



The Real Job Picture

December 30, 2021

Anecdotally, we hear that anybody who wants to find a job today will find him/herself in a competitive bidding situation. There are articles that advise job seekers on how to manage competing salary offers, while articles for employers offer advice on how to avert bidding wars for valuable members of their staff. Other articles simply say to current workers that this is a good time to ask for a raise.

So what, exactly, is the job situation here in the U.S.? The most recent report from the Bureau of Labor Statistics shows that the U.S. unemployment rate stands at 4.6%, trending downward, but still above the record low 3.2% before the pandemic hit. The good news is that this is down from an absurdly high 15% unemployment rate as recently as April 2020.

But if you dig a little deeper into the numbers, you find that 1.1 million workers are still on temporary layoff, down from 18 million in April 2020, but hardly budging over the last six months. The number of long-term unemployed (jobless for 27 weeks or more) still stands at 2.3 million, and the labor force participation rate has hardly moved since June 2020, now at 61.6% of people who are at employment-appropriate ages. Before the pandemic, in February of 2020, a total of 5 million workers were considered not in the labor force but currently wanted a job. That number today is 6 million, and they are not counted as unemployed because they have stopped actively looking for work.

Overall, average hourly earnings for all employees are trending upward, but hardly at levels which would suggest a bidding war. The average was up by 4.9% over the past year, up 11 cents in the past three months, to \$30.96 an hour.

These statistics suggest that the anecdotal reports we've been hearing are just that: stories taken out of context in an economy that is clearly recovering, but nowhere near the tipping point where all workers have the upper hand and employers are desperate. The tipping point may be nearest, and the stories may be most likely to come from workers with a college bachelor's degree (2.4% unemployment rate currently), while high school dropouts are still coping with a 7.4% unemployment rate, and high school graduates are 5.4% unemployed.

Sources:

<https://www.bls.gov/news.release/pdf/empsit.pdf>

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.



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