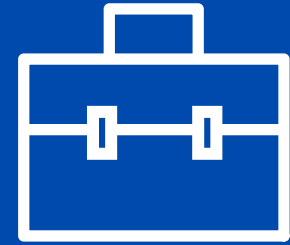


TCA Monthly Employment Snapshot

May 2021 Report

June 5, 2021



Top Expanding Sectors

- Leisure and Hosp: 292k
- Education and Health: 87k
- Government: 67k
- Trade, Trans, & Util: 37k
- Professional and Bus: 35k

Consumer Sentiment

88.3 (+340 bps)

April's figure is surpassed the 2020 average of 81.5.

PMI

61.2% (+50 bps)

There was a 36:1 ratio of positive to cautious comments from respondents in May. That ratio was 11:1 in April

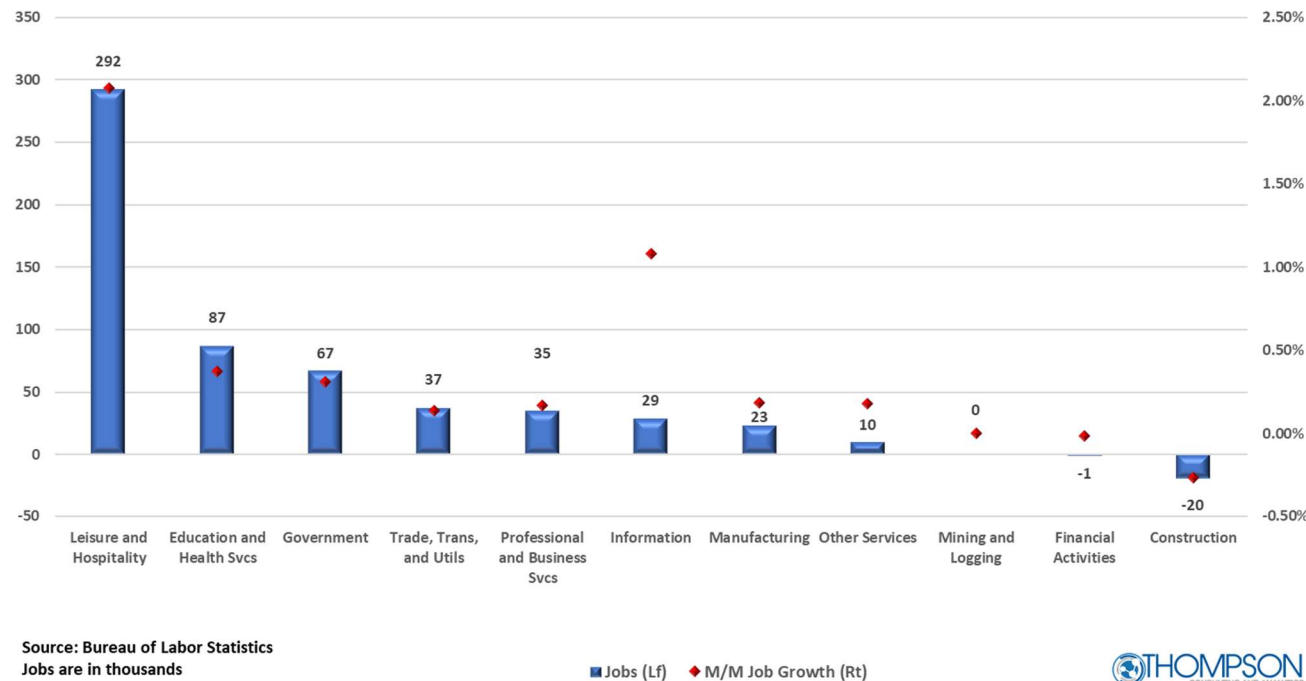


Economic Highlights

- May employment growth fell below expectations (675k).
- Leisure and hospitality wages have increased by 4.9% since Jan.
- 2021 Forecast: 475,000 jobs/month

Sources: Bureau of Labor Statistics
Institute of Supply Management
University of Michigan

National Employment Growth by Sector (May 2021)



US labor market growth (559,000 jobs) was below expectations (675,000 jobs) in the May employment release. Leisure and hospitality (292,000 jobs) accounted for the bulk of the positive employment growth in May. Despite the strong employment growth, the sector still remains 2.5 million workers below pre-pandemic levels. The labor shortage in leisure and hospitality has caused weekly wages to rise by 4.9% since January 2021. Construction was one of the few sectors to decline in May (with a loss of 20,000 workers). Manufacturing employment rebounded in May and recorded an increase of 23,000 workers. The durables subsector (18,000 jobs) accounted for most of the employment growth in manufacturing. May's PMI registered at 61.2% (up 50 bps month-over-month). The US economy averaged employment growth of -778,000 jobs in 2020. We expect employment growth to average 475,000 workers per month in 2021.

US Labor Market Snapshot (May 2021)												
Variable	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	2021 YTD	Difference from Jan '20
Population (Civilian, Non-Inst.)	259,758	259,896	260,047	260,204	260,373	260,558	260,742	260,925	261,085	261,230	261,017	0.6%
Total Employment	150,840	130,161	132,994	137,840	139,566	141,149	141,865	142,545	142,809	142,503	143,859	-5.5%
Full-Time Employment	129,059	114,325	116,545	119,262	119,962	122,461	122,569	123,646	124,292	124,689	125,641	-3.9%
Part-Time Employment	26,564	19,117	20,819	23,125	23,941	24,896	25,067	26,139	25,373	24,917	25,008	-9.2%
Unemployment Rate	4.4%	14.8%	13.3%	11.1%	10.2%	8.4%	7.8%	6.9%	6.7%	6.7%	6.1%	260 bps
Underutilization Rate	8.8%	22.9%	21.2%	18.0%	16.5%	14.2%	12.8%	12.1%	12.0%	11.7%	10.7%	380 bps
Employment/Population Ratio	59.9%	51.3%	52.8%	54.6%	55.2%	56.5%	56.6%	57.4%	57.4%	57.4%	57.8%	-330 bps
Labor Force Participation Rate	62.6%	60.2%	60.8%	61.4%	61.5%	61.7%	61.4%	61.6%	61.5%	61.5%	61.5%	-190 bps
Not in Labor Force	97,037	103,418	101,847	100,407	100,288	99,740	100,664	100,207	100,548	100,663	100,447	5.7%

Source: US Bureau of Labor Statistics

Note: Population, employment, and "Not in Labor Force" data are in thousands.

The US labor market produced a solid report in the May release. The unemployment rate fell by 30 bps in May. The underutilization rate also fell by 20 bps. This indicates that in addition to finding jobs, jobseekers are finding the type of jobs that they want (i.e. people seeking full-time employment are not having to settle for part-time positions). That being said, the number of people not in the labor force increased and the labor force participation rate decreased. These statistics are likely an indication of discouraged workers who are less than confident about finding a viable position. Wages are increasing, especially in many low-wage employment sectors, and we expect inflation to become harder to mitigate as the current labor shortage continues and wage increases persist.