ThinkWhy Provides Labor Market Solutions

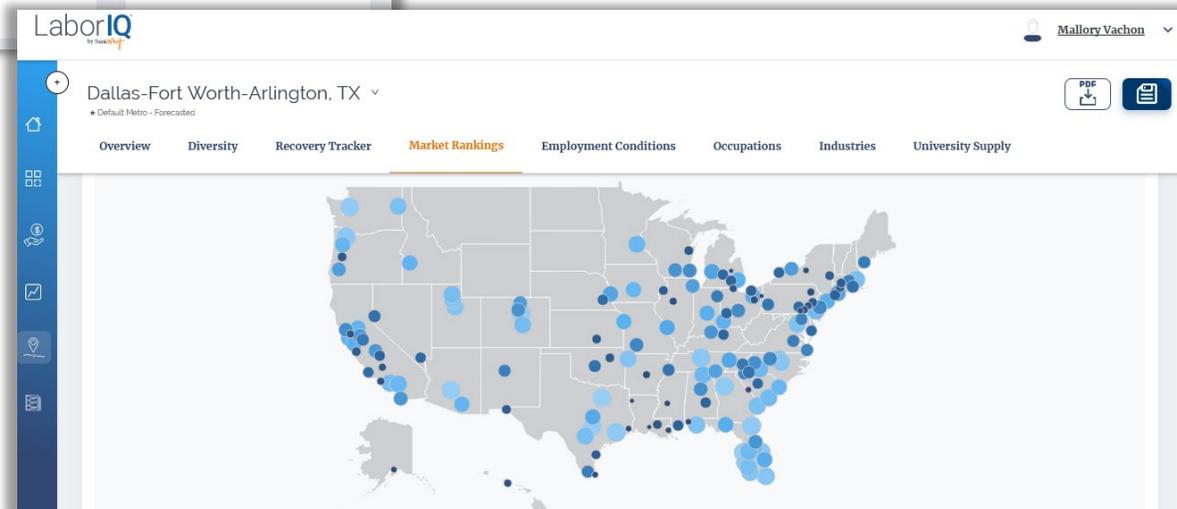*We help HR and recruiters win talent, using data to be the expert.*

Offer precise compensation solutions with LaborIQ® Salary Answers.

Forecast when and where to recruit, providing key factors behind market trends.

The *Why* Behind LaborIQ® Salary Answers
Employment Lifecycle

SEARCH

"I know there are people out there, but I promise we can't find candidates."
-HR Manager in Tallahassee

HIRE

"I think we maybe placed half of the roles we had open in 2021."
-Tech Recruiter in Dallas

RETAIN

"Even if we increase salaries, it's hard to compete with big names."
-Investment Executive in Chicago

Compensation is key at each point in this cycle!

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The *Why* Behind LaborIQ® Salary Answers

Employment Lifecycle

SEARCH

91.2M

job openings
in 2022

HIRE

72.4M

hires forecasted
in 2022

RETAIN

42.9M

voluntary quits
projected for 2022

**207 million touch points in 2022
and 1.3 billion through 2027.**

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Why are businesses losing talent?

OLD RULES

Local, industry-specific talent pool

Wage growth to keep pace with 1-3% inflation

Working in the office 9-to-5

Employers have leverage and find talent

COMPETITION
COMPENSATION
FLEXIBILITY
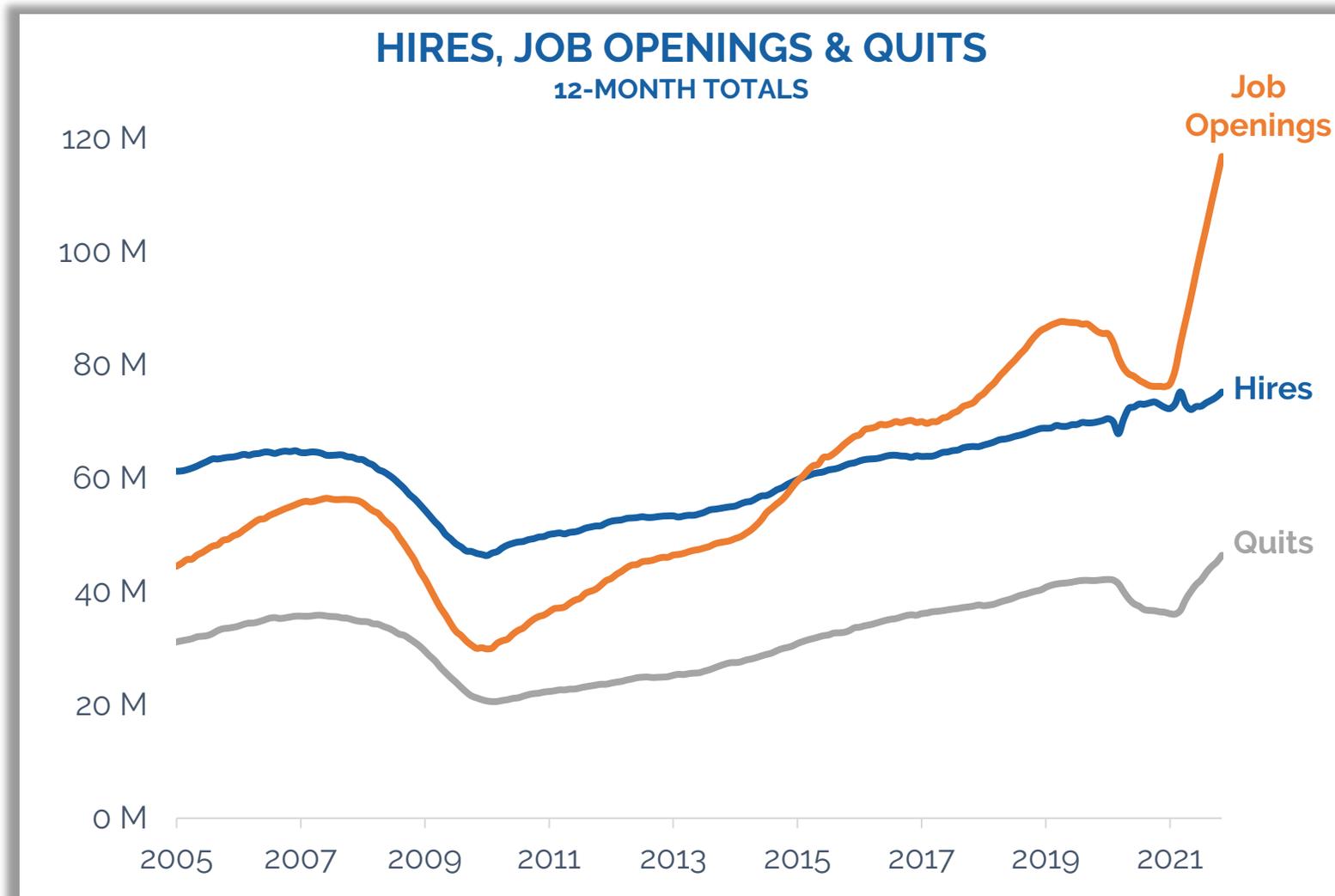## LEVERAGE

NEW REALITY

Remote work leads to national competition across industries

Workers often receive a 10-50% increase in salary when switching jobs

Remote and hybrid are the norm, and flexible work hours are in high demand

Employees and job-seekers have power and businesses struggle to find talent

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Hires, Job Openings & Quits

HIRES, JOB OPENINGS & QUITS
12-MONTH TOTALS

Job Openings

Hires

Quits

120 M
100 M
80 M
60 M
40 M
20 M
0 M

2005 2007 2009 2011 2013 2015 2017 2019 2021

Sources: LaborIQ®; Bureau of Labor Statistics

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Quits Reach Record High

ANNUAL QUITS RATE

Texas
35.4%

U.S.
31.3%

For 2022, LaborIQ projects:
4.3M Quits in Texas
42.9M Quits in the U.S.

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Small Businesses Face Turnover Challenges

ANNUAL QUITS RATE
BY BUSINESS SIZE

Sources: LaborIQ®; Bureau of Labor Statistics
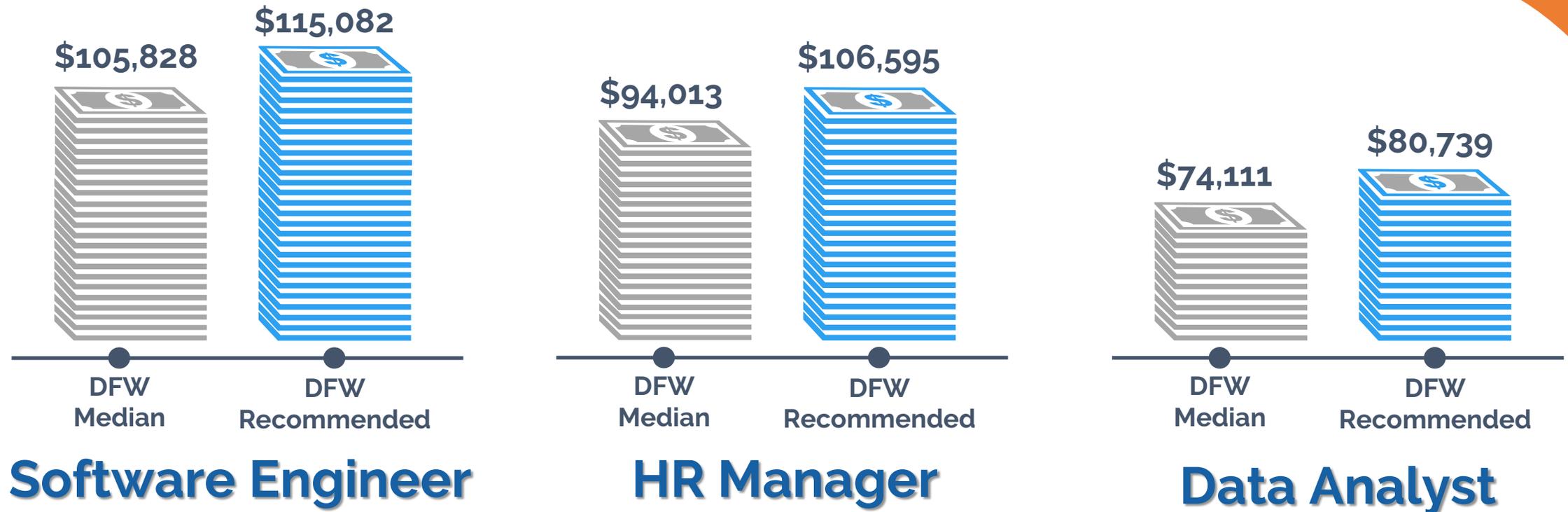
The Salary Gap

Median salaries reflect what people already in jobs are being paid.

Recommended salaries reflect what businesses need to offer to attract new talent in the current market.

$105,828
$115,082

DFW Median
DFW Recommended

Software Engineer

$94,013
$106,595

DFW Median
DFW Recommended

HR Manager

$74,111
$80,739

DFW Median
DFW Recommended

Data Analyst

Note: Salary recommendations based on Bachelor's degree and 4-6 years of experience.
Sources: LaborIQ®; Bureau of Labor Statistics

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The Salary Gap by Industry
Skills are often Transferable; How does this impact salary demands across industries?

$119,622 — Finance & Insurance
$108,760 — Construction
$107,056 — Manufacturing
$106,595 — DFW Recommended
$100,988 — Non-Profit Community Services
$94,650 — Agriculture

HR Manager
Dallas-Fort Worth-Arlington, Texas

LaborIQ®
by ThinkWhy

HR Manager Recommended Salaries

SEA $119K

BOI $89K

SFO $137K

SLC $92K

DEN $120K

LAX $115K

PHX $96K

CHI $105K

KC $103K

NYC $134K

BOS $123K

National Salary Recommendation
$106,743

CLT $110K

ATL $105K

ELP $84K

ATX $104K

DFW $107K

HOU $110K

SAT $103K

MIA $99K

Sources: LaborIQ®; Bureau of Labor Statistics

LaborIQ®
by ThinkWhy

Salary Variance in Texas

Texas Metro Area	Median Salary
Top 5 U.S. Metro Average	**$65 K**
Dallas-Fort Worth-Arlington, TX	$46 K
Austin-Round Rock, TX	$46 K
National	**$45 K**
Houston-The Woodlands-Sugar Land, TX	$45 K
Beaumont-Port Arthur, TX	$41 K
Killeen-Temple, TX	$40 K
San Antonio-New Braunfels, TX	$40 K
Corpus Christi, TX	$37 K
El Paso, TX	$32 K
McAllen-Edinburg-Mission, TX	$29 K
Brownsville-Harlingen, TX	$27 K

AMR $34

DFW $46

KLT $40

EPT $32

ATX $46

BMT $41

SATX $40

HOU $45

CCTX $37

MCA $29

BVIL $27

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The *How* Behind LaborIQ® Salary Answers
Automated Technology Intelligent Learning Algorithm

DATA INPUTS

- Bureau of Labor Statistics
- Department of Labor
- Census & American Community Survey
- **Proprietary research... and more**

LABOR MARKET ANALYSIS & FORECASTING

- 91 million salary data points
- Occupations to job titles
- **Talent supply**
- **What's happening in the labor market impacts salary recommendations**

VALIDATION

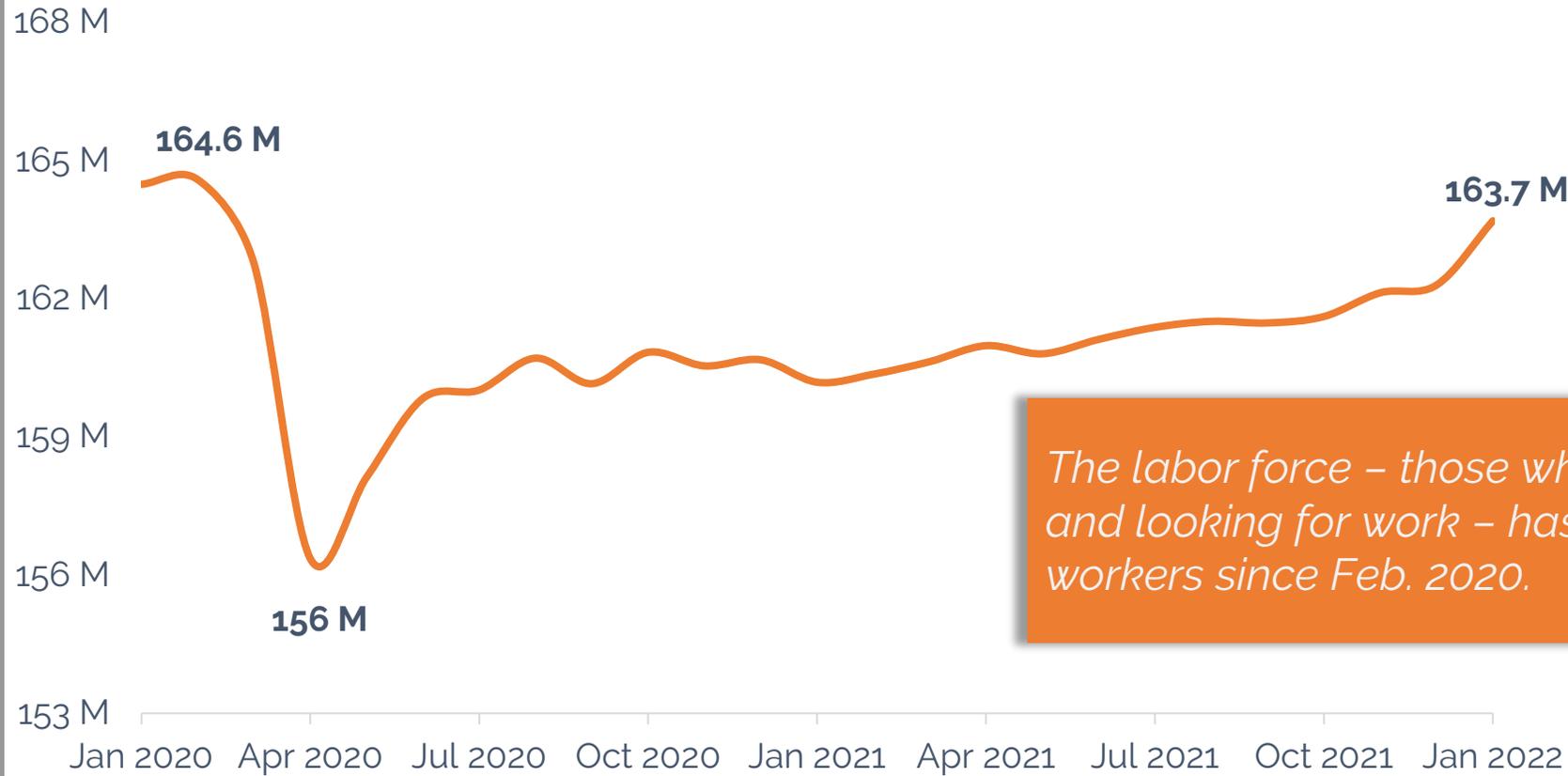- Using 8.6 million paystubs from a national payroll processing company

PRECISE COMPENSATION

- 20,000 job titles
- 1,600 industries
- 388 markets
- Varied by education and experience levels

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by ThinkWhy

Labor Shortages Persist

U.S. LABOR FORCE

4%

Unemployment Rate

164.6 M

163.7 M

156 M

168 M
165 M
162 M
159 M
156 M
153 M

Jan 2020 · Apr 2020 · Jul 2020 · Oct 2020 · Jan 2021 · Apr 2021 · Jul 2021 · Oct 2021 · Jan 2022

*The labor force – those who are employed or unemployed and looking for work – has declined by around **900,000** workers since Feb. 2020.*

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Business Response to COVID-19
Bureau of Labor Statistics (BLS) Survey

- Private-sector business strategies

- From July 27 to September 30, 2021

- Across industries and states

- Key topics:
  - Compensation
  - Remote Work
  - Flexibility
  - Automation

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Industry Response

Top for Remote and Flexibility

Increased Remote Work

63% Education

53% Professional & Business

More Flexible Hours

31% Education
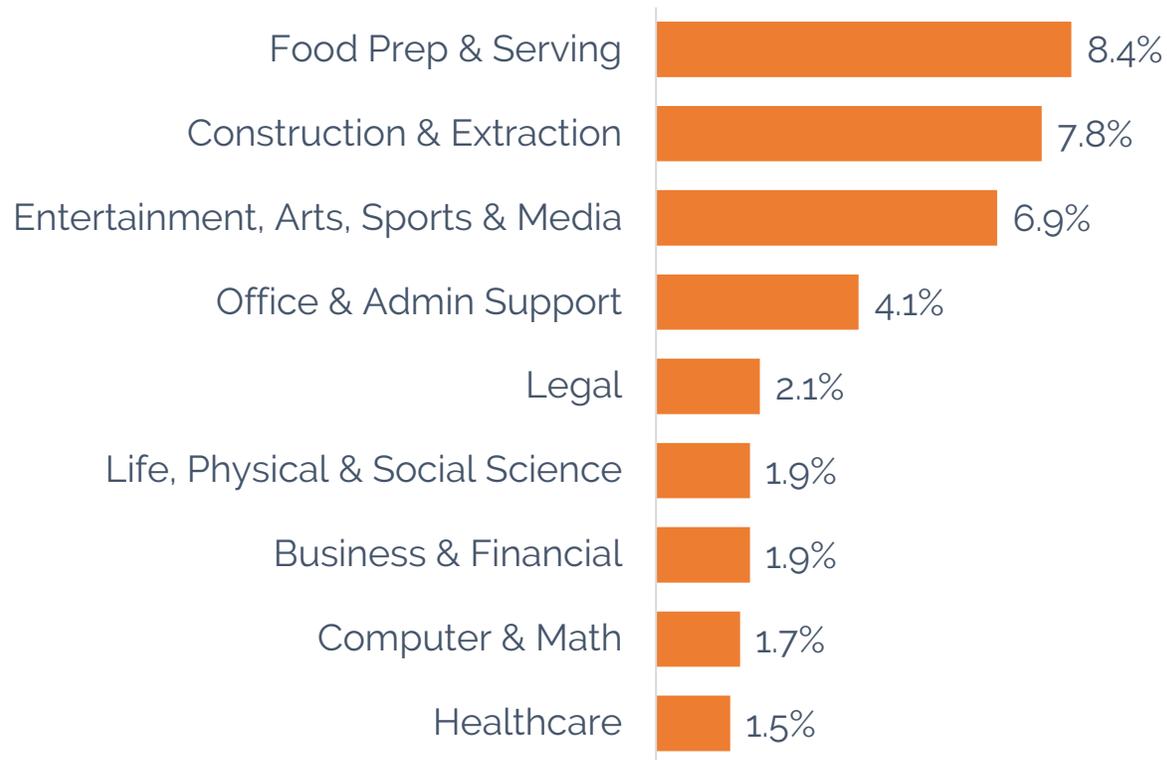
28% Professional & Business

Lack of Remote Options and Flexibility

Construction businesses show lower overall responses across key categories.

17% Increased Remote Work

16% More Flexible Hours

17% Increased Compensation

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Talent Supply – Occupation Matters

UNEMPLOYMENT RATE
BY OCCUPATION

Occupation	Rate
Food Prep & Serving	8.4%
Construction & Extraction	7.8%
Entertainment, Arts, Sports & Media	6.9%
Office & Admin Support	4.1%
Legal	2.1%
Life, Physical & Social Science	1.9%
Business & Financial	1.9%
Computer & Math	1.7%
Healthcare	1.5%

- Low unemployment rates across many "white-collar" industries indicate a shortage of workers and somewhat explains wage increases

- However, even in industries with high unemployment rates, businesses are struggling to attract talent

Sources: LaborIQ®; Bureau of Labor Statistics

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Texas' Big Recovery – At Pre-pandemic Levels

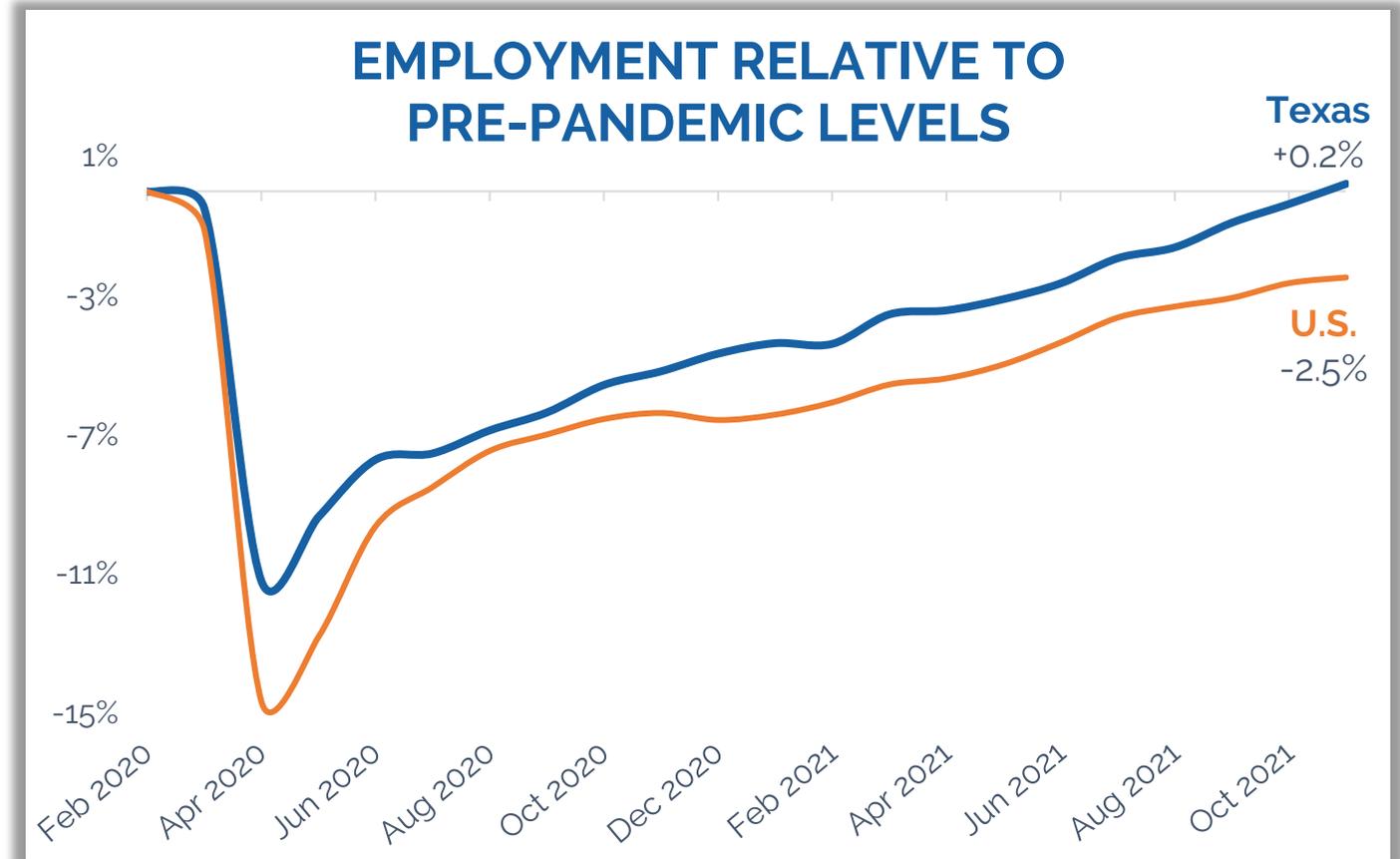## 2021 JOB GAINS

Texas
694.4 K

AK, AL, AR, CT, DC, DE, HI, IA, ID, KS, LA, ME, MS, MT, ND, NE, NH, NM, OK, RI, SC, SD, VT, WV, WY
657.8 K

EMPLOYMENT RELATIVE TO PRE-PANDEMIC LEVELS

Texas +0.2%

U.S. -2.5%

1%

-3%

-7%

-11%

-15%

Feb 2020 · Apr 2020 · Jun 2020 · Aug 2020 · Oct 2020 · Dec 2020 · Feb 2021 · Apr 2021 · Jun 2021 · Aug 2021 · Oct 2021

LaborIQ® by ThinkWhy

Most Jobs Added in 2022

FORECASTED JOB GAINS

*The top markets for job gains are projected to add **1.4 million total jobs** in 2022.*

City	Jobs
New York	374 K
Los Angeles	200 K
Chicago	181 K
Dallas	128 K
Miami	91 K
Atlanta	89 K
Boston	89 K
Washington, D.C.	87 K
Philadelphia	85 K
San Francisco	82 K

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Job Recovery and Unemployment
Largest 50 Metros

2022 Job Recovery Projection (y-axis)

Dec. 2021 Unemployment Rate (x-axis)

Labeled metros: Salt Lake City UT, Indianapolis IN, Dallas TX, Riverside CA, Milwaukee WI, San Francisco CA, Houston TX, New Orleans LA, Las Vegas NV

Dallas is one of the top metros in terms of job recovery; Its mid-tier unemployment rate is a positive sign that it has relatively more available talent, though supply is still tight

LaborIQ by ThinkWhy

Sources: LaborIQ®; Bureau of Labor Statistics; Y-axis represents employment level at the end of 2022 relative to pre-pandemic totals

Overall Hottest Hiring Markets

2022 LaborIQ® Market Index Top 10

1. **Dallas-Fort Worth-Arlington, TX**
2. Phoenix-Mesa-Scottsdale, AZ
3. **Austin-Round Rock, TX**
4. Raleigh, NC
5. Seattle-Tacoma-Bellevue, WA
6. Boise City, ID
7. Provo-Orem, UT
8. Orlando-Kissimmee-Sanford, FL
9. Charlotte-Concord-Gastonia, NC-SC
10. Nashville-Davidson-Murfreesboro-Franklin, TN

*The **LaborIQ® Market Index** measures key economic performance indicators – job gains and growth, net-migration and population growth, wage growth, education – to measure the health of local job markets and economies.*
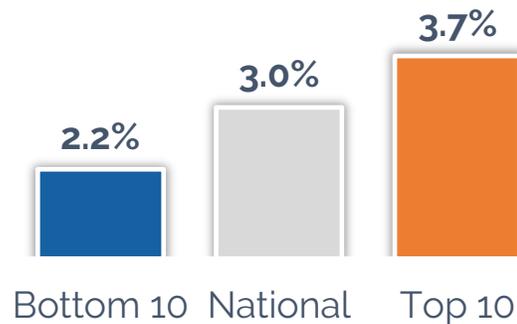
LaborIQ®
by ThinkWhy

Hottest Hiring Markets

WAGE GROWTH

4.5%

Compared to 4.2% for 150 largest metros and 3.1% for the bottom 10.

POPULATION GROWTH

0.2% — Bottom 10
0.7% — National
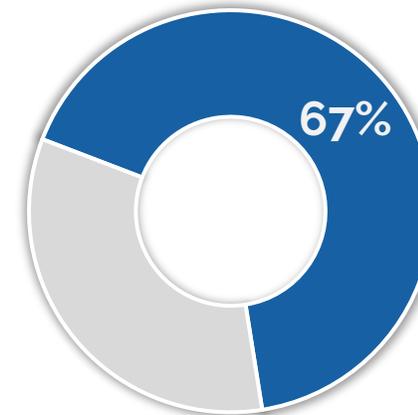2.0% — Top 10

JOB GROWTH

2.2% — Bottom 10
3.0% — National
3.7% — Top 10

MIGRATION

67%

The top 10 metros will account for 67% of total population gains through migration for the largest 150 metros.

Sources: LaborIQ®; Bureau of Labor Statistics

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2022 Projected Rank	Texas Metro	Recovery	Population Growth	Migration	Job Gain	Job Growth	Wage Growth
1	Dallas-Fort Worth-Arlington	✓	✓	✓	✓	✓	✓
3	Austin-Round Rock	✓	✓	✓	✓	✓	
20	San Antonio-New Braunfels	✓	✓	✓	✓	✓	
36	Houston-The Woodlands-Sugar Land		✓	✓	✓		
51	Killeen-Temple	✓	✓				✓
80	McAllen-Edinburg-Mission	✓	✓	✓			
88	El Paso	✓					
126	Corpus Christi						
133	Brownsville-Harlingen	✓					
146	Beaumont-Port Arthur						

✓ Metro is ranked in top 10
✓ Metro is ranked 11-50

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Metro Recovery (Pending Revisions)

2021 *Recovered!*	2022	2023	2024+
Austin	Atlanta	Chicago	**Beaumont-Port Arthur**
Boise City	**Brownsville**	**Houston**	Boston
Dallas	*Corpus Christi*	Minneapolis	Las Vegas
Colorado Springs	Charlotte	**U.S.**	Los Angeles
Durham-Chapel Hill	Denver	Washington, D.C.	New Orleans
Killeen-Temple	**El Paso**		New York
McAllen	Nashville		Orlando
Phoenix	**San Antonio**		San Francisco
Salt Lake City			
Tampa			

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Summary of 2022 Outlook

- Wage pressure will continue; A 10% gap between in-place salaries and today's recommended rate is not uncommon.

- Remote work will be one of the variables adding pressure to wages; Businesses no longer compete only within their industry or location for talent

- Texas metros are projected to remain some of the strongest labor markets in the nation

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ThinkWhy.com/LaborIQ

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