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Q1 2024

Labor Trend Report Professional Services

Strong Start In 2024 For Professional Services Labor Market.

The U.S. labor market added 353,000 jobs in January 2024, while the unemployment rate changed little at 3.7 percent, according to the June U.S. Bureau of Labor Statistics (BLS) Employment Situation Summary. Employment in the professional and business services industry added 74,000 jobs in January, considerably higher than the average monthly increase of 14,000 jobs in 2023.

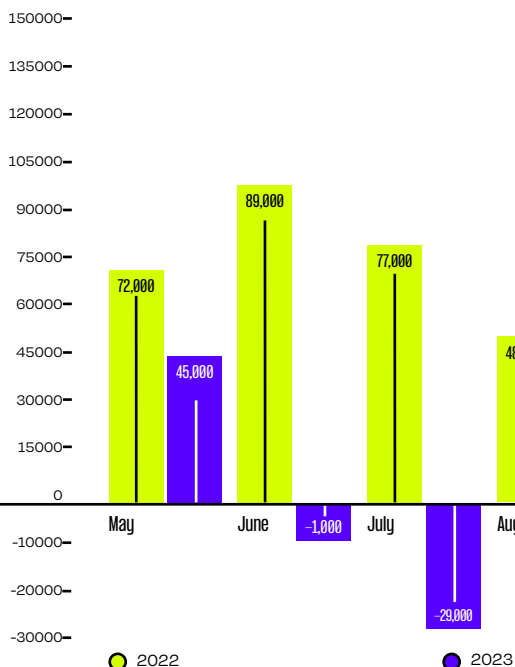
Like nearly every industry, the professional and business services sector, which includes jobs in fields such as accounting, law, office administration, clerical, and human resources, is experiencing disruption from the growth of Generative AI (GenAI). With many predictions that AI will replace jobs, in the short-to-medium term, GenAI won't replace many jobs. However, HR and business executives will need to adapt their hiring and talent management plans to account for changing team roles, workflows, and technical requirements for future positions. In fact, Gartner predicts that GenAI will play a role in 70% of text-and data-heavy tasks by 2025, up from less than 10% in 2023.

To assist employers in navigating the demands and challenges of today's landscape, Dexian continues to track key labor market trends that can influence the ability to secure and keep valuable talent in this Q4 Professional Services Labor Trends Report.

Key National Figures for Professional Services Employment

MONTHLY PROFESSIONAL & BUSINESS SERVICES JOB GAINS - YOY

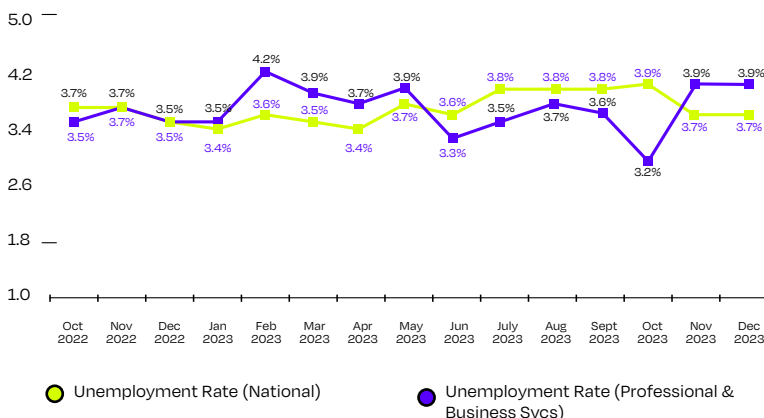
According to the Bureau of Labor Statistics, employment in professional and business services changed little in December (+13,000). Overall, employment growth in professional and business services stayed relatively flat throughout 2023. However, the sector experienced a growth spurt to kick off 2024, adding 74,000 jobs in January.



Sources: BLS

The U.S. unemployment rate was unchanged in December 2023 at 3.7%, after rising slightly in October to 3.9%, according to the December BLS employment situation report. And the number of unemployed persons was essentially unchanged at 6.3 million. These measures are higher than a year earlier, when the jobless rate was 3.5% and the number of unemployed persons was 5.7 million. The unemployment rate for professional and business services tracked closely to the national unemployment rate throughout 2023.

NATIONAL UNEMPLOYMENT RATES



Sources: BLS

Professional services staffing trends

PROFESSIONAL & BUSINESS SUPPORT SKILLS MOST IN DEMAND

	Q4 2023	Q4 2023
1	Administrative Assistant	Administrative Assistant
2	Accounting Management	Accounting Management
3	Financial Analysis	Call Center Support
4	Call Center Support	Business Development
5	Finance Management	Financial Analysis
6	Executive Assistant	Accounts Payable
7	Sales	Content Management
8	Content Management	Accounts Receivable
9	Business Development	Procurement
10	Compliance	Sales

For the first half of 2023, contact center support skills were among the top two most in-demand positions tracked by Dexian. However, administrative assistants and accounting management positions have claimed the top two spots over the past two quarters. In addition, business development roles jumped five positions from 9th most in-demand in Q3 2023 to 4th in Q4. The rise in demand for sales and business development positions may indicate employers are feeling more confident about driving new business generation.

Sources: Dexian

FASTEST/LONGEST TIME-TO-FILL SKILL SETS

Fastest	Slowest
General Clerk	Warehouseman
Packer - Crater	Claims Support
Data Entry	Accounts Payable
Mortgage Services	Financial Analysis
HR Generalist	Compliance

Among the fastest time-to-fill positions we are tracking, general clerk is the fastest this quarter with packers/craters and data entry professionals following closely behind. While warehouseman positions are the slowest to fill in Q4, many of the other skills in this category include accounting roles.

Sources: Dexian

JOB POSTINGS ACTIVITY		
Occupation	Unique Job Postings – Q4 2023	Change from Q3 2023
Call Center Agents	142,393	-17%
Recruiters	68,912	-11%
Administrative Assistants	83,469	-17%
General Clerks	32,941	-23%
Data Entry Clerks	9,419	-11%
Accounts Payable/Receivable Clerks	52,606	-14%
Financial Analysts	27,653	-13%
General Ledger Accountants	61,369	-10%
Compliance Specialists	11,314	-15%
HR Generalist	68,912	-11%
Accounting Managers	55,278	-14%
Total/Average Change	614,266	-14%

There were 614,266 unique active job postings online in select professional and business support related occupations in the U.S. during the 4th quarter of 2023, down by -14% from the previous quarter. Among all occupational categories, nearly all decreased

the number of job postings this quarter, with call center agents and administrative assistants declining the most significantly.

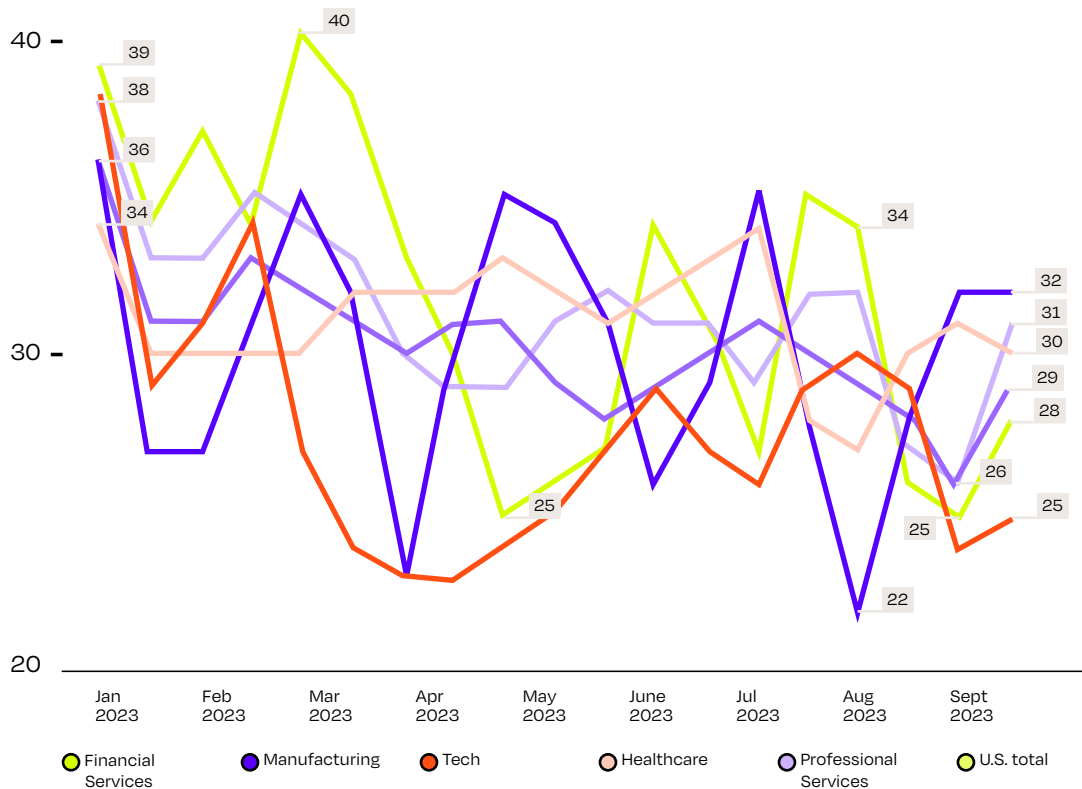
Sources: Lightcast, Dexian analysis

Overview of Current Hiring Trends

The overall labor market is starting to sizzle, with record unemployment rates, job gains, and higher wages. According to the BLS, the national unemployment rate has remained below 4% for two consecutive years, the longest stretch in more than 50 years. And more jobs were created in 2023 than previously estimated.

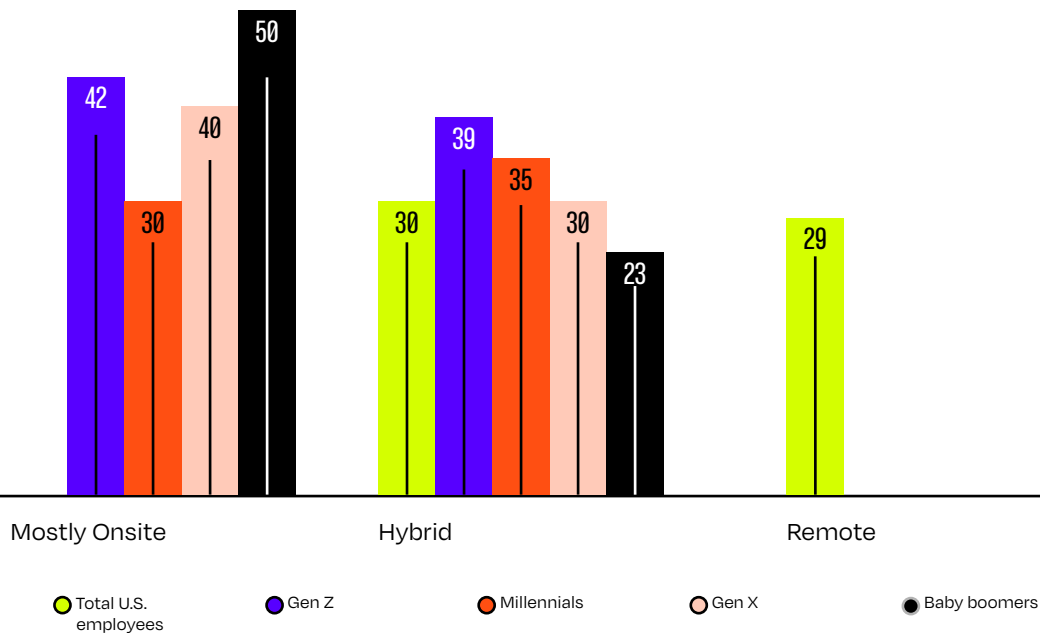
In addition, average hourly earnings increased 0.6% in January 2024, the biggest gain since March 2022 after rising 0.4% in December. In the 12 months through January, wages increased 4.5% after advancing 4.3% in December.

The professional and business services industry is poised for significant growth in the coming years. As per industry analysts, the market will expand at a combined annual growth rate of over 7% from 2023 to 2030, driven by factors like increasing adoption of digital technologies and rising demand for specialized consulting services across industries.



A recent edition of LinkedIn’s Market Research finds the first eight months of 2023 saw an erosion in U.S. professionals’ career confidence. Sentiment across all industries, as measured by the careers section of the Workforce Confidence Index, declined from a high of +36 in mid-January to a low of +26 in early September. But the latest WCI data show an all-industry upturn to +29. Career confidence in the professional services sector bounced back to +31 in early October after touching a 2023 low of +26 in September.

GENERATIONAL DIFFERENCES IN PREFERRED WORK ARRANGEMENTS



A recent LinkedIn Market Research report finds over half (54%) of American employees work mostly onsite, only a quarter work remotely and only 18% have a hybrid schedule. But if employees could choose their work location, that breakdown would look different. According to LinkedIn's latest Workforce Confidence Index survey of over 9,000 workers, just 39% of employees would prefer onsite work. Most (58%) would opt for more flexibility, like a hybrid or remote environment, if given the opportunity. Millennials are least likely to want onsite work versus Gen Xers who are more comfortable with the idea of in-person work. A mere 19% of employed Gen Zers want remote work, indicating many are looking for facetime with more senior or experienced coworkers they otherwise wouldn't interact with working entirely from home.

Source: LinkedIn Market Research, November 2023