

United States Employment Outlook

More than 7,300 interviews were conducted with employers within the United States, including all 50 states, the top 100 Metropolitan Statistical Areas (MSAs), the District of Columbia and Puerto Rico, to measure hiring intentions for the third quarter of 2021. The mix of industries within the survey follows the North American Industry Classification System (NAICS) supersectors and is structured to be representative of the U.S. economy. All participants were asked, “How do you anticipate total employment at your location to change in the three months to the end of September 2021 compared to the current quarter?”

Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the third quarter of 2021 are likely to reflect the impact of the global health emergency, and may be notably different to previous quarters.

United States Employment Outlook

Employers in 32 percent of U.S. businesses surveyed expect an increase in payrolls during the next three months, while 3 percent expect to trim payrolls and 63% anticipate no change.

Once the data is adjusted to allow for seasonal variation, the Net Employment Outlook for the third quarter of 2021 is +25%, matching the strongest Outlook since the survey began in 1982, last reported in 3Q 2000. Hiring prospects improve by 7 percentage points when compared with the previous quarter and are 22 percentage points stronger in comparison with this time one year ago, when COVID-19 first had an impact on hiring sentiment.

Hiring intentions strengthen in all four U.S. regions in comparison with the prior quarter. Northeast employers report a considerable improvement of 10 percentage points, and the Outlook for the South is 8 percentage points stronger. Increases of 6 and 5 percentage points are reported in the Midwest and the West, respectively. When the four regions are compared, the strongest Outlooks of +26% are reported in the Northeast and the South. The Northeast Outlook is the strongest since the survey began in 1982, while hiring sentiment in the South is the strongest in 20 years. Employers in the Midwest expect the strongest hiring pace since 2000, reporting an Outlook of +24%, and the Outlook of +23% reported in the West is the strongest in more than 13 years.

In a comparison with the second quarter of 2021, hiring prospects are considerably stronger in one region, and improve moderately in the remaining three. When compared with the same period last year – when COVID-19 first had an impact on hiring plans – hiring intentions strengthen sharply in the South, the Northeast and the West, while Midwest employers report a considerable improvement.

From this point forward, all data discussed in the commentary is seasonally adjusted, unless stated otherwise.

Please note that throughout this report, the figure used in all graphs is the “Net Employment Outlook.” This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers that expect to see a decrease in employment at their location in the next quarter. In addition, percentage totals may not equal 100% due to rounding.

Industry Sector Comparisons

Payroll gains are expected in all 12 U.S. industry sectors during the third quarter of 2021: Leisure & Hospitality (+41%), Wholesale & Retail Trade (+29%), Education & Health Services (+27%), Transportation & Utilities (+26%), Durable Goods Manufacturing (+25%), Nondurable Goods Manufacturing (+25%), Professional & Business Services (+21%), Construction (+19%), Information (+18%), Other Services (+16%), Financial Activities (+15%), Government (+15%).

Employers in three of the 12 national industry sectors report considerably stronger hiring plans when compared with the previous quarter, with Outlooks in all three sectors at their strongest since they were first analyzed in 2009: Education & Health Services, Information and Leisure & Hospitality.

Moderately stronger hiring sentiment is reported in five nationwide industry sectors when compared with the second quarter of 2021. The Outlook for the Wholesale & Retail Trade sector matches the strongest since the survey began in 1982, last reported in 2001. Employers in both the Durable Goods Manufacturing and the Nondurable Goods Manufacturing sectors report the strongest hiring plans since 2000, while the Outlook for the Other Services sector matches the strongest since the sector was first analyzed in 2009, last reported in 2019. Government sector employers also report a moderate increase when compared with the prior quarter.

In four of the national industry sectors, employers report slight quarter-over-quarter improvements: Construction, Financial Activities, Professional & Business Services and Transportation & Utilities.

Regional Comparisons

Midwest

An increase in payrolls is expected in 31 percent of Midwest businesses surveyed during the coming quarter, while 2 percent of employers expect a decrease and 64 percent anticipate no change. The resulting Net Employment Outlook stands at +29%. Once the data is adjusted for seasonal variation, hiring prospects are moderately stronger in comparison with the prior quarter. In a comparison with 3Q 2020 – when COVID-19 first had an impact on hiring sentiment – the Outlook is considerably stronger.

Hiring prospects are considerably stronger in four of the Midwest industry sectors when compared with the previous quarter: Education & Health Services, Information, Durable Goods Manufacturing and Other Services.

Midwest employers in four industry sectors report a moderate quarter-over-quarter improvement in hiring plans: Construction, Financial Activities, Government and Transportation & Utilities.

Employers report slightly stronger hiring sentiment in four Midwest industry sectors when compared with the second quarter of 2021: Leisure & Hospitality, Nondurable Goods Manufacturing, Professional & Business Services and Wholesale & Retail Trade.

Northeast

Workforce gains are anticipated by 32 percent of employers in Northeast businesses surveyed for the third quarter of 2021. With 2 percent of employers expecting to trim payrolls and 62 percent anticipating no change, the resulting Net Employment Outlook is +30%. Once the data is adjusted for seasonal variation, hiring prospects in the region are considerably stronger in comparison with the previous quarter. When compared with this time last year – when COVID-19 first had an impact on hiring intentions – the Northeast Outlook increases sharply.

Job seekers in the Northeast's Leisure & Hospitality and Other Services sectors can expect considerable stronger hiring activity when compared with the previous quarter, according to employers.

In six of the 12 Northeast industry sectors, employers report a moderate quarter-over-quarter improvement in hiring plans: Education & Health Services, Financial Activities, Government, Nondurable Goods Manufacturing, Transportation & Utilities and Wholesale & Retail Trade.

Slightly stronger hiring prospects are reported in two Northeast sectors in comparison with the prior quarter – the Information and Durable Goods Manufacturing sectors.

Hiring intentions remain relatively stable in the Northeast's Construction and Professional & Business Services sectors when compared with the previous quarter.

South

More than three in ten businesses surveyed in the South (32 percent) expect to grow payrolls in the July to September period. With 3 percent of employers in the region expecting a decrease and 63 percent anticipating no change, the Net Employment Outlook stands at +29%. Once the data is adjusted to allow for seasonal variation, hiring intentions are moderately stronger in comparison with the prior quarter, and improve sharply when compared with this time one year ago – when COVID-19 first had an impact on employer sentiment.

Employers in the South's Leisure & Hospitality sector report a sharp improvement in hiring prospects when compared with the previous quarter. Hiring plans for the coming quarter are considerably stronger in a further five sectors across the South: Government, Information, Nondurable Goods Manufacturing, Transportation & Utilities and Wholesale & Retail Trade.

A moderately stronger labor market is anticipated in two industry sectors in the South when compared with the prior quarter: Education & Health Services and Durable Goods Manufacturing.

In two of the South's sectors – the Construction and Other Services sectors – employers report slight quarter-over-quarter improvements, while the Outlook for the region's Professional & Business Services sector is unchanged.

West

Employers in 31 percent of businesses surveyed in the West expect workforce gains during the third quarter of 2021, while 4 percent anticipate a decline in payrolls and 62 percent expect no change. The resulting Net Employment Outlook stands at +27%. Once the data is adjusted to allow for seasonal variation, hiring sentiment strengthens moderately in comparison with the second quarter of 2021, and the Outlook is sharply stronger when compared with this time one year ago, when COVID-19 first had an impact on hiring plans.

Job seekers in the West's Information sector can expect a sharp improvement in the labor market when compared with the prior quarter, according to employers. Hiring sentiment is also considerably stronger in two of the region's industry sectors: Leisure & Hospitality and Nondurable Goods Manufacturing.

Moderately stronger hiring prospects are reported in five industry sectors across the West in comparison with the second quarter of 2021: Construction, Education & Health Services, Government, Other Services and Wholesale & Retail Trade.

In three of the West's sectors, employers report slightly stronger hiring plans when compared with the prior quarter: Financial Activities, Durable Goods Manufacturing and Professional & Business Services. However, Transportation & Utilities sector employers in the region report a moderate quarter-over-quarter decline.