

## Workforce Specialists Analytics Briefing

Volume 15

June 2018

### Overview



All three supply chain commercial sectors adding jobs month over month, combined with renewed growth rate acceleration.

Labor market tightening more: unemployment rate down another 0.1% to 3.8%.

Labor participation rate stays flat.

'Persons not in the labor force' continues to increase led almost entirely by those 55 years old and up.

### Manufacturing

A very positive [May ISM Manufacturing Index report](#) to accompany the BLS manufacturing job growth numbers: Up in New Orders, Production & Employment. And *rate* of growth is increasing.

In addition to skills gaps and retiring talent, the [opioid epidemic is increasingly a workforce challenge to many manufacturers](#). There is a correlation between high addiction rates and manufacturing-heavy geographic areas.

Still, in report after report, the [manufacturing skills gap remains the #1 challenge for manufacturers](#). *Over half* the manufacturing job openings created in the US between now and 2025 *may go unfilled* due to lack of right skills.



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### Workforce

The negative effect of traditional [scheduling and time off policies](#) on employee engagement is growing. It is compounded by the tightening labor market. Clients are having to rethink their approach.

'Real' wages are adjusted for inflation. By that measure, much of the hourly workforce is just barely staying ahead of cost of living despite overall upward pay trends. **Note the red line on this [chart](#).**



**1<sup>st</sup> Quarter Labor Productivity numbers are out:** Up year over year in Hours Worked, Output and (barely) Labor Productivity. Improvements are very modest and worth monitoring closely.

One reason companies partner with the staffing industry is to better weather the uncertainties of the market place. And those uncertainties are increasing according to the latest report on supply chain disruptions. **Read the report [here](#).**

### Logistics

Big month over month jump in [Warehousing & Storage jobs](#), and growth rates are accelerating again after a brief lull.

It is never too soon to plan for peak season. A critical leading indicator of the holiday season – [retail imports](#) – are projected to set new records this summer. Retailers are confident in their ability to 'move the merchandise' this year.

Combining user-friendly technology (smartphones, apps, emojis) with a younger workforce more comfortable using it, can be a productive combination used to reduce upfront training costs among other things. Some smaller DC/logistics operations are incorporating this into their technology strategy.