

Hiring Surges with 559,000 Jobs Added in May; U.S. Poised for Labor Shortage

Pace stands to remain strong as federal unemployment aid is rejected in some states; Los Angeles, New York and Chicago metros positioned to add most jobs; leisure-hospitality and education-health services sectors show strongest performance in May

(DALLAS, TX – June 4, 2021) – After a disappointing April jobs report, hiring is on the rise again, with 559,000 jobs added in May. While a move in the right direction, talent acquisition professionals and hiring managers still struggle to find and attract talent. As consumer demand continues to increase, specific industries are dealing with acute hiring challenges.

[ThinkWhy](#), a labor market data and analytics firm, released its [National Jobs and Industry Performance Outlook](#) following an announcement from the Bureau of Labor Statistics that the economy added 559,000 jobs in May, with the unemployment rate at 5.8 percent.

Of the 7.6 million jobs that remain lost from the pandemic, close to 2.5 million are in the Leisure and Hospitality industry, which includes restaurants, hotels, and entertainment venues. The biggest challenge persists in people's willingness to return to work, as they receive equivalent to the industry's average wage, depending on the state, in unemployment benefits and the additional \$300 federal stimulus.

“The challenge to find skilled and service workers remains a real threat to company growth and productivity. The difficulty of filling both white- and blue-collar roles creates hardships to keep up with demand across industries – inevitably impacting a full economic recovery in those sectors and the local areas in which they operate, said Jay Denton, chief analyst for ThinkWhy.

“While some policy issues focus on blue-collar jobs, the labor market is already incredibly tight for many occupations. As of May, jobs in management, technology, legal, architecture and healthcare practitioners already had unemployment rates of 2.9% or less,” Denton explains.

Recruiting and hiring will require the right tools to source and win candidates. Most important will be [refining compensation plans based on today's competitive job market](#) and shifts in talent availability.

Local Markets Adding the Most Jobs

While the U.S. employment recovery is widespread, the pace varies across the nation. The following labor markets recovered the total jobs year to date, through April 2021.

- New York-Newark-Jersey City, NY-NJ-PA (111,200)
- Los Angeles-Long Beach-Anaheim, CA (103,000)
- Chicago-Naperville-Elgin, IL-IN-WI (63,200)
- Minneapolis-St. Paul-Bloomington, MN-WI (55,100)
- Boston-Cambridge-Nashua, MA-NH NECTA (54,500)
- Houston-The Woodlands-Sugar Land, TX (44,900)
- Detroit-Warren-Dearborn, MI (42,600)

- San Francisco-Oakland-Hayward, CA (41,600)
- Denver-Aurora-Lakewood, CO (40,700)
- Seattle-Tacoma-Bellevue, WA (40,000)

“Economic demand will not be the challenge for sustaining robust hiring levels. Impacts from labor shortages, rising wages and limitations to how quickly goods can be produced will slow down the process of hiring talent, and make keeping them even more important,” continues Denton.

Many of these cities were among the hardest hit at the onset of the pandemic-induced economic fallout. Further, industry recovery will be based on varying economic influences. As a result, each city will be impacted differently.

Industry Performance & Recovery

May’s jobs report indicates the most job gain was in Leisure and Hospitality and Education and Health Services sectors.

The pace of recovery will vary across cities, dependent upon their respective talent supply and industry growth. Here is a look at LaborIQ’s [recovery timeline across the major sectors](#).

The Outlook

The outlook for the second half of the year remains strong, and it is still expected that the U.S. will add a significant number of jobs back to the economy. ThinkWhy’s talent intelligence software, LaborIQ®, estimates 5.4 million jobs will be added back to the economy in 2021.

The domino effect of people moving from one job to another is predicted to result in more than 73 million hires for the year, which will require a significant effort from talent acquisition professionals. The wave of hiring is just getting started.

To read the full National Jobs and Industry Recovery Outlook for May, 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 occupations.

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