



# LABOR MARKET OVERVIEW ADAPTING TO CHANGE WITH A FLEXIBLE WORKFORCE

**FEBRUARY 2024**

ABOUT THIS REPORT ..... 3

ABOUT APPLEONE..... 3

U.S. OVERVIEW ..... 5

CANADA SPOTLIGHT ..... 8

INDUSTRY SPOTLIGHT ..... 12

TOP SOLUTIONS ..... 16

CONCLUSION ..... 19

CITATIONS ..... 20



The economies of the United States and Canada present a study in contrasts. Entering the new year, employers in the U.S. have continued a remarkable post-pandemic trend of month-after-month job growth, underpinning a national GDP that continues to expand. Even as data indicates a modest slowdown in hiring is underway, there is cause for optimism: the underlying strength of the job market — combined with a decline in inflation — offers encouraging signs that conditions are once again normalizing. Across the border in Canada, economic data reveals a slightly different story. After a robust start to the year, the Canadian economy has seen a more pronounced deceleration, reflected by a sharper rise in unemployment rates from the lows of 2022. Still, the medium-term economic outlook for Canada remains positive, and employers are likely to benefit from a less competitive job market.

**EMPLOYERS MUST DOUBLE DOWN ON THEIR COMMITMENT TO CREATIVE STAFFING: AMONG THEM, RESKILLING, UPSKILLING, AND DIVERSIFYING THE GLOBAL WORKFORCE.**



## About AppleOne

**Connecting businesses with high-quality talent.**

For 60 years, AppleOne has connected great candidates with great companies through a network of offices across North America and Canada. The company's unique "Hiring Made Human" approach means every candidate receives the respect, support, and advocacy they need to find the right fit for their unique talents. AppleOne clients get an edge over their competitors when it comes to engaging top talent.

AppleOne is part of the ActOne Group, the largest woman/minority-owned workforce management company in the United States. We uphold a proud legacy of diversity, equity, and inclusion, backed by a dedication to connecting candidates of different backgrounds to opportunities that align with their values. We partner with clients and candidates who aim to have diverse teams and an inclusive environment.

## About This Report

The broader economy is hardly the only factor that stands to impact employers across North America. As these neighboring nations mark a new chapter in their continued economic recovery, companies will also need to adapt to underlying changes in how we work. The rise of new technologies, exemplified by the mainstream introduction of artificial intelligence last year, will impact employers of all sizes. It's just one of the reasons why, by 2027, nearly a quarter of the world's jobs are predicted to see movement — either through the creation of new roles or the elimination of existing ones. This will have consequences for all industries, with sectors like supply chain and transportation, as well as media, entertainment, and sports, expected to experience the highest churn.<sup>1</sup> As a result, employers must double down on their commitment to creative staffing: among them, reskilling, upskilling, and diversifying the global workforce.

As we begin another year juggling uncertainty and change, access to quality information can mean all the difference for a company's bottom line. That is why we are pleased to present Labor Market Overview: February 2024 Edition. This report combines the latest economic data and insights from around the world with leading solutions to help companies adapt to change and succeed — no matter the circumstances.





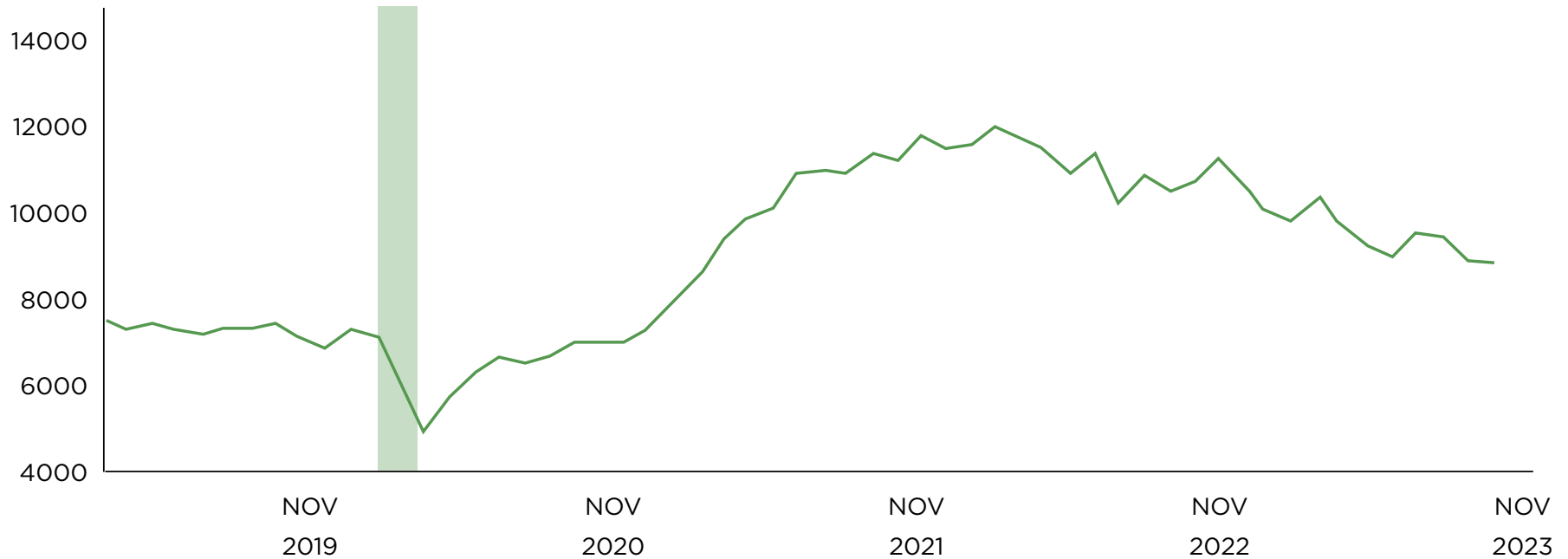
**U.S.  
OVERVIEW**

The numbers are in. In 2023, U.S. employers added an average of 225,000 jobs each month — more than 150,000 fewer jobs per month than in 2022. Meanwhile, the unemployment rate clocked in at 3.7 percent in December, ending the year slightly up from its 53-year low in January 2023.<sup>2</sup> In any other market, trends like these might be cause for concern. But not in 2024 in the U.S., where economists at the Federal Reserve have spent the better part of two years carefully engineering a soft landing.

Employment data like this — coupled with data showing that consumer prices slowed their year-over-year increase by more than 3 percentage points over the course of 2023 — is fueling speculation that their work might finally be paying off. On one hand, this is expected to translate to fewer job openings, meaning that hirers should face less pressure in the coming years as they jockey to fill vacant positions. The job openings rate, which measures the number of job openings as a share of all jobs — filled and unfilled — has decreased significantly from its record of 7.3 percent in March 2022. On the other hand, as openings continue to ease, so too should wage growth, which sat at 4 percent year-over-year in November. Wages for all employees are growing at their slowest pace since June 2021, when employers were extending generous pay hikes in an attempt to compete for workers, defining the period that became known as the Great Resignation.<sup>3</sup>



**Job openings, hires, and separations levels, seasonally adjusted<sup>4</sup>**



As the labor market continues to normalize, companies are adjusting their hiring plans accordingly. After making headlines in early 2023 with several rounds of high-profile layoffs, the tech sector is just one of several white-collar jobs that have seen hiring level off in recent months. According to data from Indeed, there are fewer postings for jobs in software development and IT operations today than there were before the pandemic. Postings for remote jobs have also fallen below pre-pandemic levels, contributing to speculation that employers have taken their feet off the gas of white-collar hiring. By contrast, hiring for many blue-collar jobs — including jobs with more in-person work — continues to outpace pre-pandemic levels. This blue-collar rebound helps make up for the pandemic’s worst job losses, which disproportionately impacted workers without high school diplomas.<sup>5</sup>





**CANADA  
SPOTLIGHT**



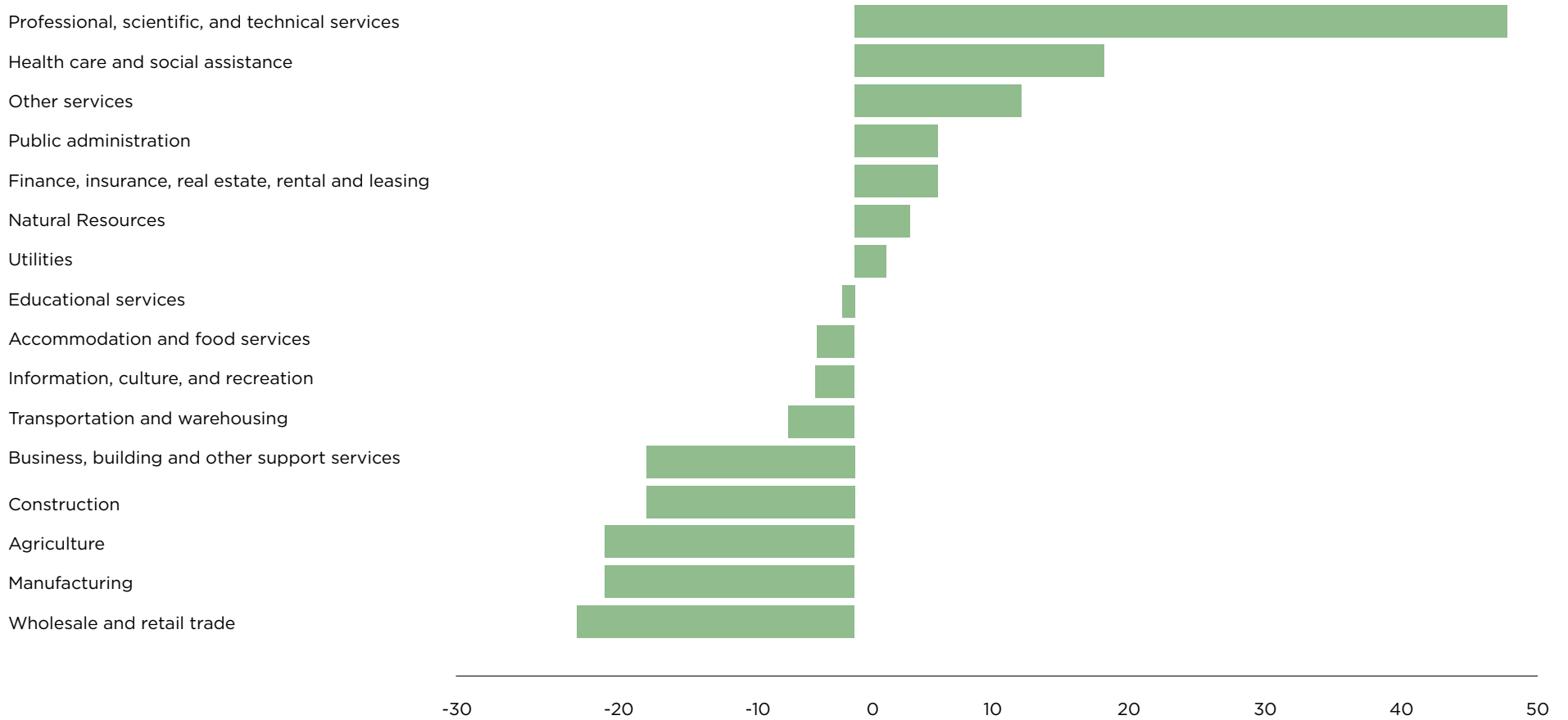
Canada's economy faces a post-pandemic reckoning. Following a strong first quarter, the economy experienced a slowdown by the second half of 2023.<sup>6</sup> At the same time, the unemployment rate edged upward to 5.8 percent in December, nearly a full percentage point higher than the record low observed in June and July of 2022.<sup>7</sup> This trend underscores a reality that, so far, the U.S. has mostly managed to avoid: in Canada, the labor market is finally catching up with a softening global economy.

**FOLLOWING TWO YEARS OF GLOBAL LABOR MARKET TIGHTNESS, CANADA'S JOB VACANCY RATE HAS CONTINUED ITS STEADY DECLINE. THIS MEANS EMPLOYERS SHOULD FIND IT EASIER TO FILL ROLES THAT MAY HAVE SAT EMPTY IN RECENT MONTHS.**

This slowdown can be attributed to a number of factors, from reduced domestic demand to a decline in exports. Still, the underlying economy shows signs of strength ahead. Although projections for 2024 indicate a small deceleration, GDP growth is expected to remain positive — and to recover in 2025 to 1.9 percent.<sup>8</sup> Additionally, there's positive news for employers: following two years of global labor market tightness, Canada's job vacancy rate has continued its steady decline. The rate, which represents the number of job vacancies expressed as a percentage of labor demand, dropped to 4.1 percent in the third quarter of 2023 — more than a full percentage point lower than in the third quarter of 2021.<sup>9</sup> Although historically high, this means employers should find it easier to fill roles that may have sat empty in recent months. Sustained immigration to the country should also continue supporting improvements in labor supply, which will contribute positively to the country's economic outlook.<sup>10</sup>



Monthly employment change by industry, December 2023<sup>11</sup>



Even as tightness in the labor market cools, the competition for pay remains hot. In fact, the average hourly wage growth for permanent employees accelerated to an annual rate of 5.7% in December 2023 from 5.0% in November. That's the highest rate in nearly three years.<sup>12</sup> Among the job sectors that saw wages increase the most in 2023 are the professional, scientific and technical services and health care and social assistance sectors.<sup>13</sup> These industries also experienced a significant employment increase at the end of 2023. The professional, scientific and technical services added 46,000 employees in December, marking its second monthly growth in 2023 and bringing a year-over-year rise to 78,000, or 4.2 percent. Meanwhile, the health care and social assistance sector experienced a modest rise of 16,000 jobs after a period of stagnation, contributing to a year-over-year growth of 124,000, or 4.8 percent. Meanwhile, data shows that not all Canadians fared equally in 2023's job market. Among racial groups, core-aged Black Canadians — those 25 to 54 years old — saw unemployment rates climb by 1.6 percentage points to 8.5 percent, driven by a significant increase among men to 9.2 percent. Similarly, the unemployment rate for South Asian Canadians in the same age group rose by 0.8 percentage points to 5.7 percent, with an increase noted among women to 6.8 percent but little change for men.<sup>14</sup>





**INDUSTRY  
SPOTLIGHT**

Over the past four years, the world has faced a range of challenges that have reshaped various aspects of society and the global economy. Health crises, economic instability, and geopolitical unrest, alongside increasing social and environmental demands, have accelerated transformations in labor markets worldwide. These changes influence the demand for specific jobs and skills and shift the composition of entire industries.

Seeking to understand these global trends, the World Economic Forum released the fourth edition of its Future of Jobs Report. This report leverages a comprehensive survey-based dataset that captures the expectations of more than 800 of the world's largest employers regarding job trends for the period of 2023 to 2027.

**“LABOR MARKET CHURN REFERS TO THE PACE OF REALLOCATION OF WORKERS AND JOBS. THE [WORLD ECONOMIC FORUM’S 2023 FUTURE OF JOBS] SURVEY PROVIDES INSIGHT INTO STRUCTURAL LABOR MARKET CHURN; NAMELY, THE NUMBER OF EXPECTED NEW JOBS, PLUS THE NUMBER OF ROLES EXPECTED TO BE DISPLACED DURING THE PERIOD, DIVIDED BY THE SIZE OF THE LABOR FORCE IN QUESTION.”**  
— WORLD ECONOMIC FORUM

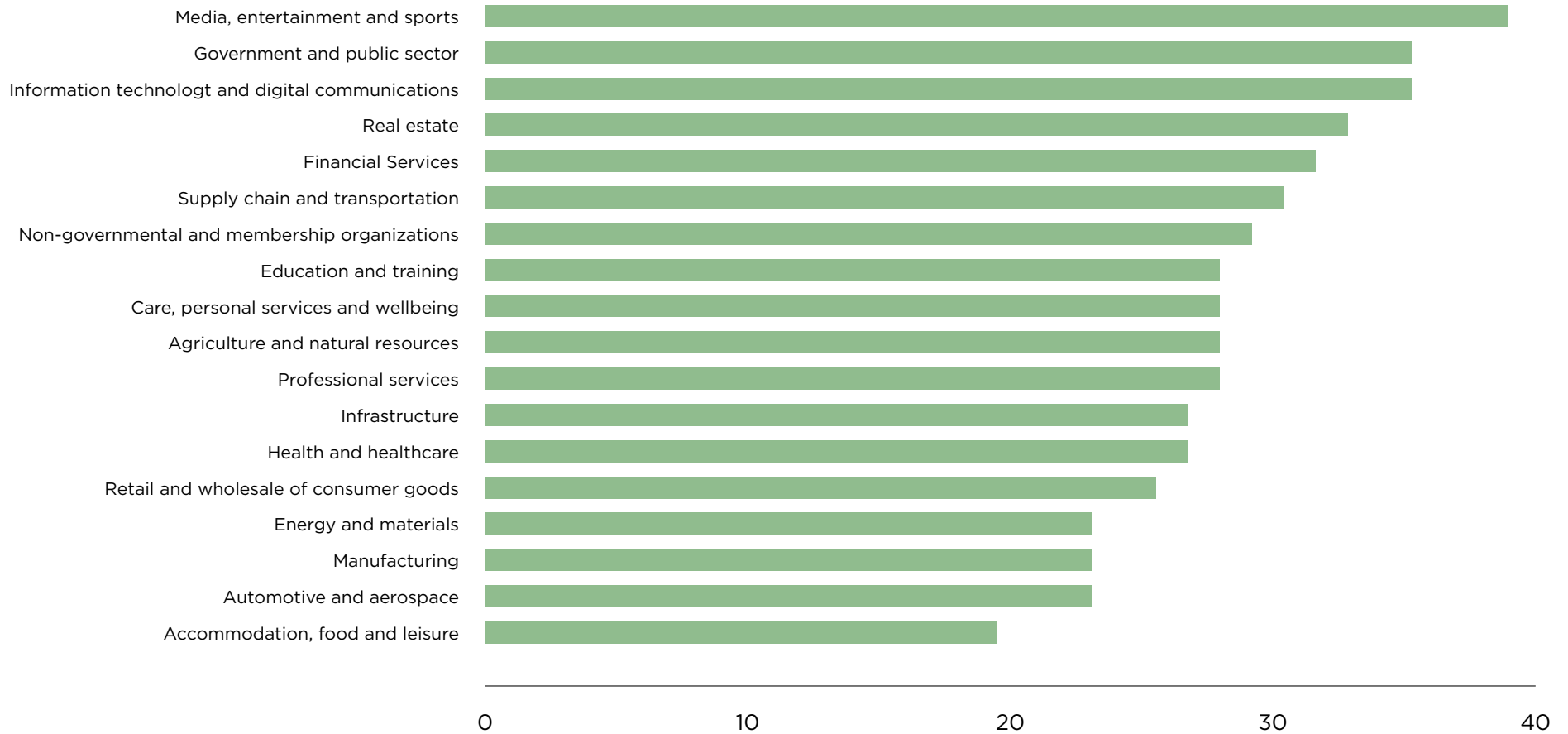


According to the report, employers can expect a substantial structural churn in the labor market, defined as the “pace of reallocation of workers and jobs.” 23 percent of jobs are likely to see movement — either through the creation of new roles or the elimination of existing ones — by 2027. The survey also highlights industry-specific expectations: for example, the supply chain and transportation, as well as media, entertainment, and sports industries, are predicted to experience higher-than-average job churn. Conversely, the manufacturing and retail and wholesale of consumer goods sectors are expected to face lower-than-average churn.<sup>15</sup>

The following chart illustrates how labor market churn is expected to impact leading industries around the world.



**Projected global labor market churn by industry, 2023 - 2027<sup>16</sup>**





**TOP  
SOLUTIONS**



**N**obody knows what the future has in store. That's why it's important to greet changing times with solutions that are future-proof. Here are five of the leading solutions AppleOne is recommending to our clients for 2024:

1

### Own change with flexible hiring

AI. Automation. Economic expansion and contraction. These are just some of the factors driving historic churn in the labor market, with one-in-four jobs likely to see movement by 2027.<sup>17</sup> Amid changing times, more companies are relying on flexible hiring. With a focus on temporary, temporary-to-hire, direct placement, and independent consultant services, AppleOne is ready to serve you. The flexibility of temporary arrangements appeals to every type of worker. It has an added benefit for companies, too: it's cost-effective and comes without the rigid commitment of a traditional hire.

2

### Reduce vacancies with reskilling and upskilling

COVID-19 underscored the importance of skills. According to a McKinsey Global Survey, 58 percent of respondents reported that closing skill gaps in their companies' workforces became an even higher priority in the aftermath of the pandemic as companies reckoned with shifts that have become the new normal.<sup>18</sup> Facing prolonged labor market tightness, companies would be wise to implement reskilling and upskilling programs, equipping their workers with new skills — or enhancing existing ones — to adapt to changing needs.

3

### Be the company where workers want to work

Corporate culture is one of the leading factors driving where workers work — and how long they stick around. Yet, according to a recent study, only 2 in 10 employees feel connected to their company's culture.<sup>19</sup> In order to stay competitive in a high-employment environment where workers have many choices, employers must recommit themselves to creating an environment where workers want to work. This includes promoting open communication, encouraging employee engagement and recognition, aligning values with actions, and investing in professional development and team-building activities.



4

### Embrace a diverse workforce

Companies around the world have pledged to prioritize diversity. It's a winning strategy for employers looking to tap into a deeper pool of talent amid continued labor market tightness. Hiring a diverse workforce isn't only the right thing to do; it makes good business sense. According to one study, companies that are willing to open up jobs to nontraditional candidates will benefit from a larger — and more diverse — talent pool. Furthermore, organizations that embrace a diverse workforce have been shown to outperform across several criteria, including attitude and work ethic, productivity, quality of work, engagement, attendance, and innovation.<sup>20</sup>

5

### Harness the power of technology

Today, there are over 450 technologies that assist with the attraction and management of both external and full-time talent. That's why it's important to partner with trusted workforce solutions providers like the ActOne Group of Companies, which makes the selection and integration of these tools easy. But that's just the start. Our team works at the cutting edge of emerging technologies like artificial intelligence and can help businesses of any size and scope understand the complete range of benefits and risks — from opportunities for capacity building to considerations around security and ethics.



## Conclusion

**W**hen it comes to the labor market, change is hard to predict. Mixed signals in the global economy coupled with shifts in worker habits and expectations have created an environment of uncertainty where companies have a lot to lose by being uninformed. As we begin another year, it's never been more important to have a partner you can trust at your side.

AppleOne is that partner. Part of the ActOne Group of Companies, we are a full-service employment company that focuses on connecting quality candidates to our clients. Our Hiring Advisors take the time to understand our job seekers' career progression and achievements to connect them with the right client opportunities. With a focus on temporary, temporary-to-hire, direct placement, and independent consultant services, our Career Centers are ready to serve you.

Changing times call for a change in approach, and at AppleOne, we're with you every step of the way as you navigate today's complex, changing marketplace.

As one of North America's largest certified woman-minority-privately held staffing agencies, we are family-owned and fully solvent. Our 200 support centers and 24x7 dynamic sourcing infrastructure allow us to rapidly connect small and large employers alike with top direct hire and temporary talent without sacrificing quality matches. Our WMBE/ISO/IMAGE/UN Global Pact certifications ensure visibility to the integrity of every aspect of our hiring processes. Our high-touch customer service is called "hiring made human." After 59 years, our mission to find, to understand, and to fulfill the needs of each person we work with has never wavered.

## Contact

1999 West 190th Street  
Torrance, California 90504  
[info@appleone.com](mailto:info@appleone.com)

[appleone.com](https://appleone.com)



## Citations

1. [Future of Jobs Survey 2023, World Economic Forum, May 1, 2023](#)
2. [The Employment Situation – December 2023, Bureau of Labor Statistics, January 5, 2024](#)
3. [Employment report November 2023, EY-Parthenon, December 8, 2023](#)
4. [Job openings, hires, and separations levels, seasonally adjusted, Bureau of Labor Statistics, January 3, 2024](#)
5. [Blue-collar hiring and pay gains stay hot in a cooling job market, NBC News, December 9, 2023](#)
6. [Canada's muted economic growth keeps early 2024 rate cut bets alive, Reuters, December 22, 2023](#)
7. [Labour Force Survey, December 2023, Statistics Canada, January 5, 2024](#)
8. [Canada Economic Snapshot, OECD, November 29, 2023](#)
9. [Job vacancies, payroll employees, job vacancy rate, and average offered hourly wage by provinces and territories, quarterly, unadjusted for seasonality, Statistics Canada, December 18, 2023](#)
10. [Canada Economic Snapshot, OECD, November 29, 2023](#)
11. [Labour Force Survey, December 2023, Statistics Canada, January 5, 2024](#)
12. [Canada's jobs growth stalls in December as wages accelerate, Reuters, January 5, 2024](#)
13. [Average weekly earnings \(including overtime\) for all employees – Seasonally adjusted, Statistics Canada, December 21, 2023](#)
14. [Labour Force Survey, December 2023, Statistics Canada, January 5, 2024](#)
15. [Future of Jobs Survey 2023, World Economic Forum, May 1, 2023](#)
16. [Future of Jobs Survey 2023, World Economic Forum, May 1, 2023](#)
17. [Future of Jobs Survey 2023, World Economic Forum, May 1, 2023](#)
18. Workforce Solutions Market Overview, Edition 3, AgileOne, 2022
19. Workforce Solutions Market Overview, Edition 6, AgileOne, 2023
20. Workforce Solutions Market Overview, Edition 5, AgileOne, 2023

