

Nashville Ranked #4 Top Metro for Population Growth and Job Creation; U.S. Job Gains Plummet with Just 235,000 Jobs Added in August

U.S. Hiring Disappoints as Labor Market Braces for New Wave of COVID-19

Dallas, Texas – September 3, 2021 – [ThinkWhy®](#), a Dallas-based SaaS company focused on creating a new generation of AI-driven labor market solutions, released its U.S. labor market rankings following today's announcement from the Bureau of Labor Statistics that the U.S. economy added 235,000 jobs in August.

Job openings remain at record highs, with more than 10.1 million open positions in the U.S. Businesses are eager to capture market demand and are expanding headcount budgets to meet increasing wages and fill open roles, but still cannot hire employees quickly enough. The main challenge ahead for the labor market will be disruption caused by the rapid increase of virus counts, as it threatens the near-term pace of job gains.

“Caution flags are flying,” says Jay Denton, chief analyst for ThinkWhy, creators of talent intelligence software, [LaborIQ®](#). *“If gains continue at this type of pace, it puts the U.S. economy in serious jeopardy a full recovery by late 2022 or early 2023.”*

It's a known challenge for the labor market that disruption will be caused by the rapid increase of virus counts; it just wasn't anticipated quite this early. This fall had the potential to be a blockbuster season for hiring, but the rise of the Covid-19 delta variant is threatening the near-term pace of job gains.

LaborIQ® Index Ranks Top-Performing Labor Markets

The U.S. labor market has made substantial ground recouping 17.0 million of the 22.4 million jobs lost during the pandemic, but the recovery has varied significantly based on location and economic performance.

The proprietary [LaborIQ® Index identifies and tracks 10 key performance indicators](#) that best measure and rank a local economy's performance. These indicators or variables are present in every market and represent the greatest drivers of a market's economic progress or decline.

Top 5 Best-Performing U.S. Labor Markets

Reported by LaborIQ® Index: August 2021

1. Dallas-Fort Worth-Arlington, TX
2. Phoenix-Mesa-Scottsdale, AZ
3. Austin-Round Rock, TX
4. Nashville-Davidson-Murfreesboro-Franklin, TN
5. Denver, Aurora-Lakewood, CO

Strong net migration has fueled the labor force and created demand for products and services. These metros have led the recapturing of lost jobs but even with rising populations, talent supply cannot keep up with demand, which in turn, is putting pressure on wage growth.

“The tank of talent supply will start to run empty for metros and industries in the first wave of the recovery. Look for some locations in the Southeast, Texas and Midwest to begin searching more frequently for talent outside their metro because as they become magnets for relocation,” states Denton.

Music City is Chart Topper

[Nashville re-entered the top of the LaborIQ Index](#) at number four, based on strong population growth which is fueling job creation. The Nashville area has been ranked in the top 10 for four consecutive months, as compared to number 46 a year ago.

Despite the pandemic, people and businesses were already on the move into the Dallas-Fort Worth and Austin areas, and with additional availability of talent, these metros have recovered jobs more quickly, ranking them at numbers 1 and 3, respectively, for overall performance.

Similar drivers have placed Phoenix in the number 2 spot, and Denver at number 5, with net migration and job growth accelerating recovery in these markets.

Industry Performance & Recovery Outlook

August industry performance is clouded by the resurgence of the Delta variant, as it is becoming a new economic indicator that must be closely watched.

While there was some upside for industries that continue to gain workers like Professional and Business Services, Leisure and Hospitality has been slower to recover due to shifts in consumer confidence.

Denton continues, *“The hospitality sector remains the most at-risk to the impact of the ongoing virus and altering of consumer behaviors, both personally and professionally. The industry is already struggling to fill the 1.4 million available jobs. At a minimum, the rise in counts means more people are quarantining and unable to attend social events. From a business perspective, the cancellation of in-person gatherings will have a ripple effect on sales and marketing plans across a variety of industries.”*

LaborIQ expects to see [pre-pandemic employment levels return unevenly across the major sectors](#), extending past 2025.

To read August’s National Labor Market, Market Rankings and Industry Outlook report, click [here](#).

About LaborIQ by ThinkWhy

LaborIQ is a SaaS solution providing HR and talent acquisition professionals with talent and labor market intelligence. LaborIQ by ThinkWhy reports, forecasts and advises on employment conditions and the impact to jobs, industries and businesses across all U.S. cities. Our machine learning and advanced data science deliver precise compensation, talent supply forecasts, retention tools and job market answers for more than 20,000 job titles.

Visit www.ThinkWhy.com to learn more or [request a demo](#). Follow us on [LinkedIn](#), [Twitter](#), [Instagram](#), or [Facebook](#).

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