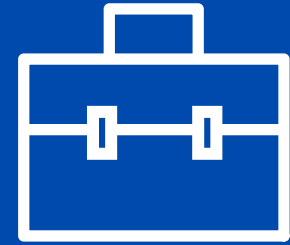


TCA Monthly Employment Snapshot

August 2021 Report

September 3, 2021



Top Expanding Sectors

- Professional and Bus: 74k
- Other Services: 37k
- Manufacturing: 37k
- Education and Health: 35k
- Trade, Trans, & Util: 24k

Consumer Sentiment

81.2 (-430 bps)

July's decrease resulted in the lowest figure since February 2021.

PMI

59.9% (+40 bps)

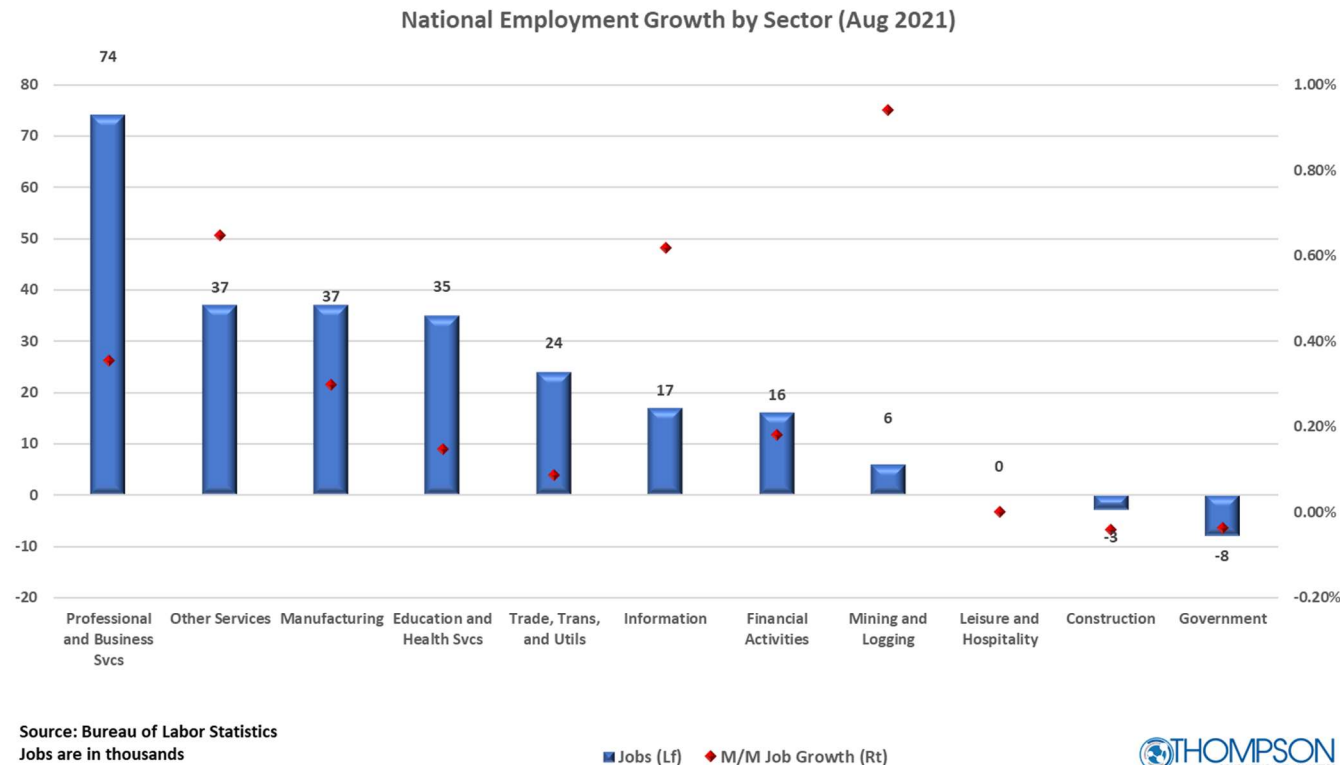
Respondents report strong demand but constraints from supply chains and labor shortages.



Economic Highlights

- August employment growth fell below expectations (720k).
- Leisure and hospitality employment remained unchanged.
- 2021 Forecast: 575,000 jobs/month

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



US labor market growth (235,000 jobs) fell well short of expectations (720,000 jobs) in the August employment release. Professional and business services (74,000 workers) was the largest-gaining sector in the recent release. Leisure and hospitality saw its recovery stall in August as the sector remained unchanged from the previous month. More than likely, employers in the sector have increased anxiety due to the Delta variant. Manufacturing (37,000 workers) has generated positive employment growth for the fourth consecutive month. The August PMI registered at 59.9% (up 40 bps month-over-month). Respondents cite some supply chain issues but overall strong activity. The US economy averaged employment growth of -778,000 jobs in 2020. We expect employment growth to average 575,000 workers per month in 2021.

US Labor Market Snapshot (August 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	261,188	0.6%
Total Employment	150,840	130,161	132,994	137,840	139,566	141,149	141,865	142,545	142,809	142,503	144,922	-4.8%
Full-Time Employment	129,059	114,325	116,545	119,262	119,962	122,461	122,569	123,646	124,292	124,689	126,164	-3.5%
Part-Time Employment	26,564	19,117	20,819	23,125	23,941	24,896	25,067	26,139	25,373	24,917	25,224	-8.4%
Unemployment Rate	4.4%	14.8%	13.3%	11.1%	10.2%	8.4%	7.8%	6.9%	6.7%	6.7%	5.9%	240 bps
Underutilization Rate	8.8%	22.9%	21.2%	18.0%	16.5%	14.2%	12.8%	12.1%	12.0%	11.7%	10.2%	330 bps
Employment/Population Ratio	59.9%	51.3%	52.8%	54.6%	55.2%	56.5%	56.6%	57.4%	57.4%	57.4%	58.0%	-310 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%	61.6%	-180 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	100,335	5.6%

Source: US Bureau of Labor Statistics

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

The US labor market produced conflicting data in the August report. While job growth only totaled 235,000 workers, the unemployment rate fell by 20 bps in August and the underutilization rate fell by 40 bps. The number of people not in the labor force fell by 49,000 people. All of these factors indicate that more job seekers entered the labor force and also found the jobs that they were looking for. Despite the increase in jobseekers, the employment growth figure was well below expectations. We believe that the employers have a heightened sense of anxiety due to the Delta variant and this muted hiring. This could have a lingering effect on employment growth and eventually affect jobseeker sentiment.