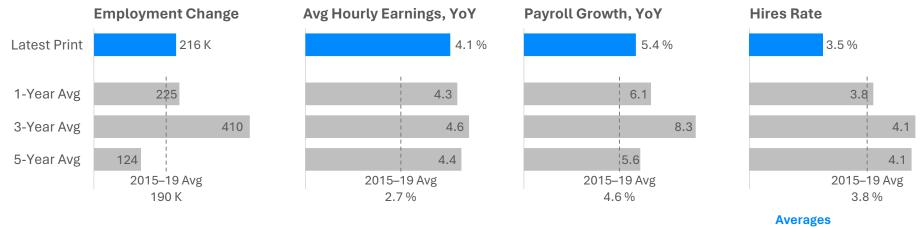


NCCI LABOR MARKET INSIGHTS



Drivers of Premium		Jul	Aug	Sep	Oct	Nov	Dec	
Net Employment Change (Thous.)		236	165	262	105	173	216	
Net Private Employment Change (Thous.)	86	145	114	199	44	136	164	
Average Hourly Earnings (y/y %)	4.4	4.3	4.3	4.2	4.1	4.0	4.1	
Average Hours Worked (Hours)	34.4	34.3	34.4	34.4	34.3	34.4	34.3	
Payroll (Calculated)* Growth (y/y %)	6.3	5.6	6.0	5.6	4.9	5.4	5.4	

^{*}Calculated Payroll = Total Private Employment * Average Hourly Earnings * Average Hours Worked

Drivers of Frequency	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unemployment Rate (%)	3.6	3.5	3.8	3.8	3.8	3.7	3.7
Labor Force Participation Rate (%)	62.6	62.6	62.8	62.8	62.7	62.8	62.5
Prime Age Participation Rate (25–54, %)	83.5	83.4	83.5	83.5	83.3	83.3	83.2
Job Openings (Thous.)	9,165	8,920	9,497	9,350	8,852	<i>8,7</i> 90	-
Hires Rate (%)	3.8	3.7	3.7	3.8	3.7	3.5	-
Quits Rate (%)	2.4	2.3	2.3	2.3	2.3	2.2	2 _
Layoffs Rate (%)	1.0	1.1	1.1	1.0	1.0	1.0	-

Source: Bureau of Labor Statistics; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point

		3.8 %						
Averages								
1-Year	3-Year	5-Year	2015–19					
225	410	124	190					
169	373	116	177					
4.3	4.6	4.4	2.7					
34.4	34.6	34.5	34.4					

Averages

8.3

5.6

4.6

6.1

1-Year	3-Year	5-Year	2015–19
3.6	4.2	4.9	4.4
62.6	62.2	62.3	62.9
83.3	82.4	82.2	81.7
9,669	10,152	8,805	6,361
3.8	4.1	4.1	3.8
2.4	2.6	2.5	2.2
1.0	1.0	1.3	1.2

The US job market ended 2023 on a strong note, with employers adding a net 216K jobs in December—including 164K in the private sector. Both categories (net and net private) trended up throughout the fourth quarter, a further sign that the labor market is moving towards balance rather than deteriorating.

Overall, 2023 averaged net monthly gains of 225K jobs and 169K private jobs, down from 2022 but still healthy and near the prepandemic average. The top growing sectors for the year were education and healthcare, leisure and hospitality services, and government.

Wage growth moderated in 2023 but remained robust even as the labor market moved to a more balanced state. This trend will likely persist into 2024 and continue to support payroll growth for workers compensation.

- Some signs of seasonal quirks were apparent again in the latest labor data. The fall in the November hires rate and December participation rate could be related to lower seasonal hiring. We caution drawing conclusions from just one data point as more will be necessary to assess whether these moves were due to seasonality or weakening in the data.
- The labor market in 2023 evolved meaningfully from 2022 and in a positive way for workers compensation. Payroll growth remained robust while turnover metrics moderated back to near pre-pandemic averages as the labor market moved towards a more balanced state.

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