

APOLLO

Labor market cooling down:
Employment growth slowing, wage inflation declining

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Apollo Global Management

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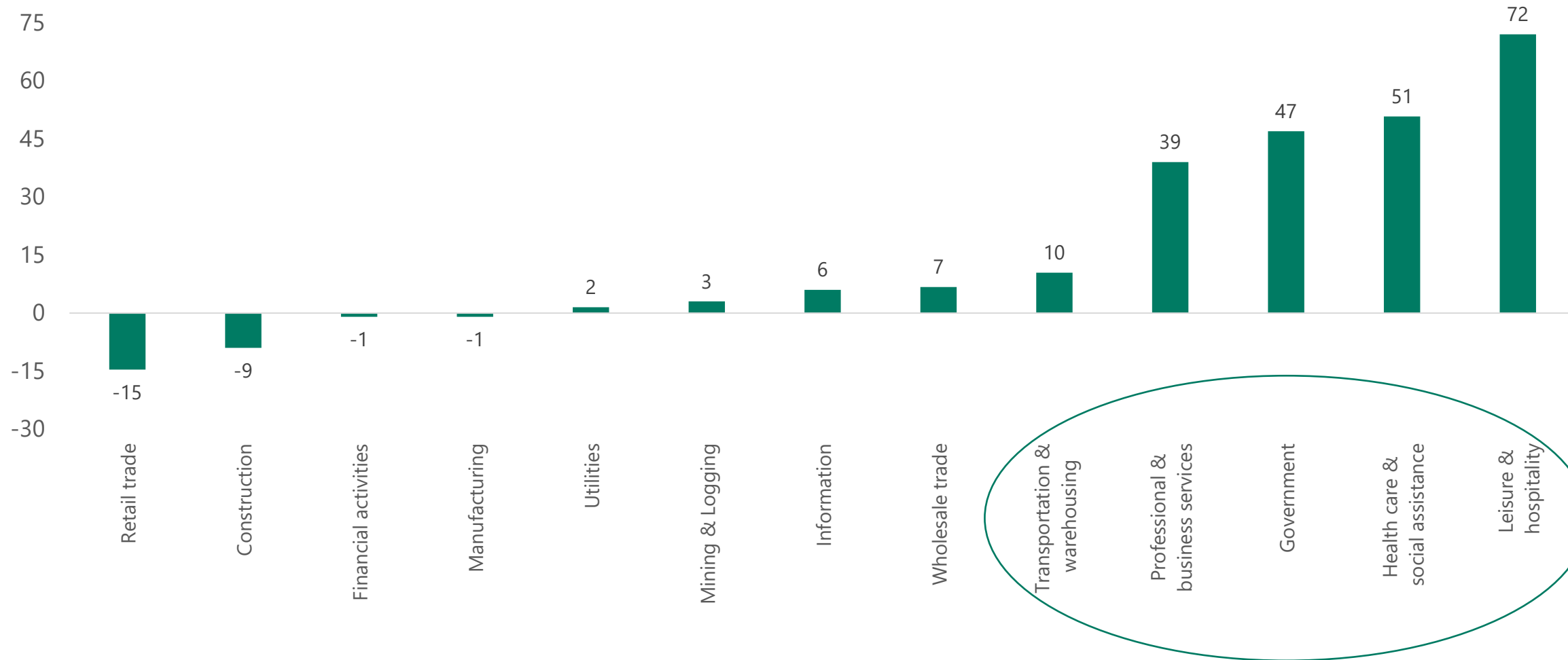
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236K jobs added in March: Mainly driven by hiring in the service sector

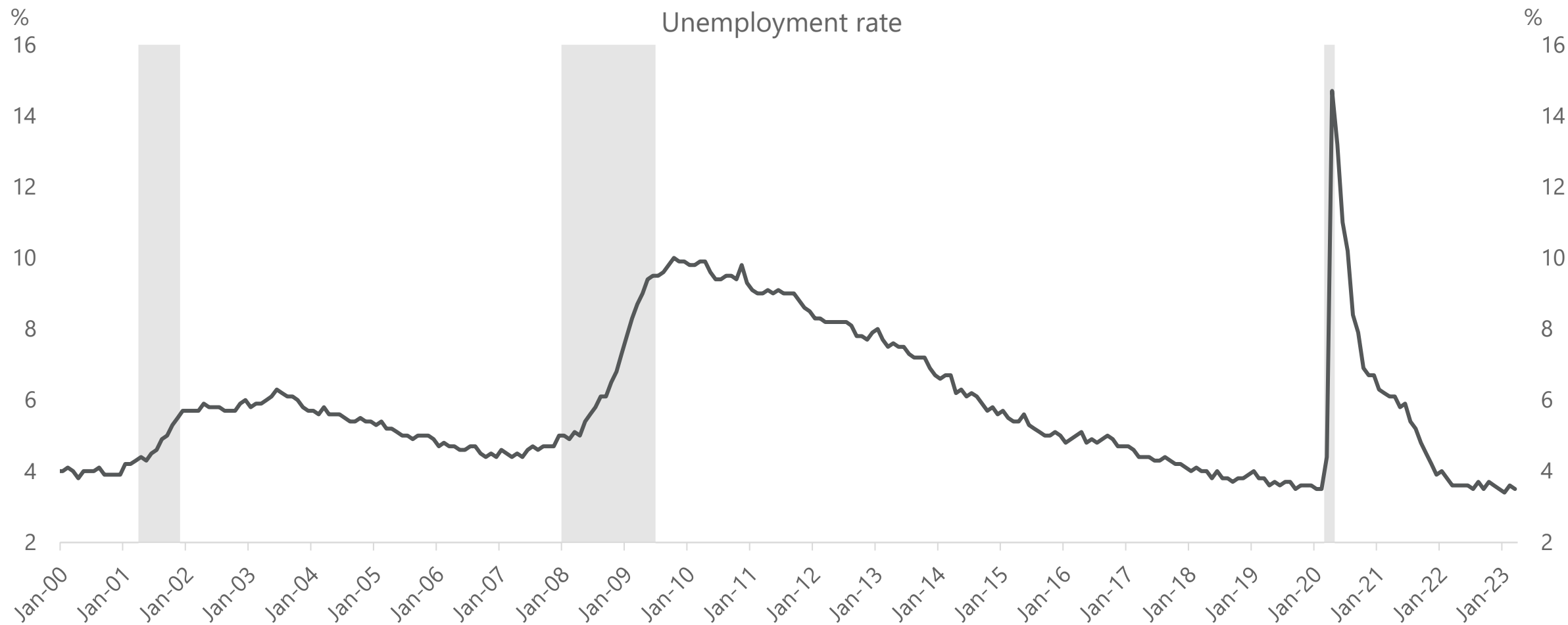
Thousands

Nonfarm payrolls: Jobs added in March 2023

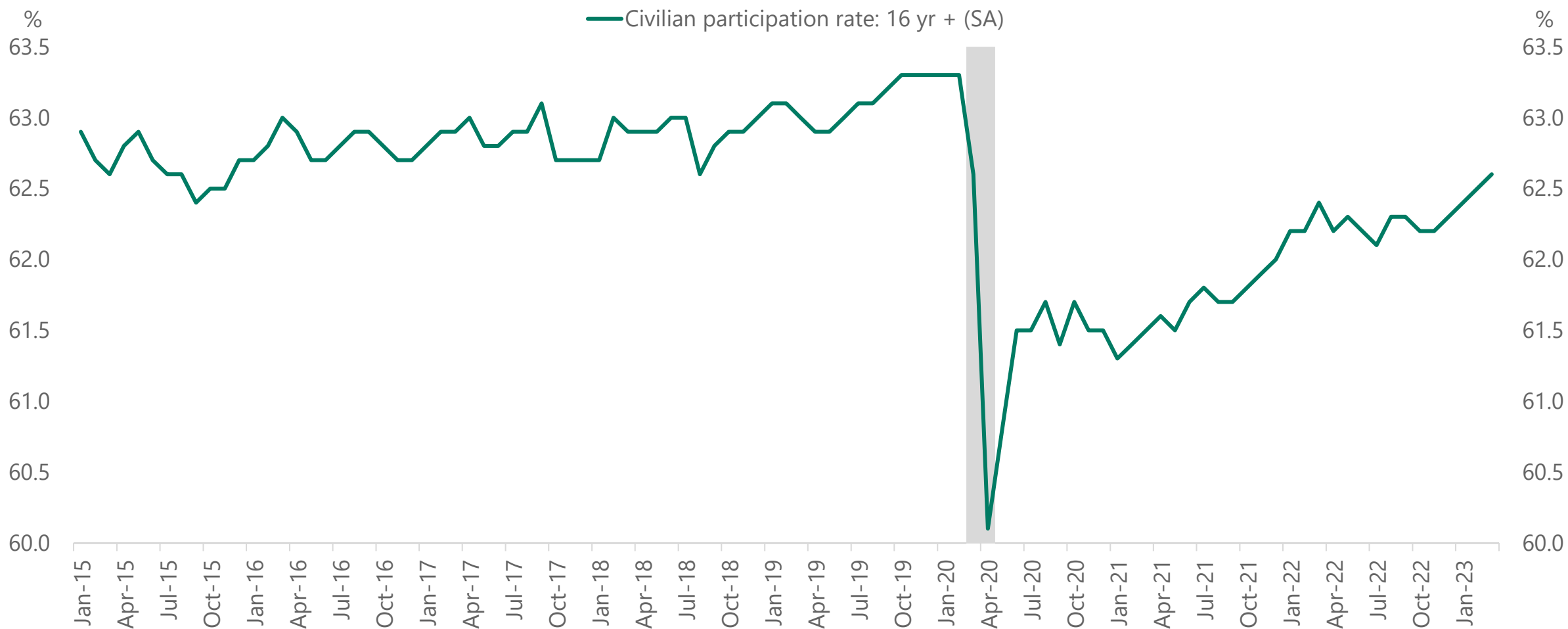


Most jobs created are in the service sector

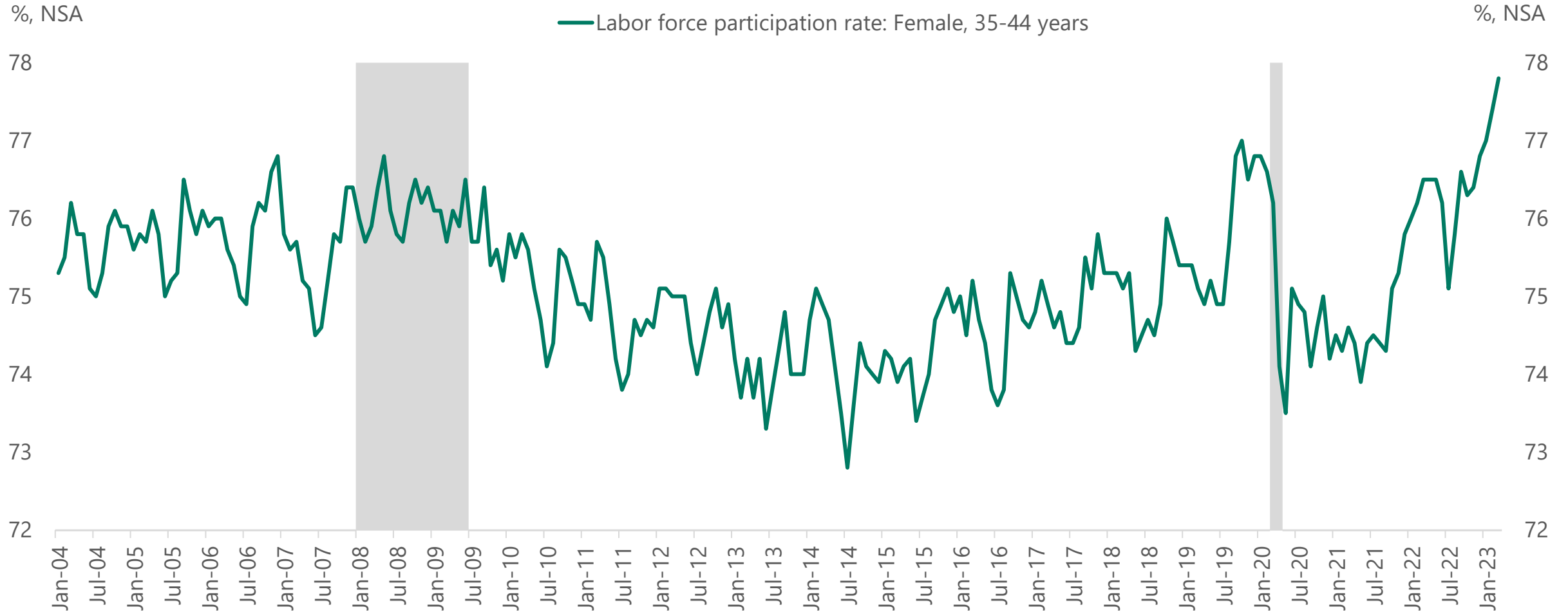
Unemployment rate at 3.5%



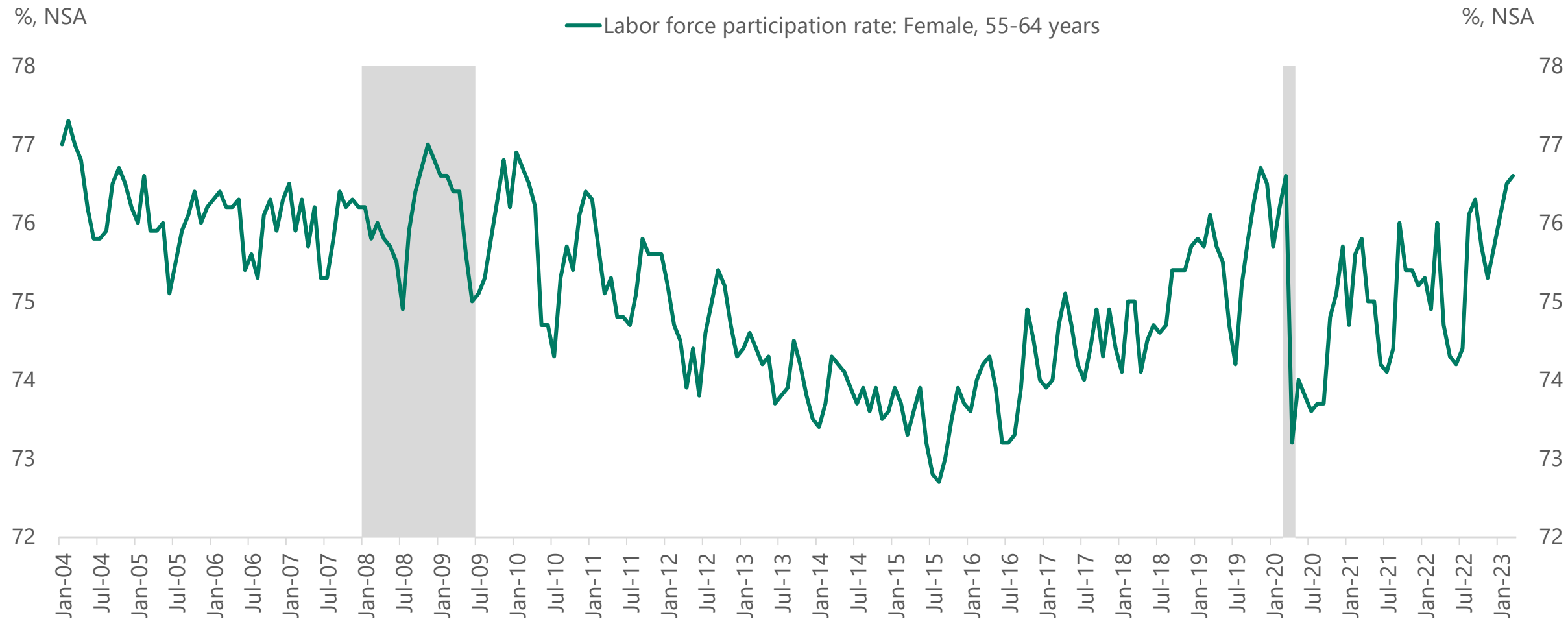
Labor force participation rate increased to 62.6% in March



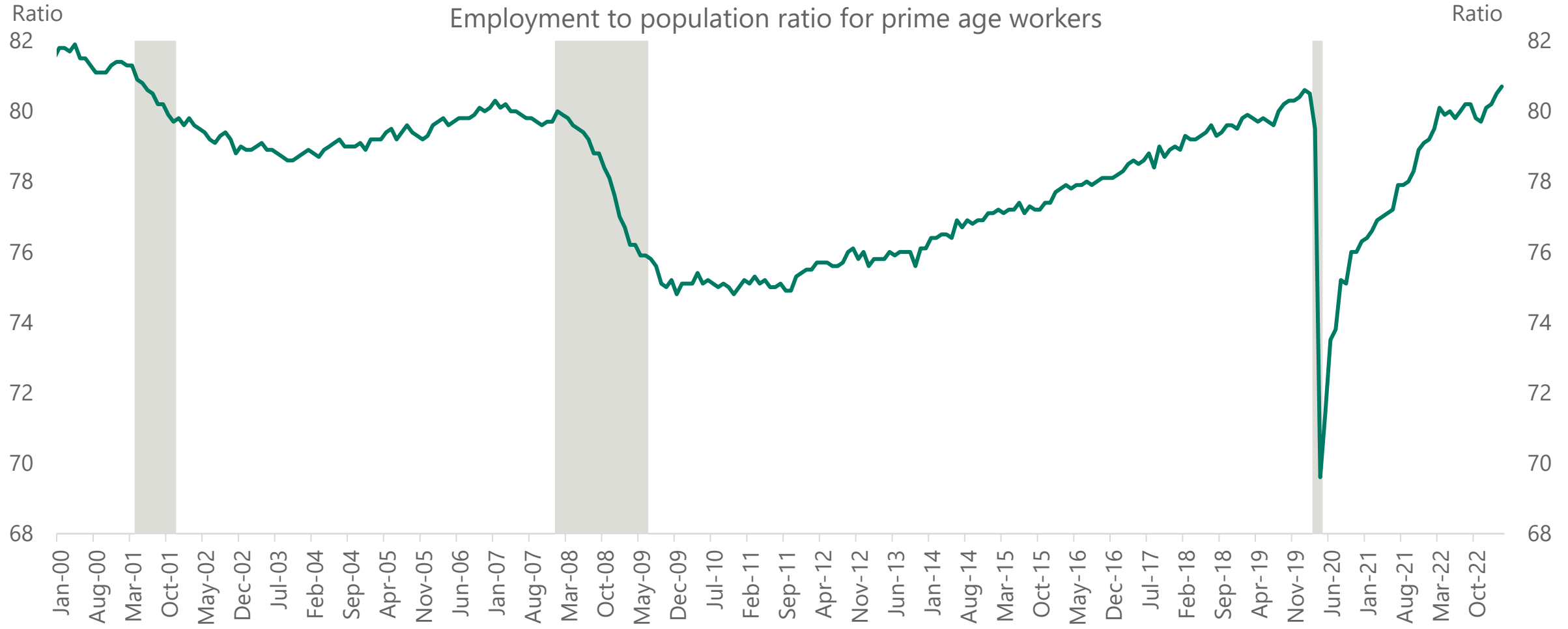
Labor force participation rate for women rising in the 35-44 years age group



Also, higher participation for the 55-64 years age group

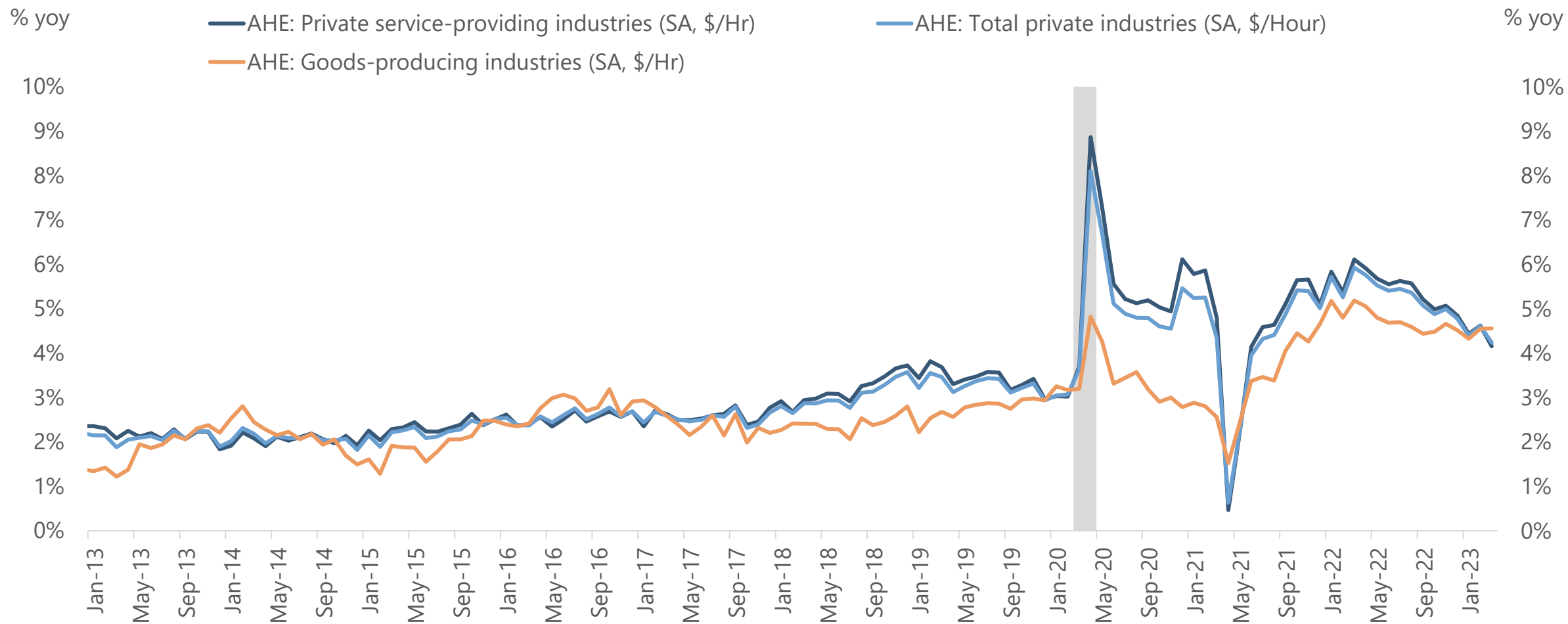


Employment-to-population ratio for prime age workers rising to post-pandemic high

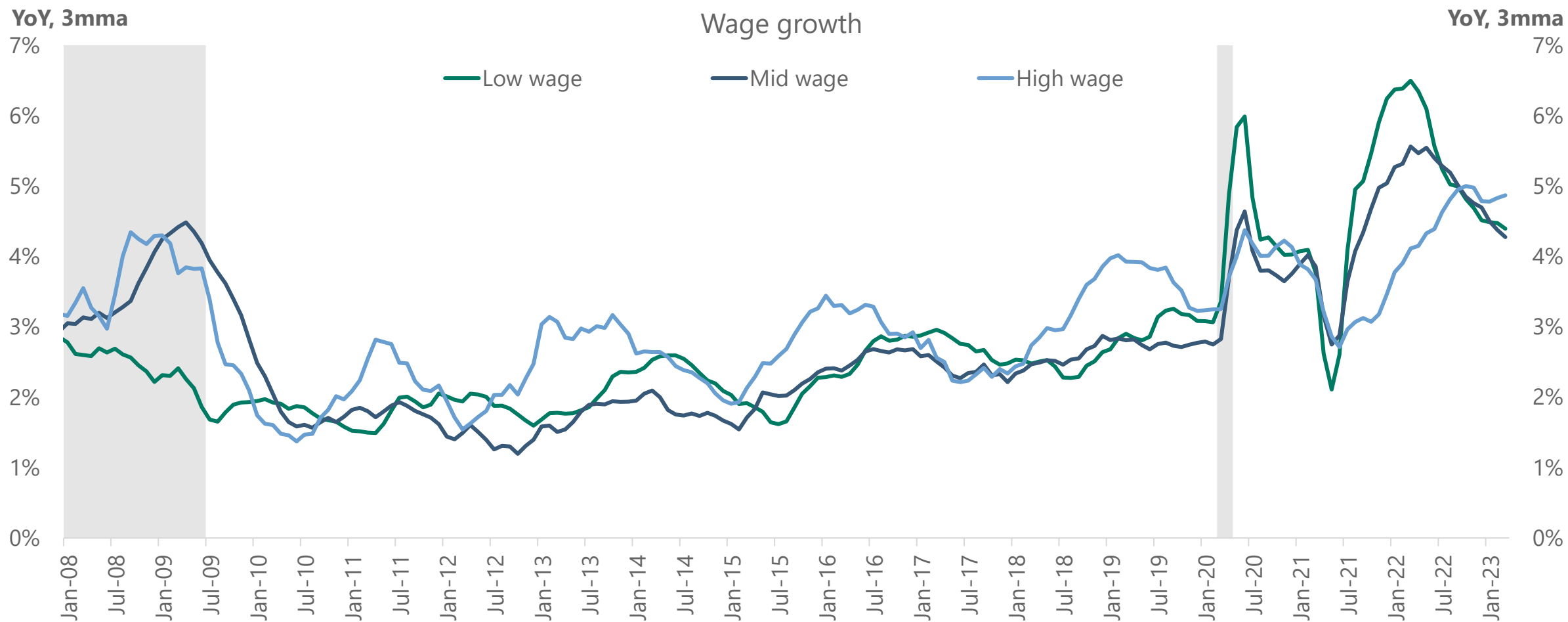


Source: BLS, Haver Analytics, Apollo Chief Economist

Wage inflation slowing down across industries

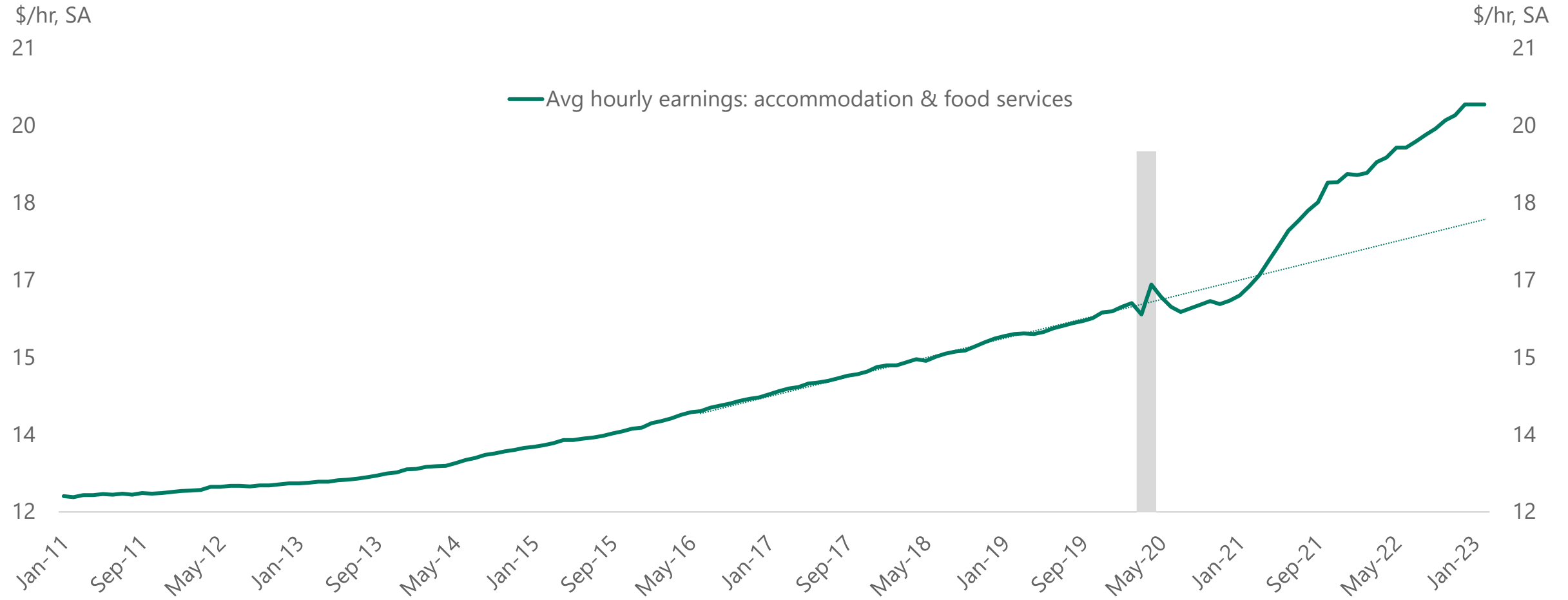


Wage inflation across the income distribution

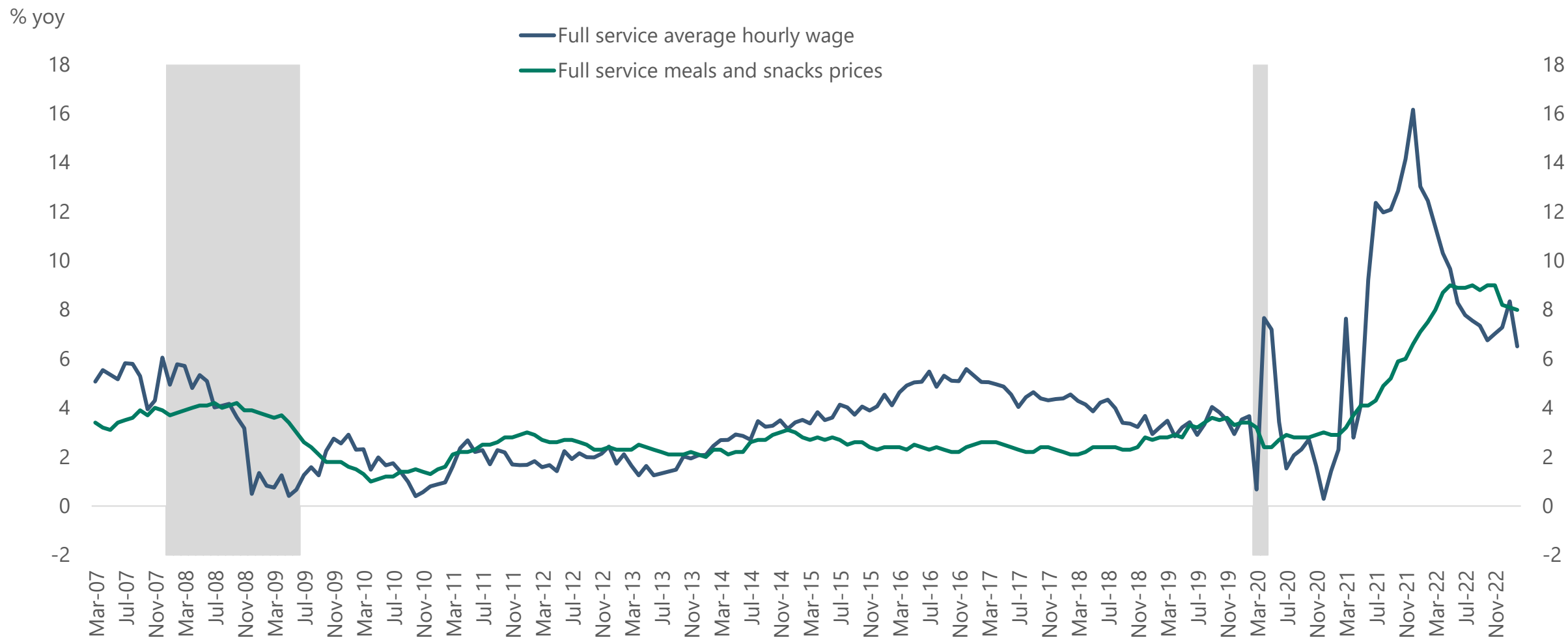


Source: BLS, Apollo Chief Economist. Note: Low wage workers are defined as the bottom third percentile in the wage distribution, mid wage workers as the mid third percentile and high wage workers as top third percentile

Hotel and restaurant wages substantially above pre-covid trend



Labor cost inflation and inflation converging in the fast-food industry



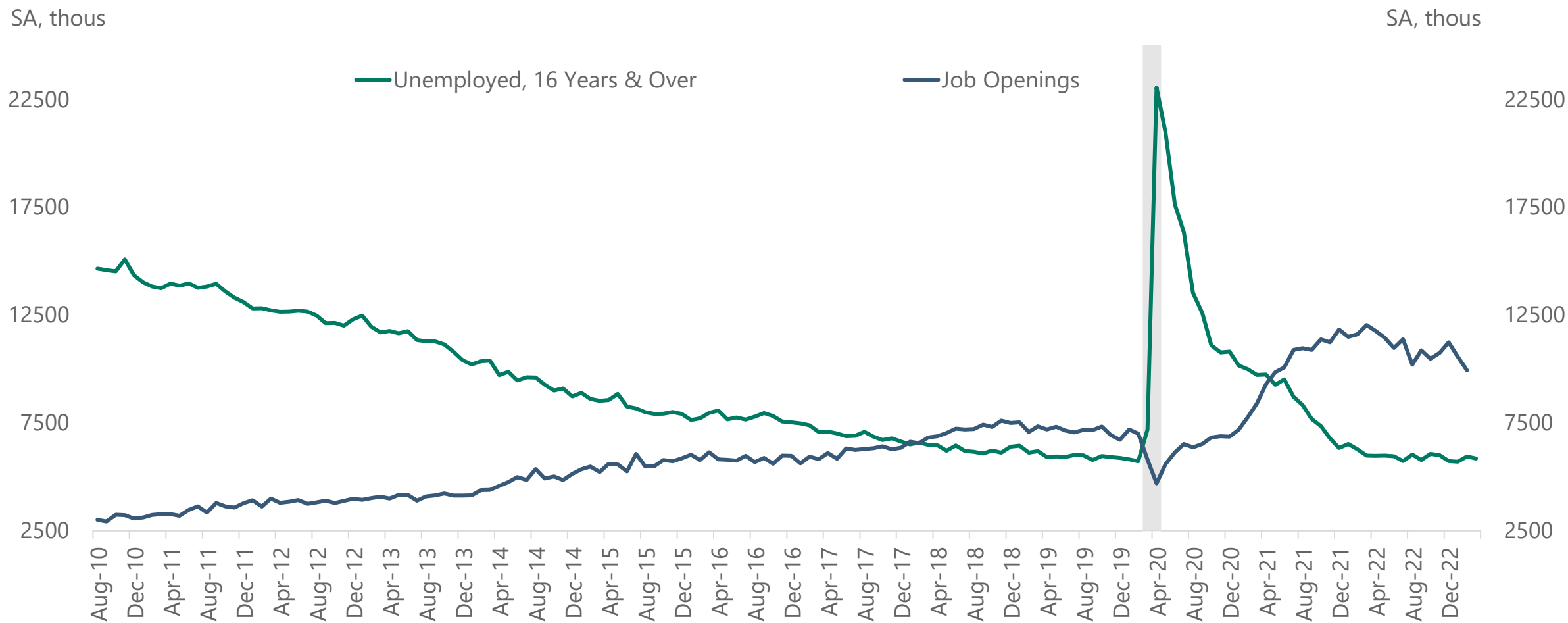
Tracking the employment recovery in different sectors

	Feb-20	Apr-20	Dec-20	Mar-21	Aug-21	Mar-22	Apr-22	Dec-22	Mar-23
Total nonfarm payrolls	100	86	94	95	97	99	100	101	102
Oil and gas extraction	100	97	92	83	81	82	87	86	86
Clothing and clothing accessories stores	100	43	79	80	83	86	87	87	88
Electronics and appliance stores	100	91	94	91	92	94	94	89	89
Coal mining	100	80	83	82	82	86	87	89	90
Nursing and residential care facilities	100	96	92	91	89	88	88	91	92
Telecommunications	100	99	96	95	94	93	94	93	92
Mining and logging	100	90	81	81	82	86	87	92	93
Rail transportation	100	97	93	92	92	92	92	94	94
Child day care services	100	64	82	82	84	90	90	93	95
Automobile dealers	100	77	93	93	94	95	96	96	95
Sporting goods, hobby, book, and music stores	100	68	92	95	97	97	97	97	97
Amusements, gambling, and recreation	100	44	72	76	84	91	89	96	97
Leisure and hospitality	100	51	75	79	86	92	92	96	98
Museums	100	73	76	76	82	89	90	95	99
Government	100	96	95	96	97	97	97	98	99
Motor vehicles and parts	100	81	95	95	96	98	98	99	99
Performing arts and spectator sports	100	51	59	63	77	92	95	98	99
Food services and drinking places	100	51	79	82	89	94	94	98	99
Retail trade	100	85	97	98	98	100	100	100	100
Hospitals	100	98	99	98	98	98	98	100	101
Good-producing industries	100	88	95	96	97	100	100	102	102
Service-producing industries	100	85	93	95	97	99	99	101	102

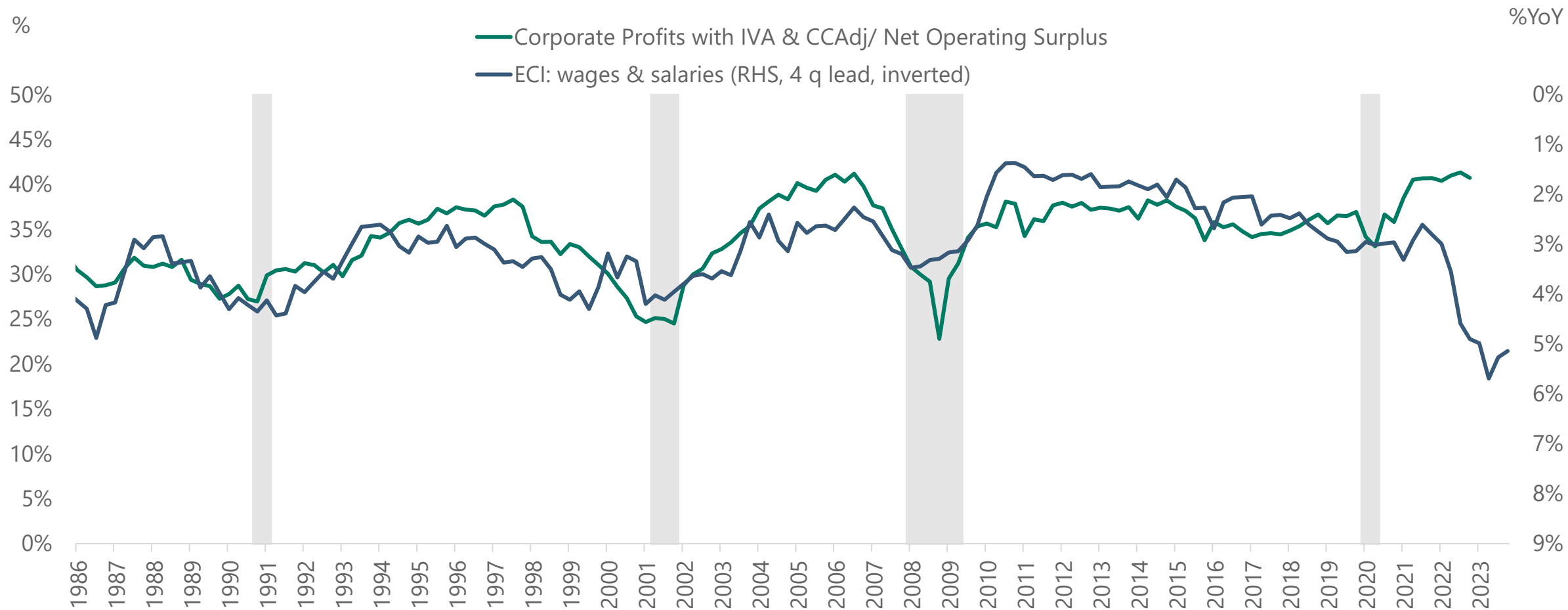
Tracking the employment recovery in different sectors

	Feb-20	Apr-20	Dec-20	Mar-21	Aug-21	Mar-22	Apr-22	Dec-22	Mar-23
Total nonfarm payrolls	100	86	94	95	97	99	100	101	102
General merchandise stores	100	95	101	103	101	105	105	100	102
Financial activities	100	97	98	98	99	101	102	103	103
Gas stations	100	94	97	97	98	99	100	102	103
Wholesale trade	100	93	95	96	97	100	101	102	103
Health and personal care stores	100	90	95	99	100	103	102	104	103
Air transportation	100	85	82	86	90	94	95	101	103
Scenic and sightseeing transportation	100	42	61	65	71	87	85	93	104
Construction	100	86	97	97	98	101	101	103	104
Food and beverage stores	100	99	103	103	101	102	102	103	104
Trade, transportation, and utilities	100	89	98	99	100	103	103	104	104
Office of physicians	100	89	99	100	101	102	102	105	105
Motion picture and sound recording industries	100	50	68	76	91	102	101	105	105
Real estate	100	93	97	98	100	103	103	105	105
Truck transportation	100	94	98	99	100	103	103	106	106
Building material and garden supply stores	100	99	112	109	109	110	106	109	107
Professional and business services	100	89	97	98	100	105	105	106	107
Publishing industries, except internet	100	97	99	100	104	109	110	112	111
Couriers and messengers	100	103	120	127	126	131	131	128	130
Warehousing and storage	100	96	119	122	131	147	148	147	145

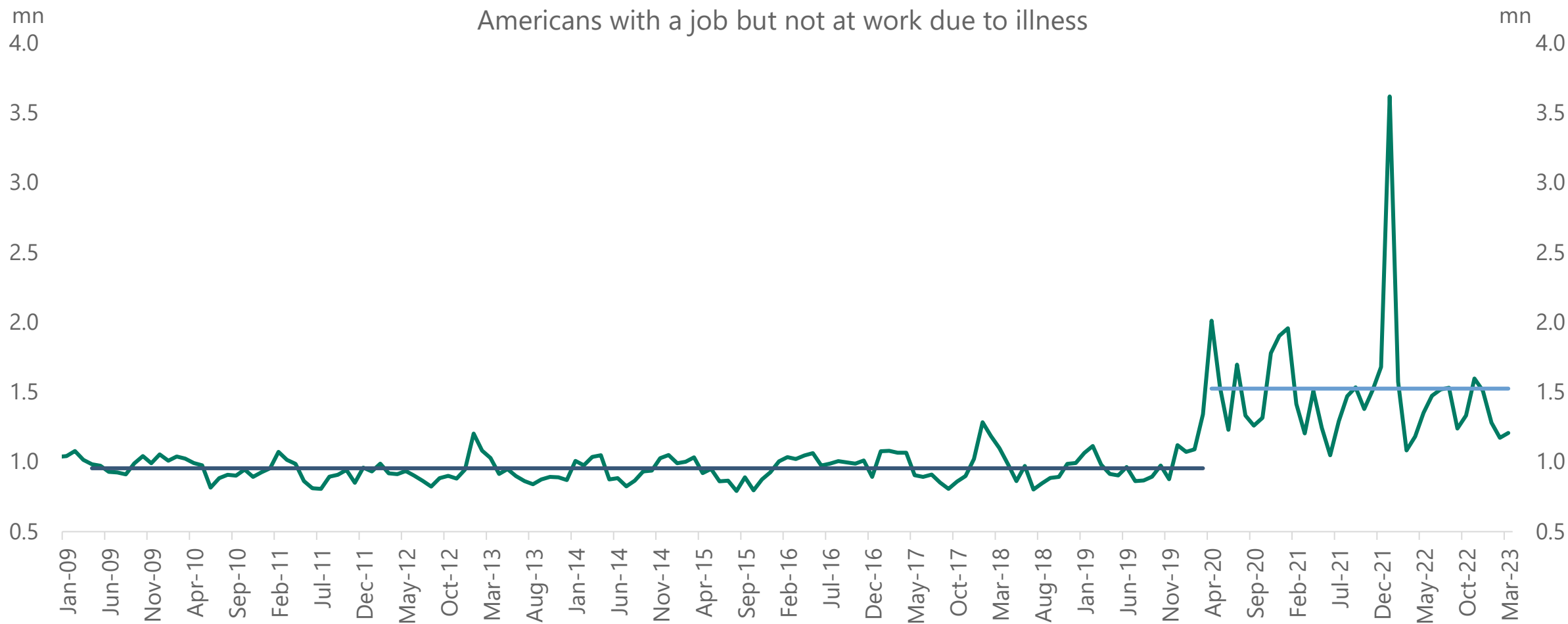
9.9mn job openings and 6mn unemployed



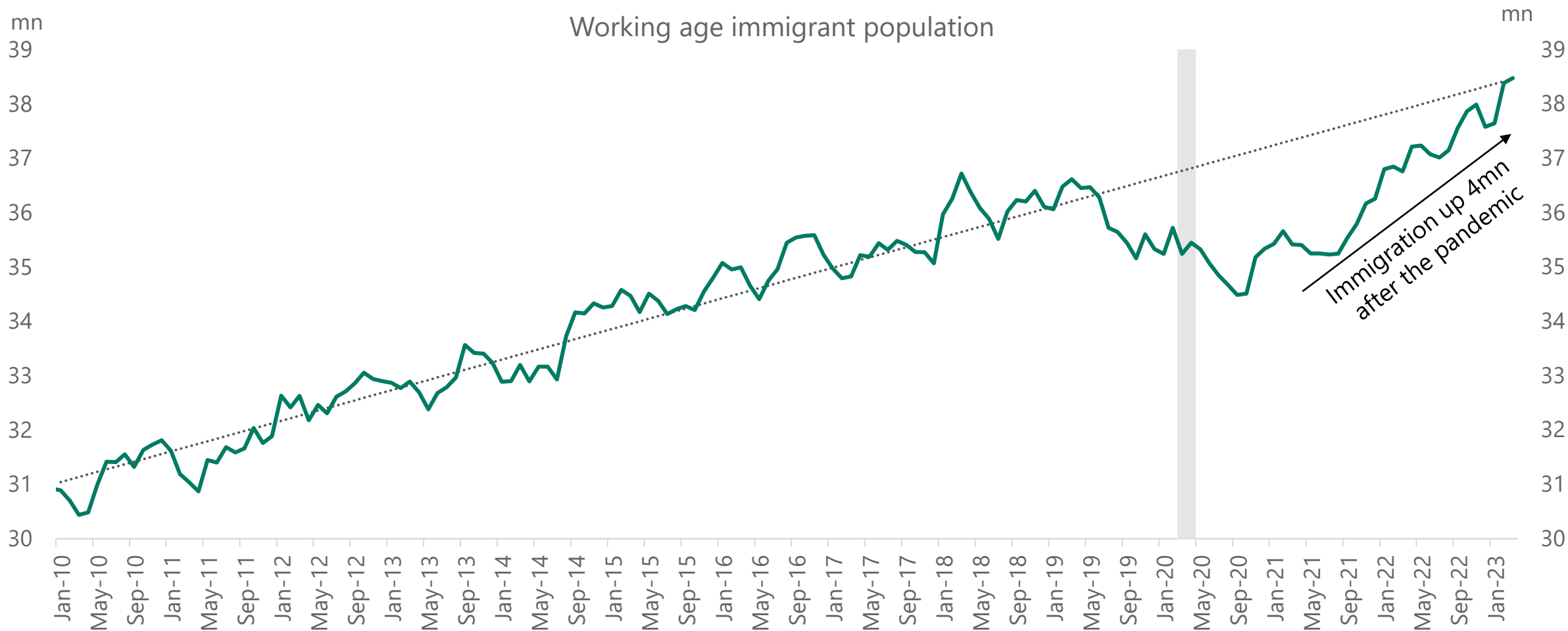
Rising labor costs continue to weigh on profit margins



Americans with a job but not at work due to illness



Working age immigrant population is up 4 million over the past 2½ years





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.