

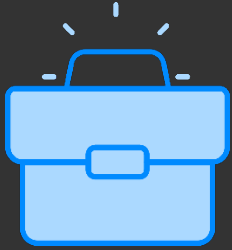


# Economic Outlook

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Economist II

RESIDUAL MARKET  
FORUM  
2023

# The Economy and The Shifting Workforce



Employment and wage growth



Changes to the labor force



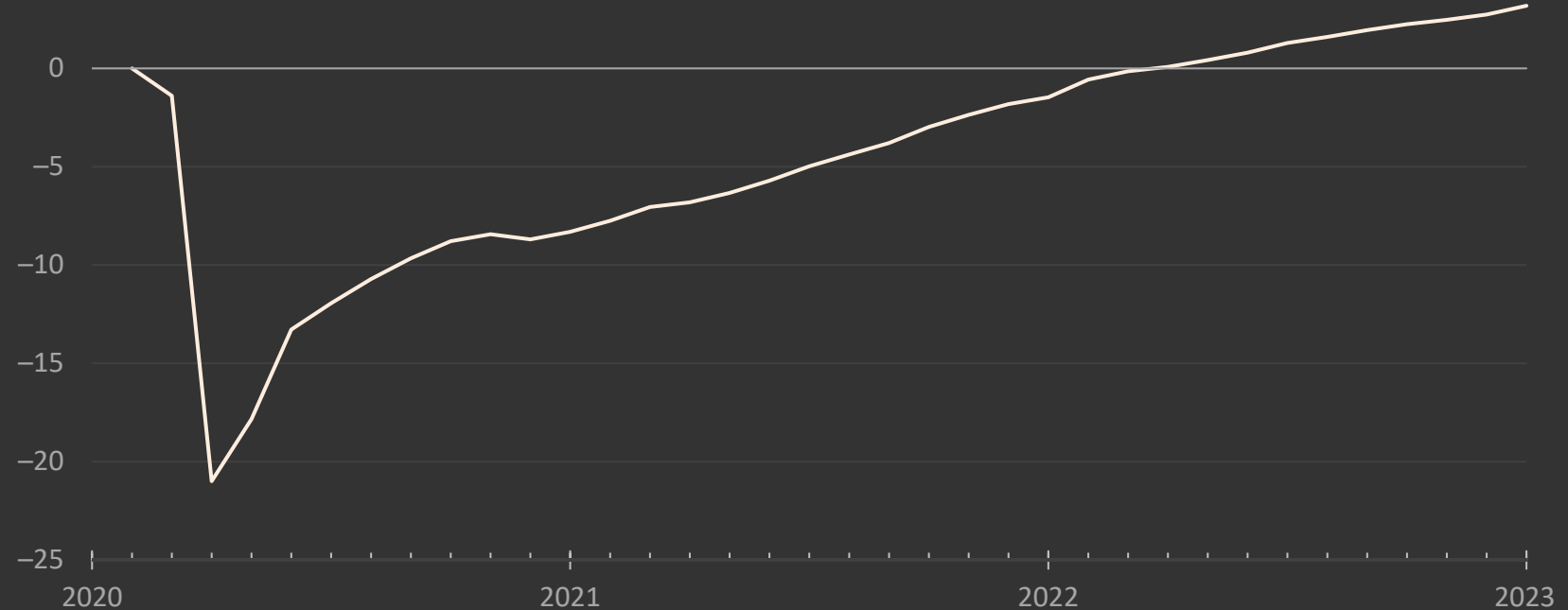
# Employment and Wage Growth

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# Employment Gap Fully Closed in Mid-2022

## Private Industry Employment Since the Pandemic's Start

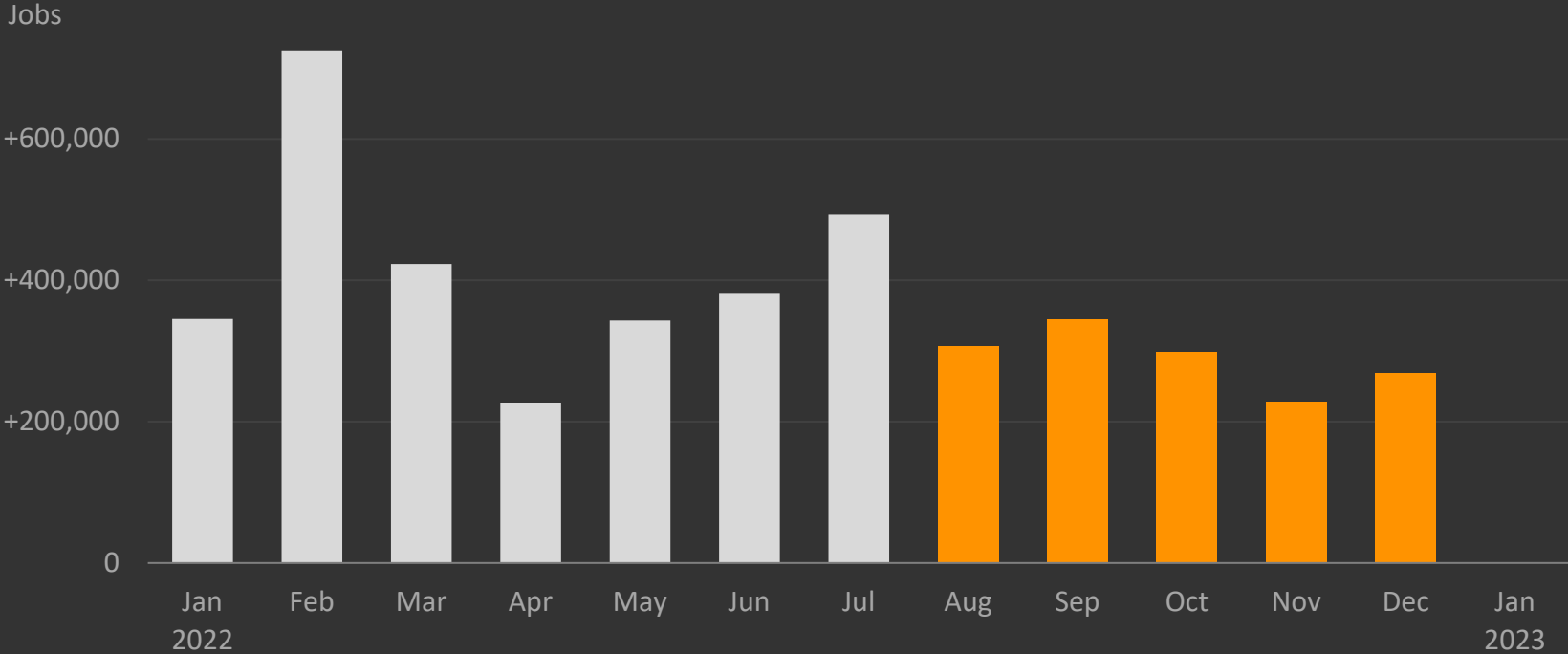
Millions



Source: US Bureau of Labor Statistics

# Steady but Slower Job Growth in the Second Half of 2022

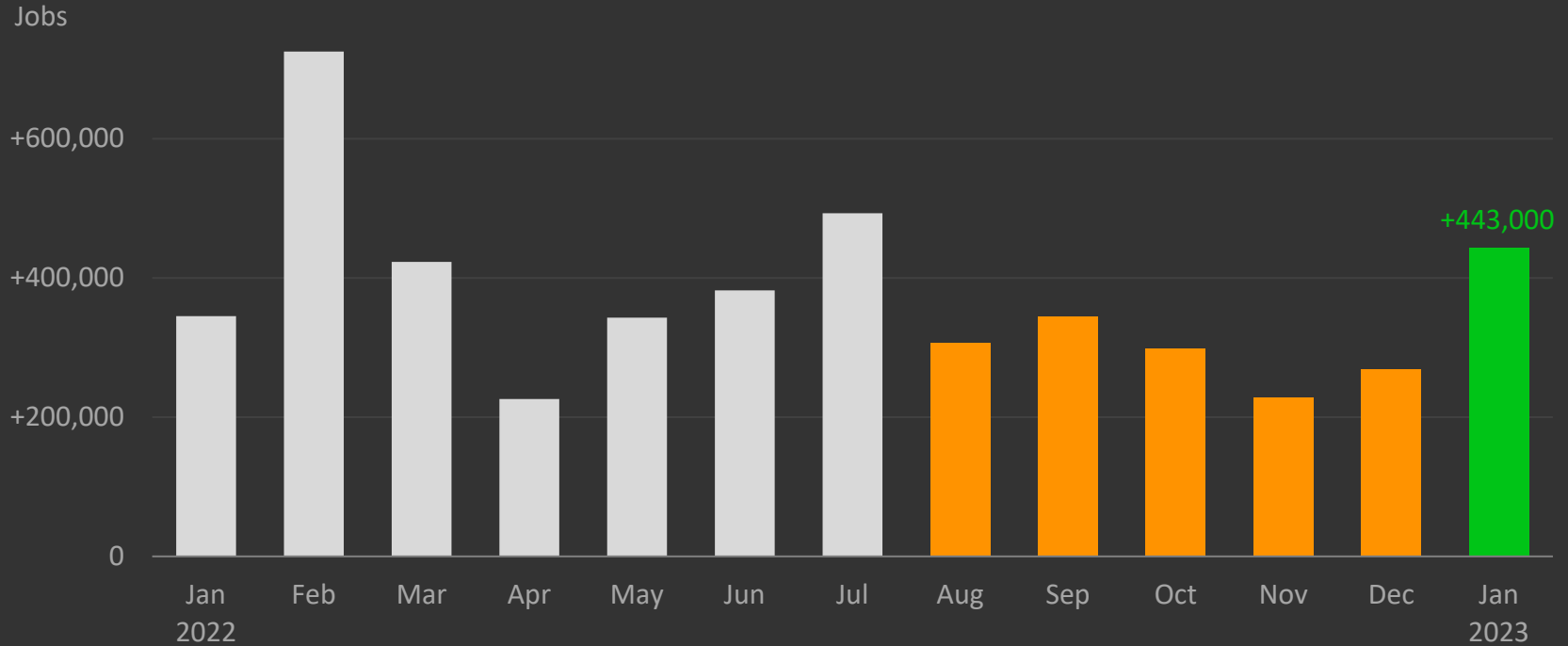
## Monthly Change in Private Industry Employment



Source: US Bureau of Labor Statistics

# ...But a Big Employment Gain in January 2023

## Monthly Change in Private Industry Employment



Source: US Bureau of Labor Statistics

# Payroll and Premium Distribution by Industry Group

## Residual and Voluntary Markets

	Payroll		Premium	
	Voluntary Market	Assigned Risk Market	Voluntary Market	Assigned Risk Market
Contracting	6%	17%	22%	45%
Goods and Services	19%	26%	32%	23%
Miscellaneous	5%	12%	18%	22%
Manufacturing	9%	5%	17%	5%
Office and Clerical	61%	40%	11%	4%

Policy Periods: 2018–2021; includes all states where NCCI provides Pool and Plan Administration services  
 Market values not summing to 100% are due to rounding  
 Source: NCCI policy data

# Some Sectors Had Big Employment Changes

## Cumulative Employment Changes Through January 2023

Sector	No. of Jobs	%
Professional and Business Services	+1,475,000	+6.9
Transportation, Warehousing, and Utilities	+962,500	+15.2
Health Care and Social Assistance	+278,400	+1.3
Construction	+276,000	+3.6
Financial Activities	+245,000	+2.8
Manufacturing	+214,000	+1.7
Information	+211,000	+7.3
Retail and Wholesale Trade	+110,800	+0.5
Educational Services	+82,500	+2.2
Mining and Logging	-55,000	-8.0
Other Services	-121,000	-2.0
Leisure and Hospitality	-495,000	-2.9
Total Private	+3,184,000	+2.5

Source: US Bureau of Labor Statistics

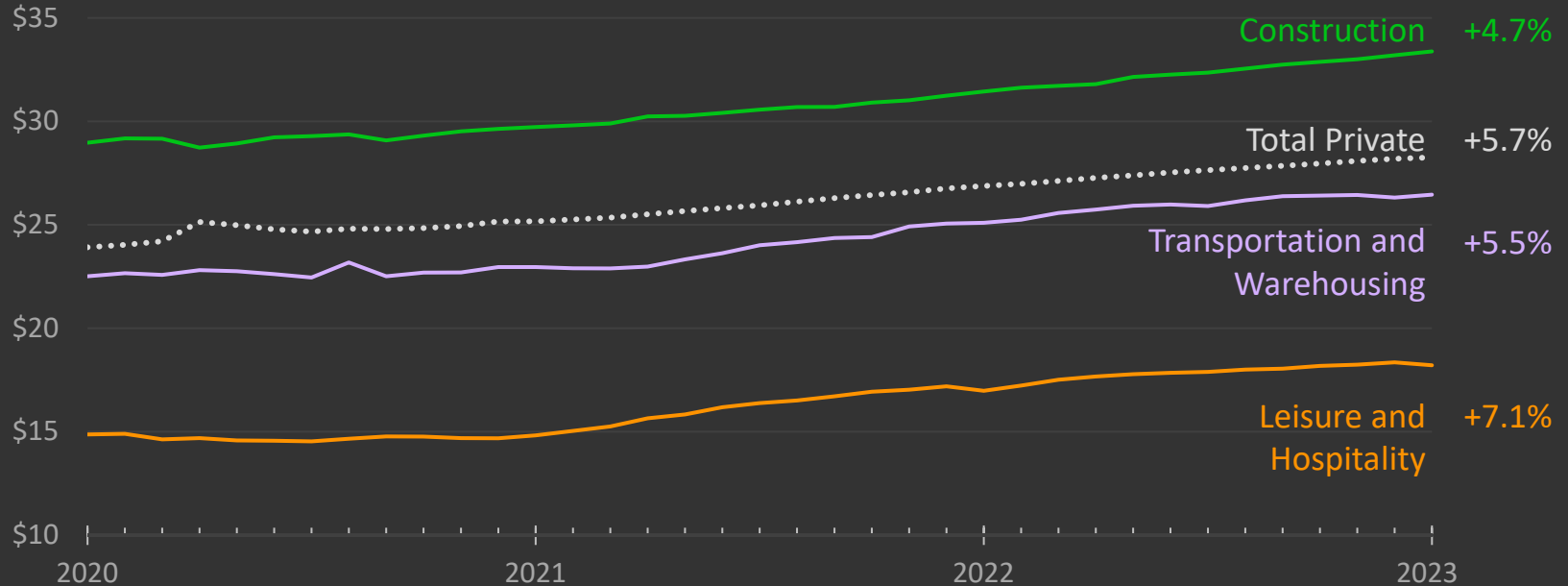


# Wage Growth Is Still High

## Production and Nonsupervisory Workers

Average Hourly  
Earnings

Average Annual  
Wage Growth



Source: US Bureau of Labor Statistics



# The Changing Labor Force

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2023

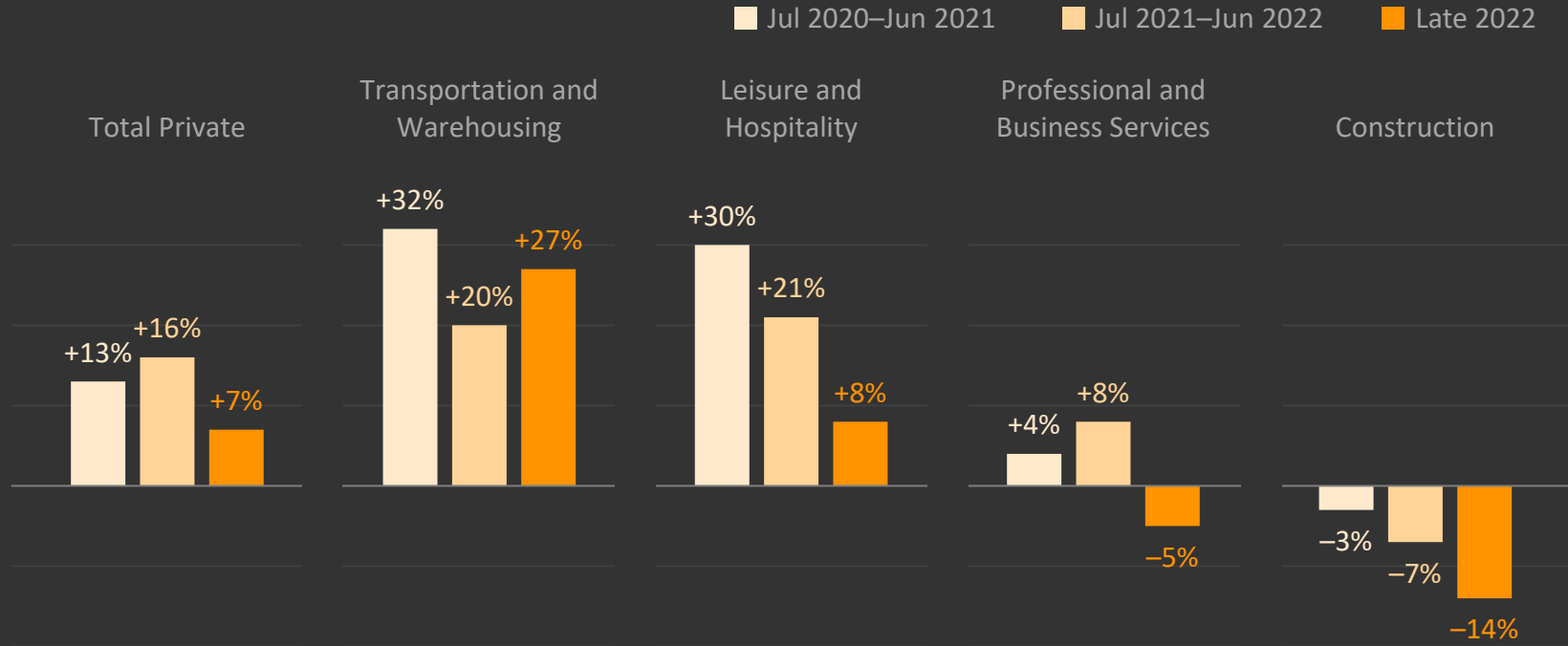
# Great Reshuffle: Workers Compensation Impacts

- Changing industry mix
- More remote work
- More short-tenured workers
- Is the Great Reshuffle over?



# Hiring Slowed in Late 2022

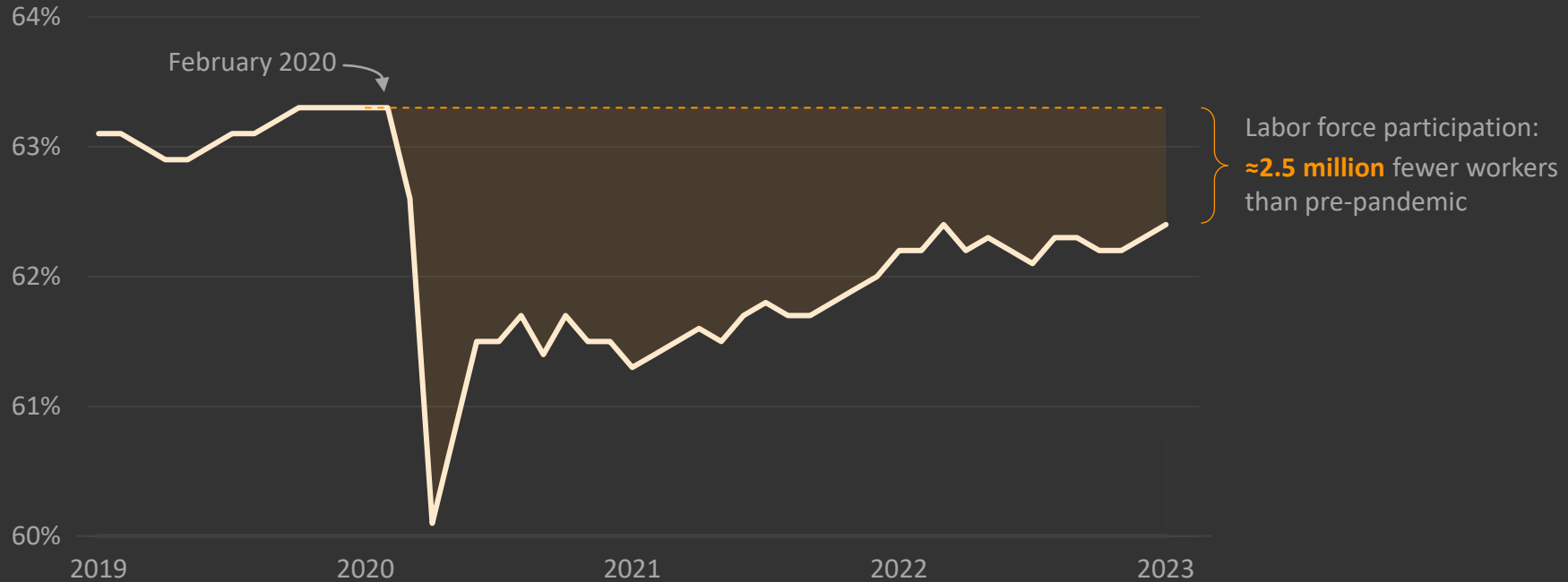
## Hire Rates Compared to Pre-Pandemic Average



Source: US Bureau of Labor Statistics

# Labor Force Participation Remains Below Pre-Pandemic Rate

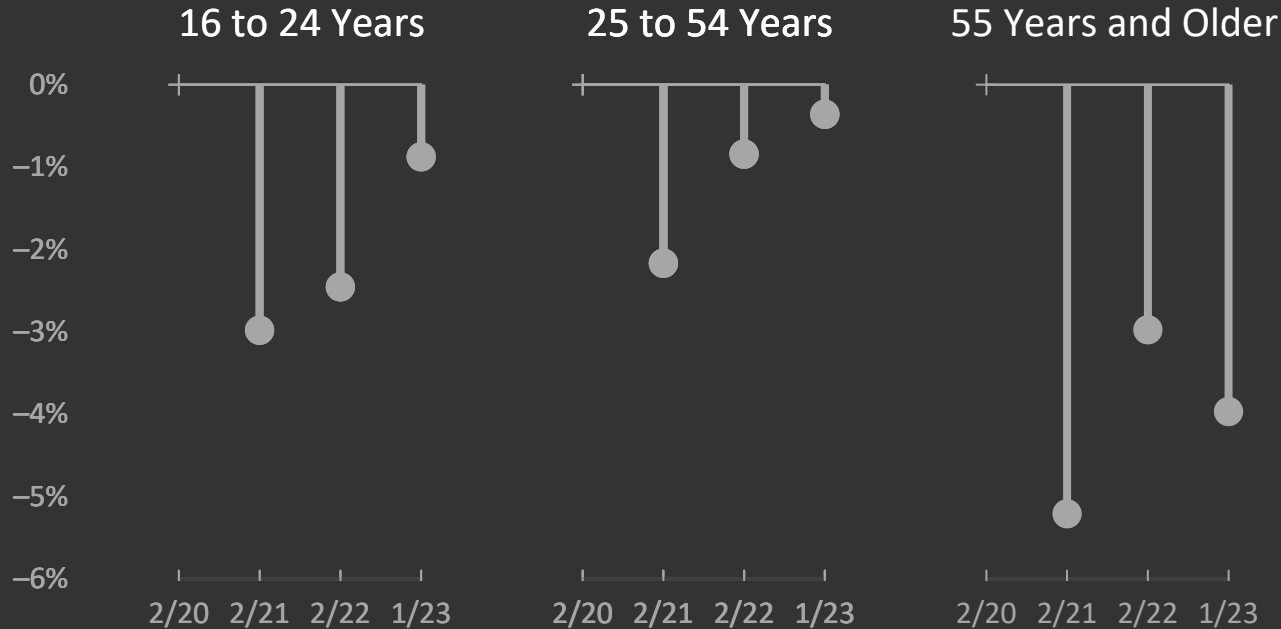
## Labor Force Participation Rate



Source: US Bureau of Labor Statistics

# Older Workers Slowest to Return to the Labor Force

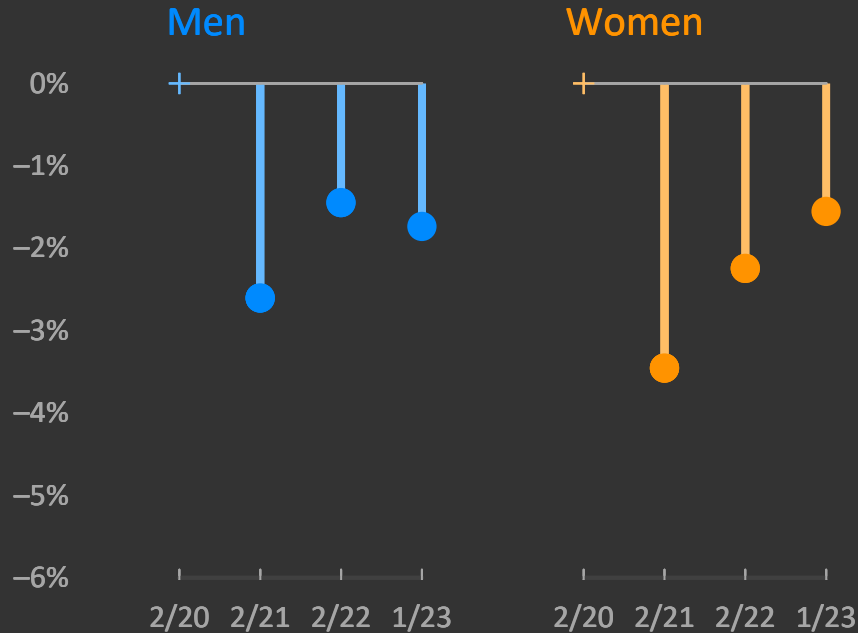
## Change in the Labor Force Participation Rate Since February 2020



Source: US Bureau of Labor Statistics

# Women Are Returning to the Workforce

Change in the Labor Force Participation Rate Since February 2020

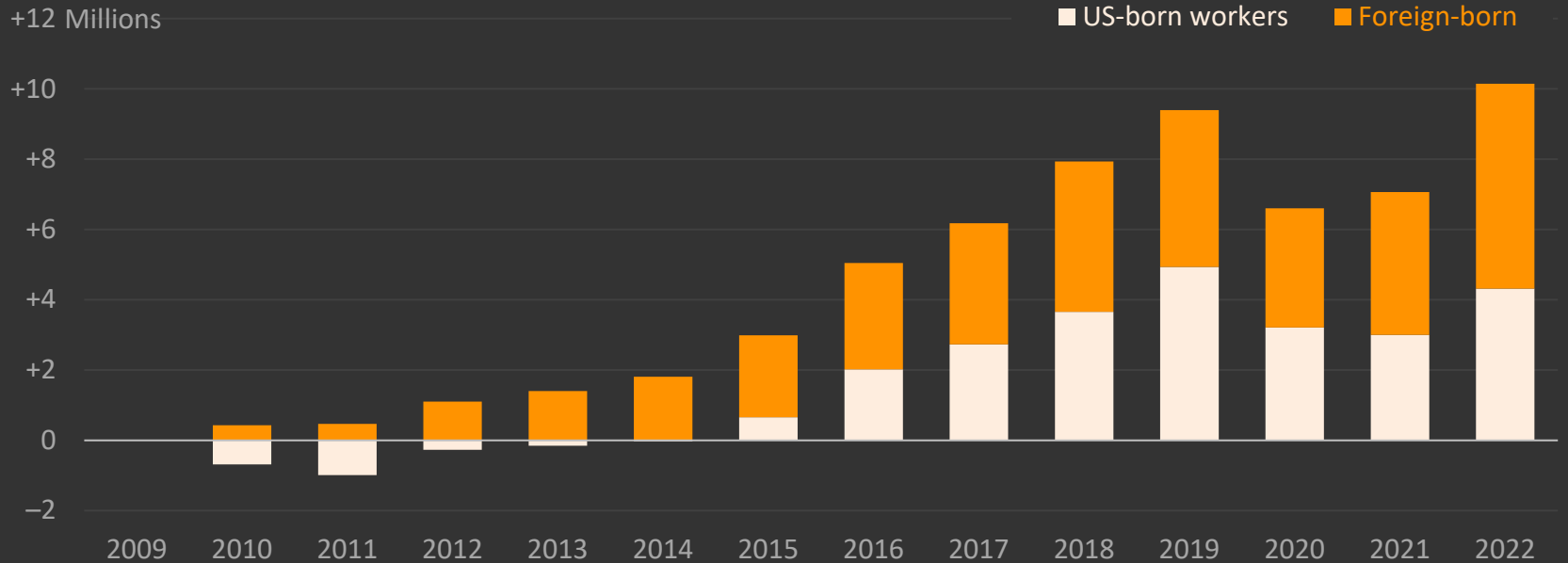


**January 2023:** The change in labor force participation since February 2020 is now similar for **men** and **women**

Source: US Bureau of Labor Statistics

# Foreign-Born Workers Make Outsized Contributions to Labor Force Growth

## Cumulative Growth in the US Labor Force Since the Great Recession

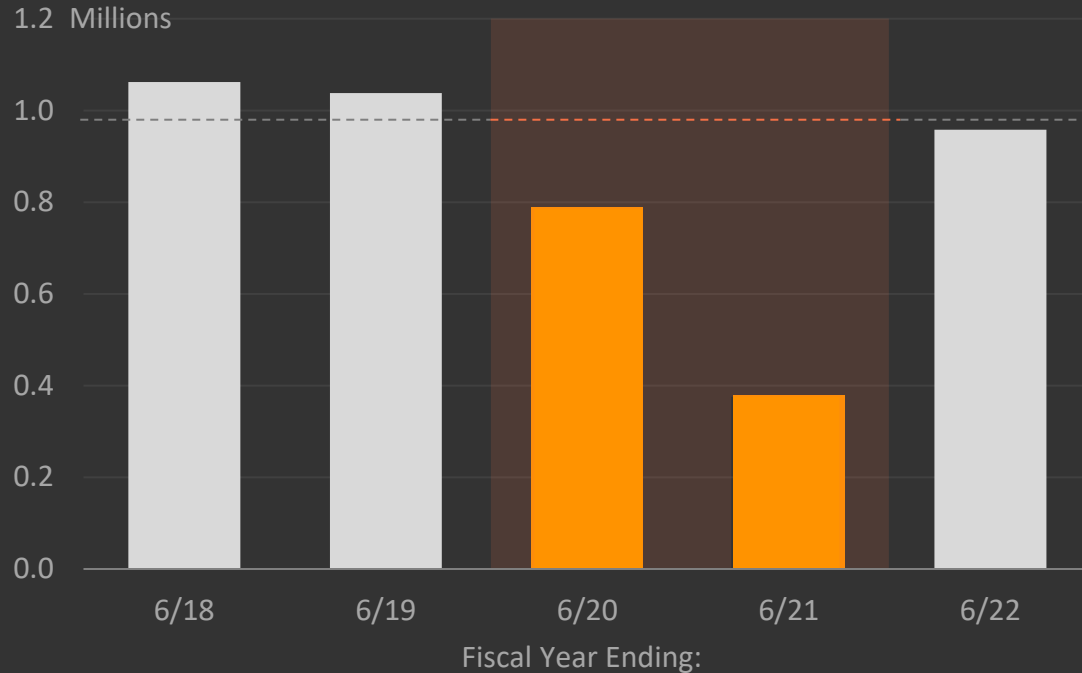


Source: US Bureau of Labor Statistics



# Immigration Slowed Substantially During the Pandemic

## Work and Immigrant Visas Issued

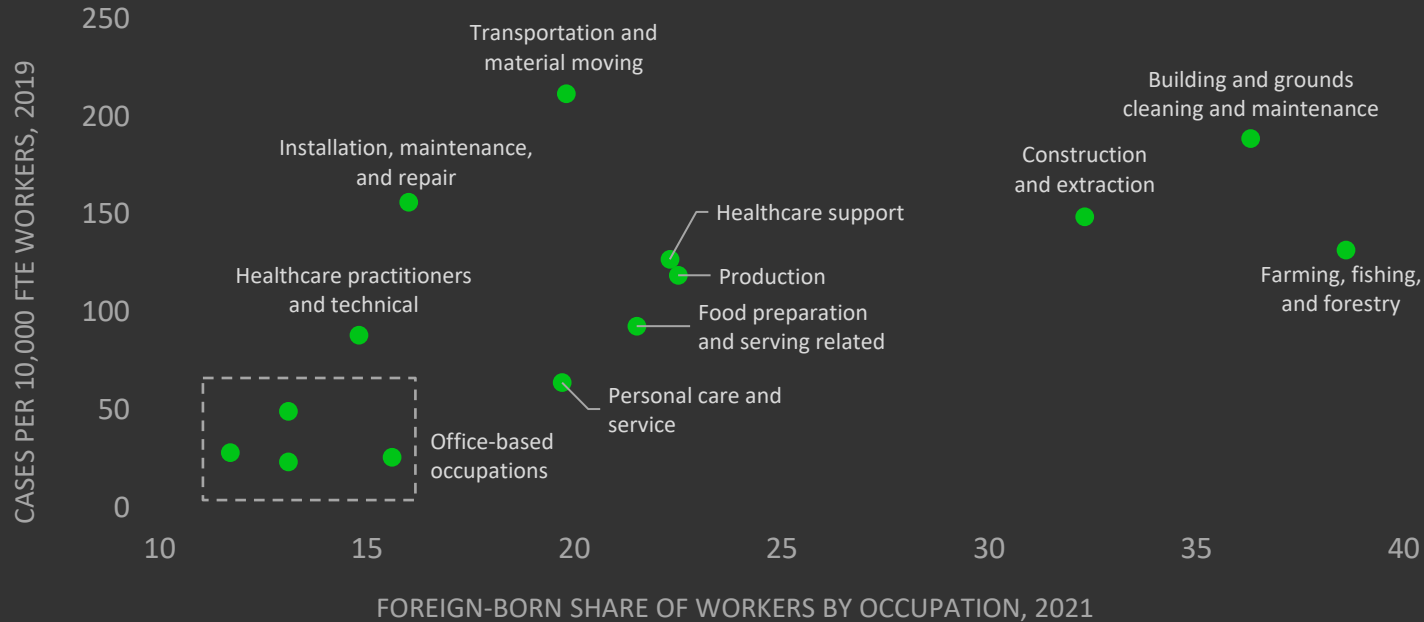


In **2020** and **2021**, immigration dropped below the historical average

Fiscal year (FY) values represent July 1–June 30; for example, FY 2020 covers the period July 1, 2019–June 30, 2020  
Source: US Census Bureau

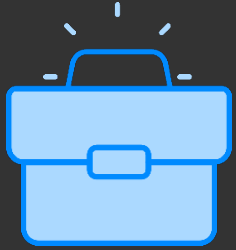
# Worker Occupation, Birthplace, and Frequency

## Foreign-Born Share of Workers in Relation to Workplace Frequency by Occupation

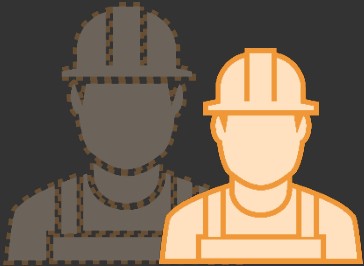


Workplace-related injury and illness cases with days away from work per 10,000 full-time equivalent (FTE) workers  
Office-based occupations include professional, sales, management, and administrative occupations  
Source: US Bureau of Labor Statistics

# Key Takeaways



New normal labor market



Reduced labor force