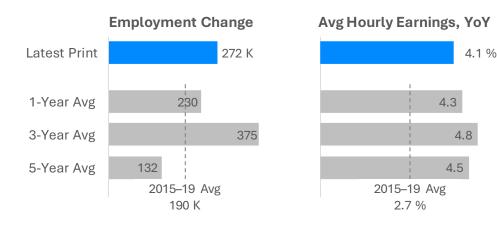


NCCI LABOR MARKET INSIGHTS



| Payroll Growth, YoY | | | | | |
|---------------------|-------|--|--|--|--|
| | 5.5 % | | | | |
| 5.7 | | | | | |
| | 8.2 | | | | |
| 5.7 | | | | | |
| 2015–19 A 4.6 % | Avg | | | | |

| Drivers of Premium | Nov | Dec | Jan | Feb | Mar | Apr | May | |
|--|------|------|------|------|------|------|------|----------|
| Net Employment Change (Thous.) | 182 | 290 | 256 | 236 | 310 | 165 | 272 | A |
| Net Private Employment Change (Thous.) | 152 | 214 | 196 | 181 | 232 | 158 | 229 | U |
| Average Hourly Earnings (y/y %) | 4.3 | 4.3 | 4.4 | 4.3 | 4.1 | 4.0 | 4.1 | |
| Average Hours Worked (Hours) | 34.4 | 34.4 | 34.2 | 34.3 | 34.4 | 34.3 | 34.3 | |
| Payroll (Calculated)* Growth (y/y %) | 5.7 | 6.1 | 4.8 | 5.3 | 5.9 | 5.7 | 5.5 | |

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

| Drivers of Frequency | Nov | Dec | Jan | Feb | Mar | Apr | May |
|---|-------|-------|-------|-------|-------|-------|------|
| Unemployment Rate (%) | 3.7 | 3.7 | 3.7 | 3.9 | 3.8 | 3.9 | 4.0 |
| Labor Force Participation Rate (%) | 62.8 | 62.5 | 62.5 | 62.5 | 62.7 | 62.7 | 62.5 |
| Prime Age Participation Rate (25–54, %) | 83.3 | 83.2 | 83.3 | 83.5 | 83.4 | 83.5 | 83.6 |
| Job Openings (Thous.) | 8,931 | 8,889 | 8,748 | 8,813 | 8,355 | 8,059 | - |
| Hires Rate (%) | 3.5 | 3.7 | 3.6 | 3.7 | 3.6 | 3.6 | - |
| Quits Rate (%) | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | - |
| Layoffs Rate (%) | 1.0 | 1.0 | 1.0 | 1.1 | 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

| Hires Rate | |
|------------|---------------|
| 3.6 | % |
| | 1 |
| 3.7 | 1 1 1 |
| | 4.1 |
| | 4.1 |
| 2015– | 4.1 19 Avg |
| | 3 % |
| Averages | |

| Averages | | | | | |
|----------|--------|--------|---------|--|--|
| -Year | 3-Year | 5-Year | 2015–19 | | |
| 230 | 375 | 132 | 190 | | |
| 178 | 336 | 119 | 177 | | |
| 4.3 | 4.8 | 4.5 | 2.7 | | |
| 34.3 | 34.5 | 34.5 | 34.4 | | |
| 5.7 | 8.2 | 5.7 | 4.6 | | |
| | | | | | |

| Averages | | | | | | |
|----------|--------|--------|---------|--|--|--|
| 1-Year | 3-Year | 5-Year | 2015–19 | | | |
| 3.8 | 3.9 | 4.9 | 4.4 | | | |
| 62.6 | 62.3 | 62.2 | 62.9 | | | |
| 83.4 | 82.7 | 82.3 | 81.7 | | | |
| 8,866 | 10,207 | 8,887 | 6,360 | | | |
| 3.7 | 4.1 | 4.1 | 3.8 | | | |
| 2.3 | 2.6 | 2.4 | 2.2 | | | |
| 1.0 | 1.0 | 1.3 | 1.2 | | | |

Job growth vastly exceeded market expectations in May. The economy added 272,000 new jobs, with 229,000 in the private sector against expectations for a similar gain as April.

Job gains were broad based, with 12 out of 14 industry groups adding jobs in May. Information services saw employment levels unchanged from April while Mining and Logging saw a small decline in employment.

Payroll growth remained solid in May, near the average over the past year and solidly above the pre-pandemic average.

2 Despite strong job growth in May, the details include more signals that the labor market is moving towards a more balanced state compared to the overheated levels of a few years ago.

The latest JOLTS report showed little change to turnover trends in April. Job openings have fallen over the past few months.

Comparing the number of unemployed workers in May with the number of job openings in April, there are roughly 1.2 job openings per worker searching for a job. This is down from the peak of over 2.0 in 2022 and has returned to the prepandemic average, indicating more normalized levels of supply and demand in the labor market.

Pressures on frequency trends could abate as the labor market returns to balance.

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