+40,000
Healthcare and Social Assistance	+33,900
Professional & Business Services	+10,000
SECTOR LOSSES	JOB DECREASE
Transportation & Warehousing	-10,400
Manufacturing	-12,000

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



6,400 new jobs were created in December in the temporary help sector.



Compensation Still King

On January 1st, millions of Americans got a raise when minimum wage hikes took effect in states and municipalities across the nation. In 2020, 21 states and 26 cities and counties will move forward with mandated increases in the minimum wage. Will it be enough to satisfy the workforce? How important is compensation as a motivator to attract and retain talent? Despite all the work that has been done by employers to provide a supportive corporate culture, growth opportunities, better work/life balance, attractive perks and a wide range of benefits, compensation is still king. Money remains the most compelling enticement that drives employees to join an organization—and to leave it.

In 2019, a record number of employees left their jobs, according to the Bureau of Labor Statistics. The number one reason for doing so: compensation. The prevailing wisdom is that changing jobs can have a far more positive impact on personal finances than waiting around for a raise from a current employer. In a period when the average annual wage bump hovers around three percent, a job change can bring a hike in pay of up to 15% or more.

According to Spherion's Emerging Workforce® Study, money still matters most for workers, and many of them aren't happy. More than one-third (36%) believe they should be paid more in today's market. That figure jumps to about half for Gen Z and Gen Y. Worth noting for those employers raising minimum wages are the 63% of employees who said this action should trigger pay increases across the board for all workers.

The implications for employers are ominous. The stronger the candidate market, the greater the difficulty in finding and attracting new talent while retaining the solid performers already on the payroll. And no matter what ingenious incentives are on offer, money must be one of them.

CHART 4: CURRENT COMPENSATION SHORTFALLS / SOURCE: 2019 SPHERION EMERGING WORKFORCE STUDY

Are workers happy with their current salary?

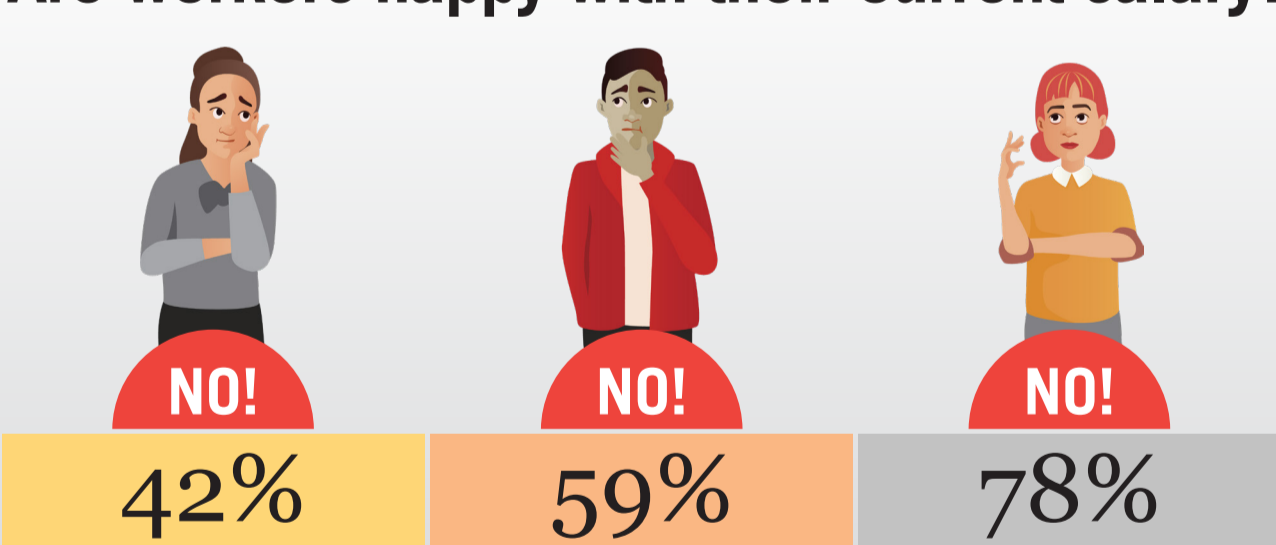


CHART 5: HIGHER EMPLOYEE EXPECTATIONS / SOURCE: 2019 SPHERION EMERGING WORKFORCE STUDY

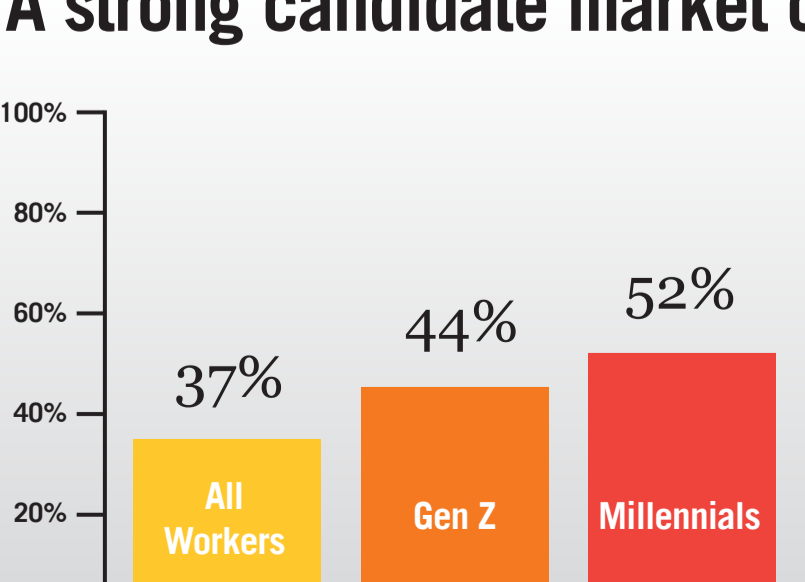
Employees have higher expectations

Should you be paid more in today's market?



CHART 6: RISING COMPENSATION COSTS / SOURCE: 2019 SPHERION EMERGING WORKFORCE STUDY

A strong candidate market can be costly



Workers believe they can demand a higher salary because they have more job options today

