

Workforce and Manufacturing Analytics Newsletter

Volume 8

November 2017

Unemployment down slightly to 4.1%.

Total nonfarm payroll employment up 261,000 in October. Big bounce back from September hurricane effect and driven by 89,000 increase in *Food Services & Drinking Places* category, hardest hit sector.

Labor force participation rate little changed and still at 30-year low, down .4% month over month.

Average hourly wages, down one cent nationally.

Manufacturing employment up strong 24,000 in October. 12-month total: 156,000 new jobs in sector.

'Little change' in many other sectors including wholesale trade, retail trade, construction, mining, government.



Bottlenecks to job growth across sectors

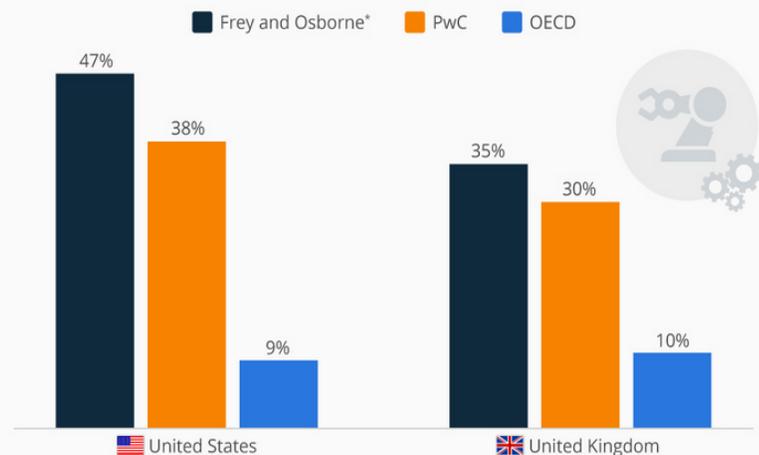
- Low unemployment.
- Labor participation stalled (with some long term contraction)
- Skills gaps

How are our client adjusting to these challenges?

- Automation (Projections vary widely. See chart to right)
- In-house skill development. Example: apprenticeship-like training programs
- Partnerships with outside training and educational organizations: trade schools, high schools, community colleges, technical institutes.

Replaced by Robots & Algorithms

Predicted share of jobs at high risk of automation by 2030 in the US & UK (in %)



* Professors and authors Carl Benedikt Frey and Michael Osborne
@StatistaCharts Sources: Respective organizations, experts

statista

Workforce and Manufacturing Analytics Newsletter

Volume 8

November 2017

Manufacturing (per October ISM report)

•Manufacturing hiring continues strong trend through October per ISM. 14th straight month of growth; growth rate slowing a bit.

•The Institute for Supply Management (ISM) index of manufacturing activity was still a strong 58.7 in October, down a bit from the September 13-year-high score. A reading above 50 indicates sector expansion as measured by factors such as sales, output and hiring. (See chart to right.)

•New Orders, Production, Order Backlogs also still growing, but more slowly.

•16 of 18 major manufacturing sectors reported increased activity in October. (Other two reported no growth or contraction.)

MANUFACTURING AT A GLANCE						
October 2017						
Index	Series Index Oct	Series Index Sep	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI®	58.7	60.8	-2.1	Growing	Slower	14
New Orders	63.4	64.6	-1.2	Growing	Slower	14
Production	61.0	62.2	-1.2	Growing	Slower	14
Employment	59.8	60.3	-0.5	Growing	Slower	13
Supplier Deliveries	61.4	64.4	-3.0	Slowing	Slower	18
Inventories	48.0	52.5	-4.5	Contracting	From Growing	1
Customers' Inventories	43.5	42.0	+1.5	Too Low	Slower	4
Prices	68.5	71.5	-3.0	Increasing	Slower	20
Backlog of Orders	55.0	58.0	-3.0	Growing	Slower	9
New Export Orders	56.5	57.0	-0.5	Growing	Slower	20
Imports	54.0	54.0	0.0	Growing	Same	9
OVERALL ECONOMY				Growing	Slower	101
Manufacturing Sector				Growing	Slower	14

Manufacturing ISM® Report On Business® data is seasonally adjusted for the New Orders, Production, Employment and Supplier Deliveries Indexes.

Long Term Job Trends Per Sector: Manufacturing

