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Labor market gradually cooling down:
Slow decline in employment growth and wage inflation

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Apollo Global Management

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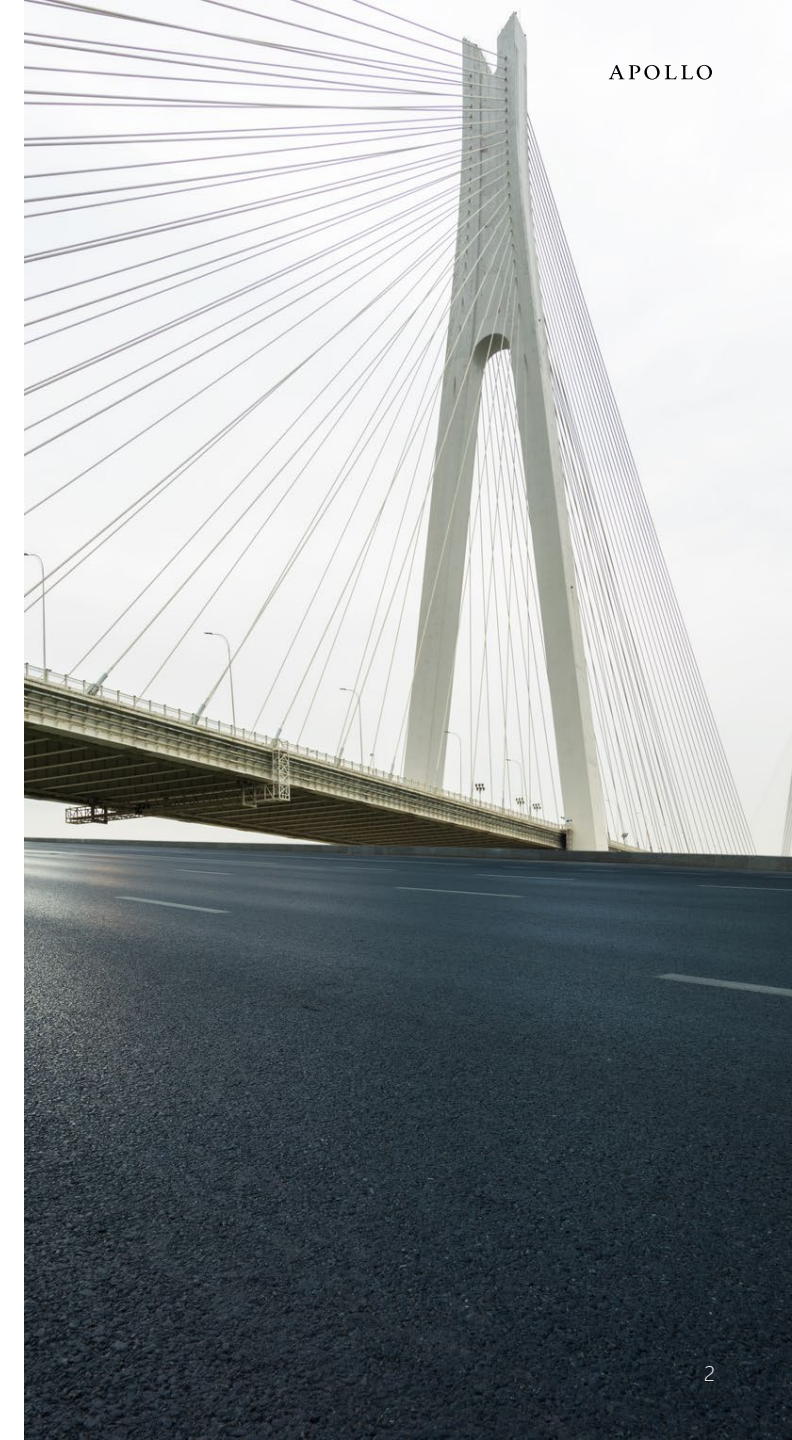
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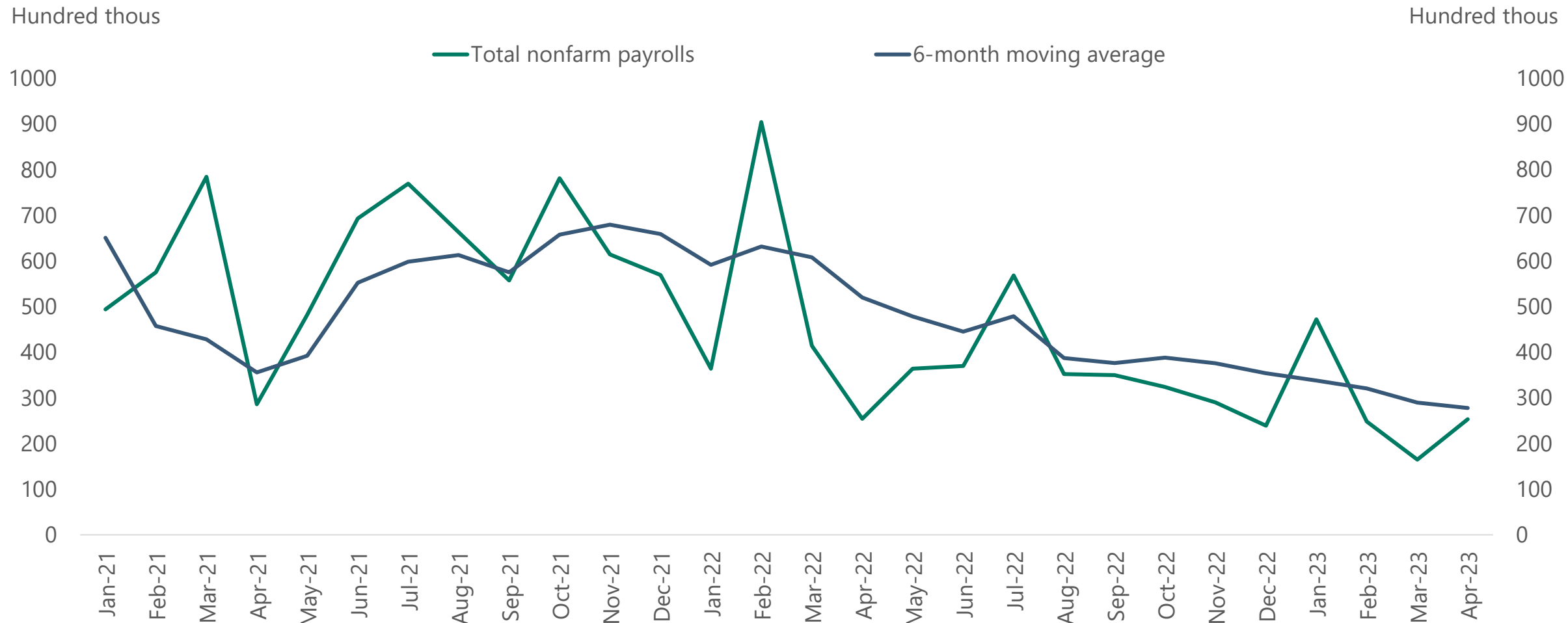
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The gradual cooling of the labor market continues

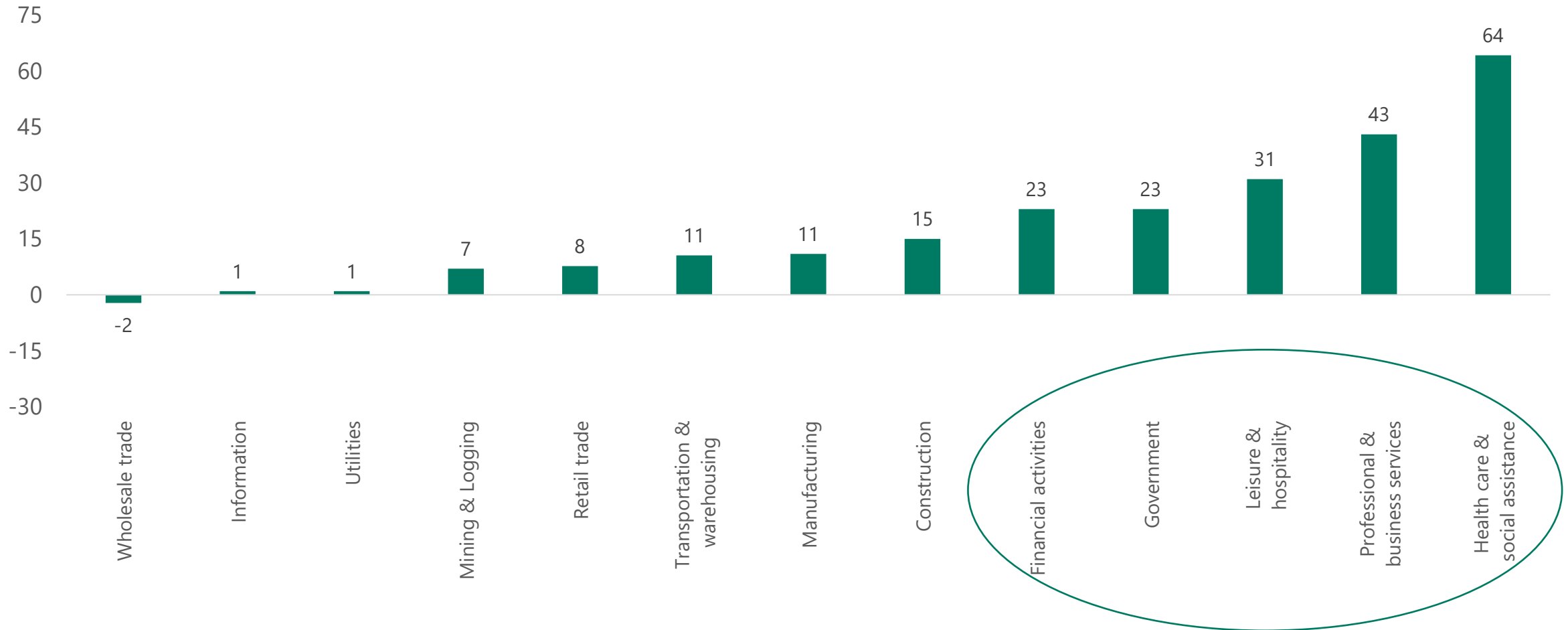


Source: BLS, Haver Analytics, Apollo Chief Economist

253K jobs added in March: Mainly driven by hiring in the service sector

Thousands

Nonfarm payrolls: Jobs added in April 2023

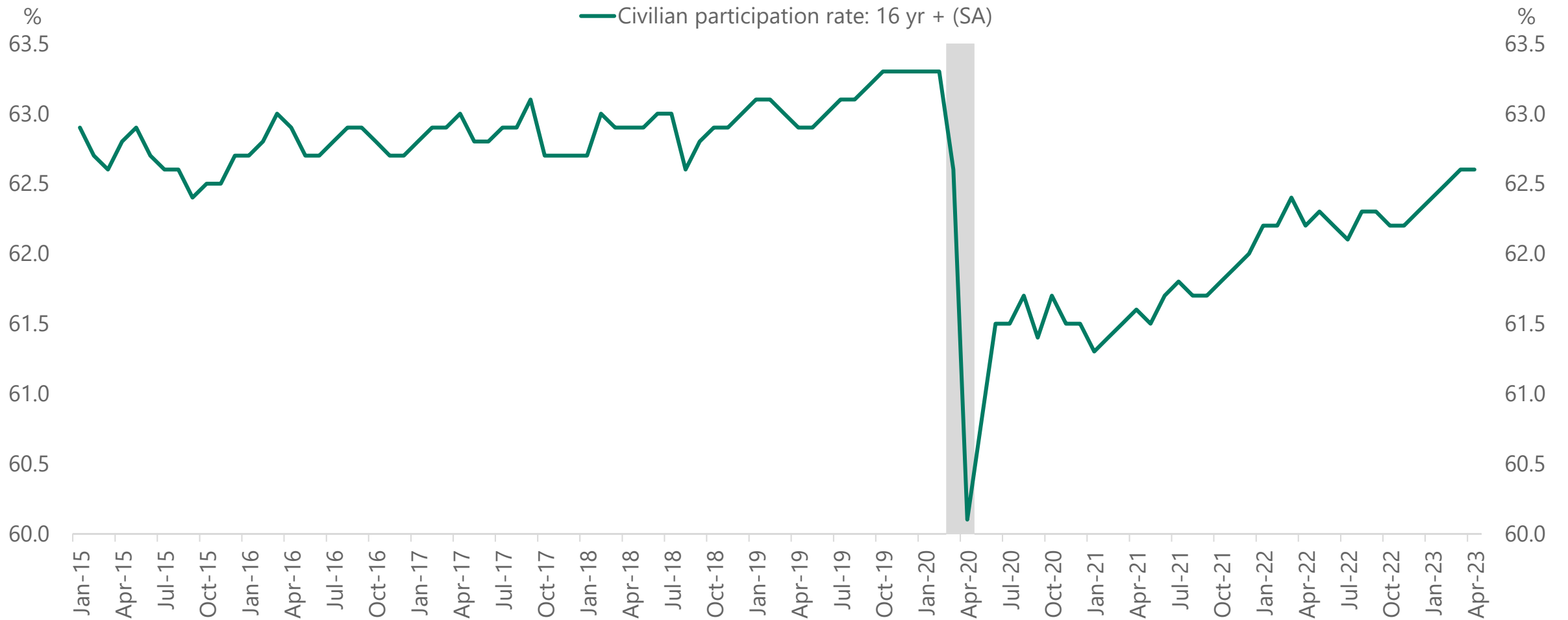


Most of the jobs created are in the service sector 4

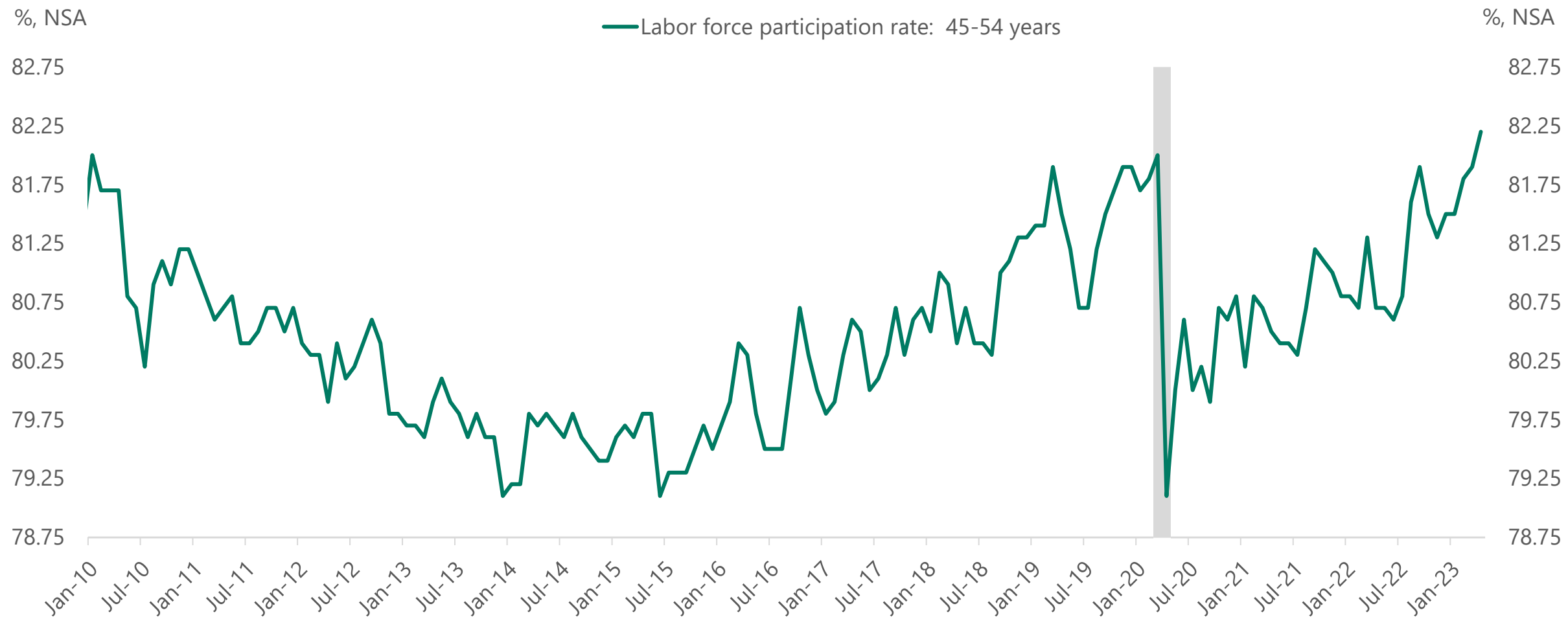
Unemployment rate at 3.4%, the lowest level in more than 50 years



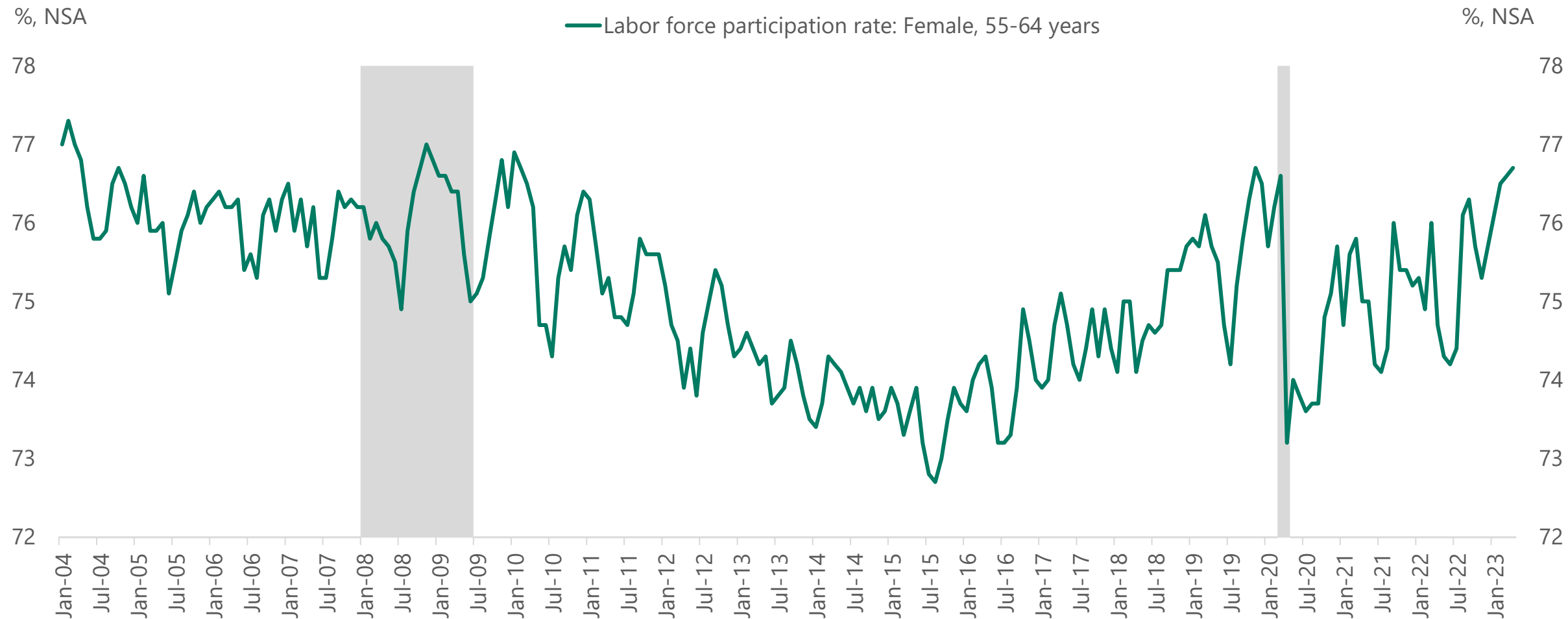
Labor force participation rate at 62.6%



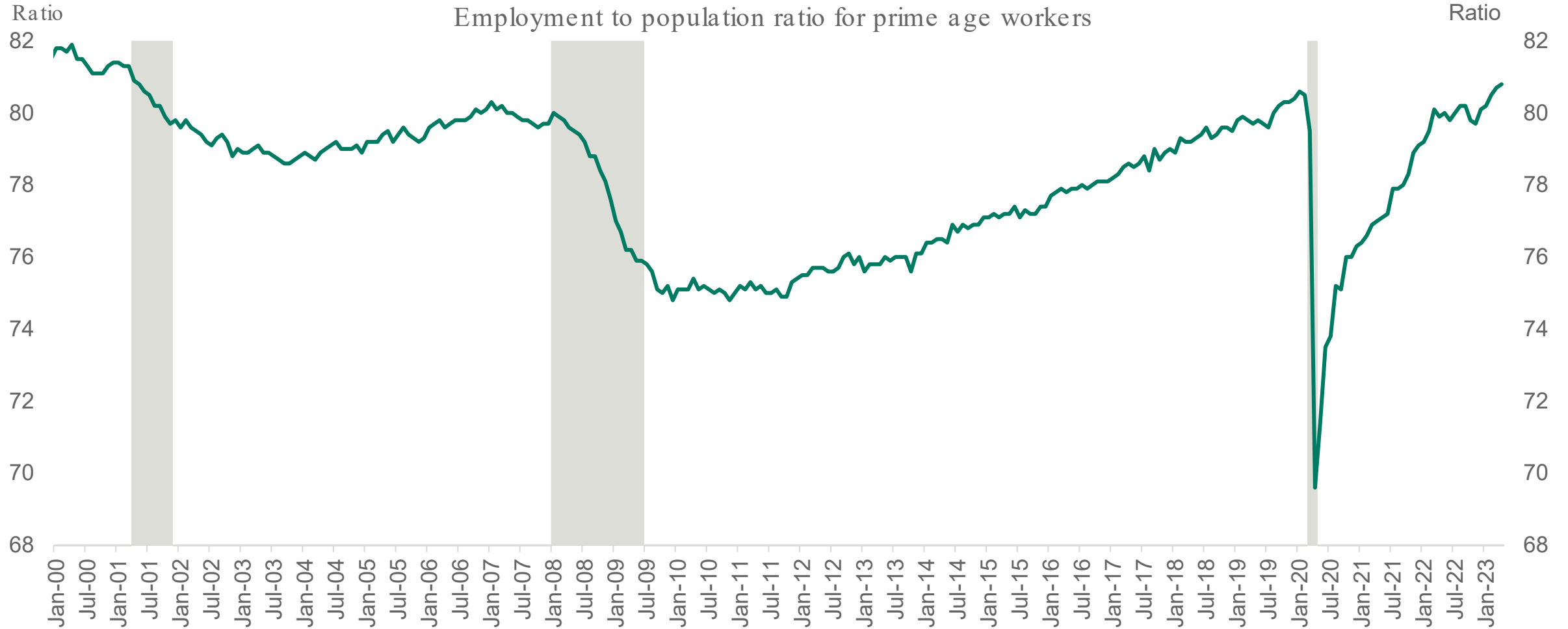
Labor force participation rate rising for 45-54 year olds



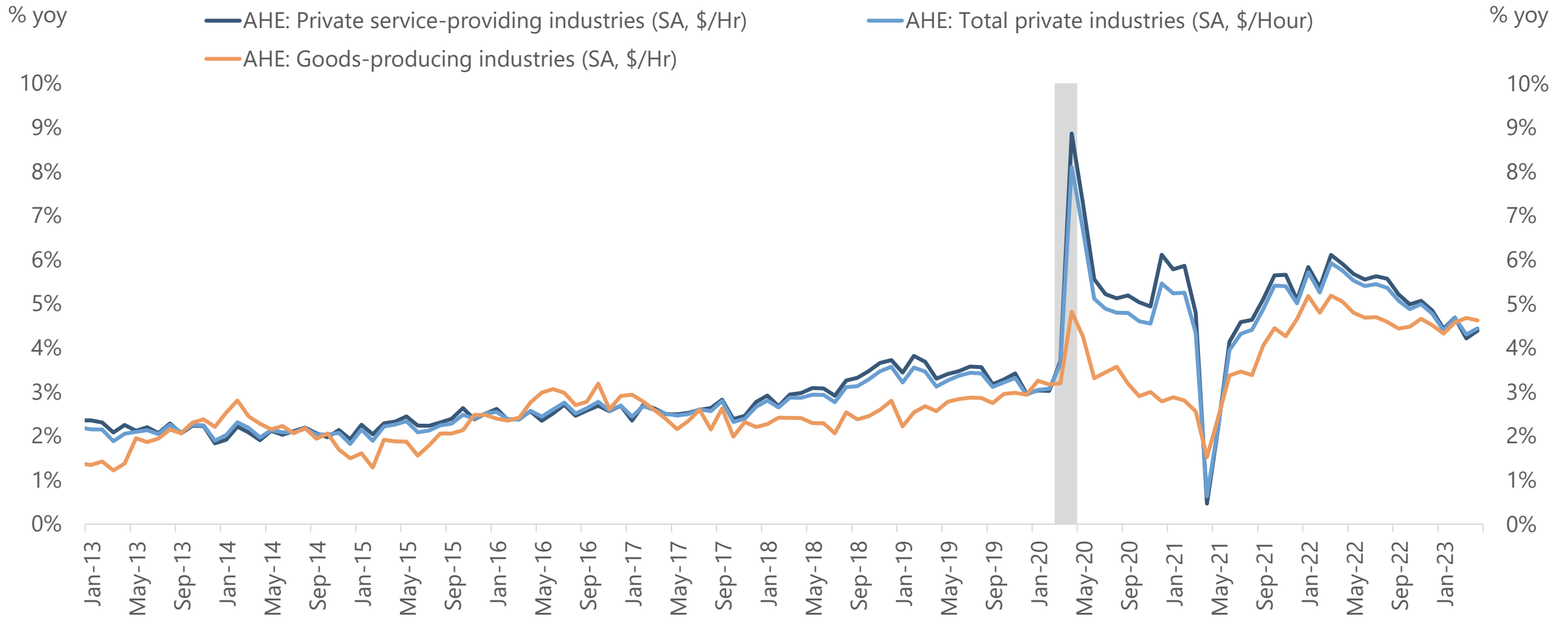
Also, higher participation for women in the 55-64 age group



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



Wage inflation gradually slowing down across industries



Source: BLS, Apollo Chief Economist.

Wage inflation gradually slowing down across the income distribution

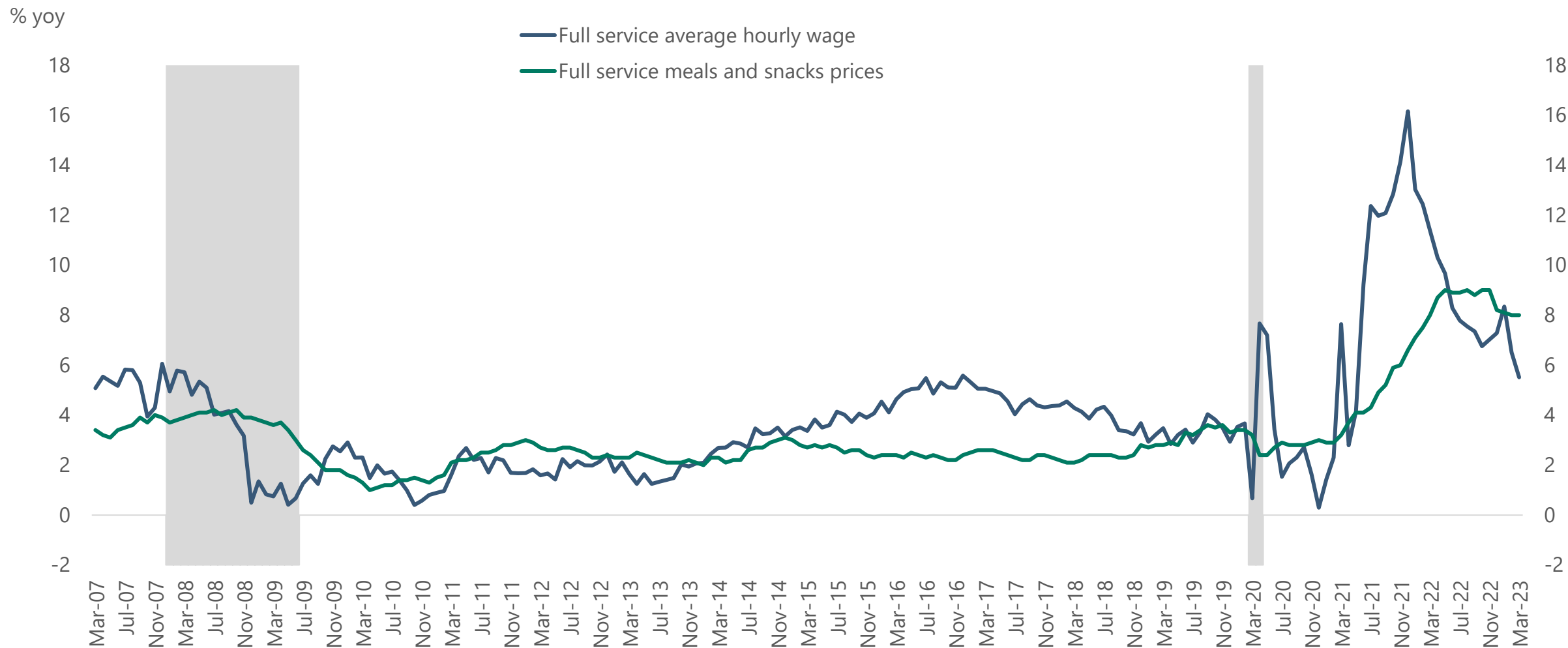


Source: BLS, Apollo Chief Economist. Note: Low wage workers are defined as the bottom third percentile in the wage distribution, mid wage workers as the mid third percentile and high wage workers as top third percentile

Hotel and restaurant wages substantially above pre-covid trend



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



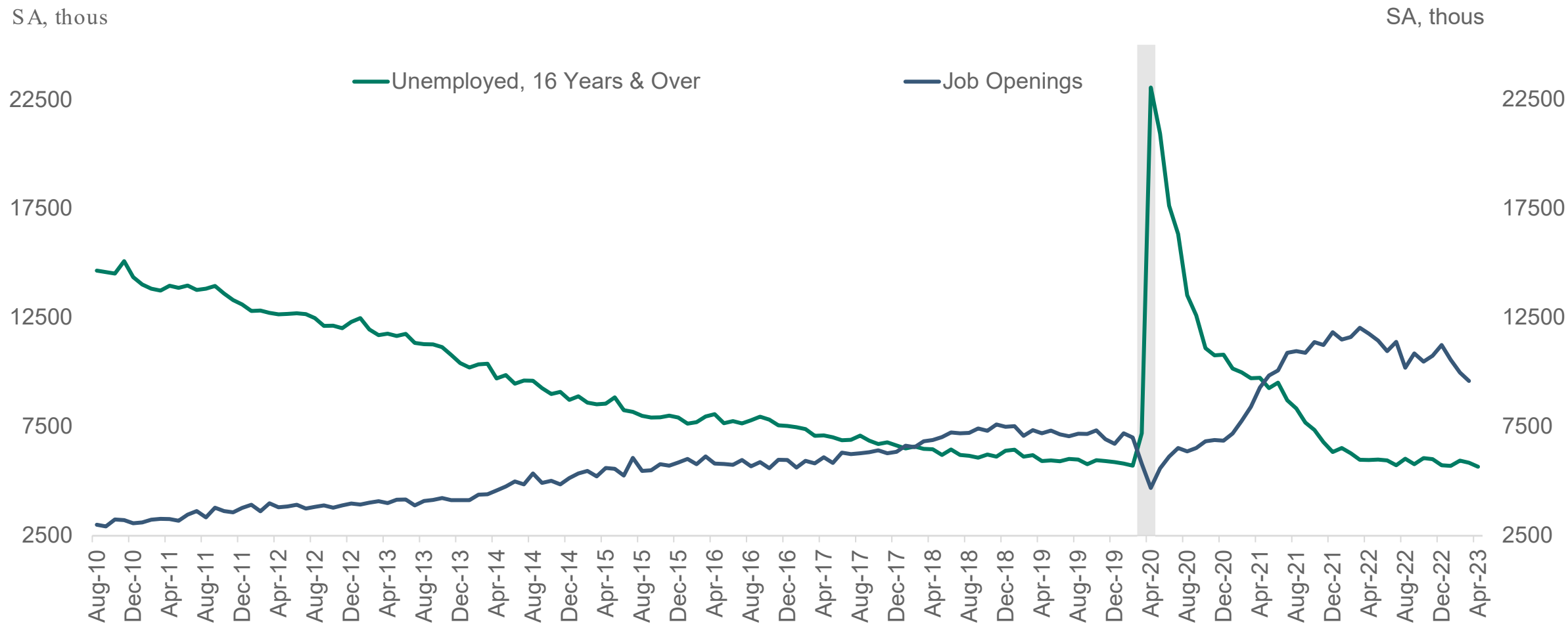
Tracking the employment recovery in different sectors

	Feb-20	Apr-20	Dec-20	Apr-21	Dec-21	Apr-22	Dec-22	Mar-23	Apr-23
Total nonfarm payrolls	100	86	94	95	98	100	101	102	102
Oil and gas extraction	100	97	92	83	81	87	86	86	86
Clothing and clothing accessories stores	100	43	79	81	85	87	87	88	88
Electronics and appliance stores	100	91	94	91	94	94	89	89	89
Coal mining	100	80	83	79	84	87	89	89	90
Nursing and residential care facilities	100	96	92	90	88	88	91	92	93
Telecommunications	100	99	96	95	93	94	93	93	93
Mining and logging	100	90	81	81	84	87	92	93	94
Rail transportation	100	97	93	92	92	92	94	94	94
Child day care services	100	64	82	83	88	90	93	95	95
Automobile dealers	100	77	93	93	95	96	96	95	95
Amusements, gambling, and recreation	100	44	72	78	88	89	96	97	97
Sporting goods, hobby, book, and music stores	100	68	92	95	96	97	97	97	97
Leisure and hospitality	100	51	75	80	90	92	96	97	98
Motor vehicles and parts	100	81	95	95	97	98	99	99	99
Government	100	96	95	96	96	97	98	99	99
Performing arts and spectator sports	100	51	59	63	92	95	98	99	99
Museums	100	73	76	78	86	90	95	99	99
Food services and drinking places	100	51	79	84	92	94	98	99	99
Retail trade	100	85	97	98	99	100	100	100	100
Hospitals	100	98	99	98	97	98	100	101	101
Service-producing industries	100	85	93	95	98	99	101	102	102
Good-producing industries	100	88	95	96	98	100	102	102	102

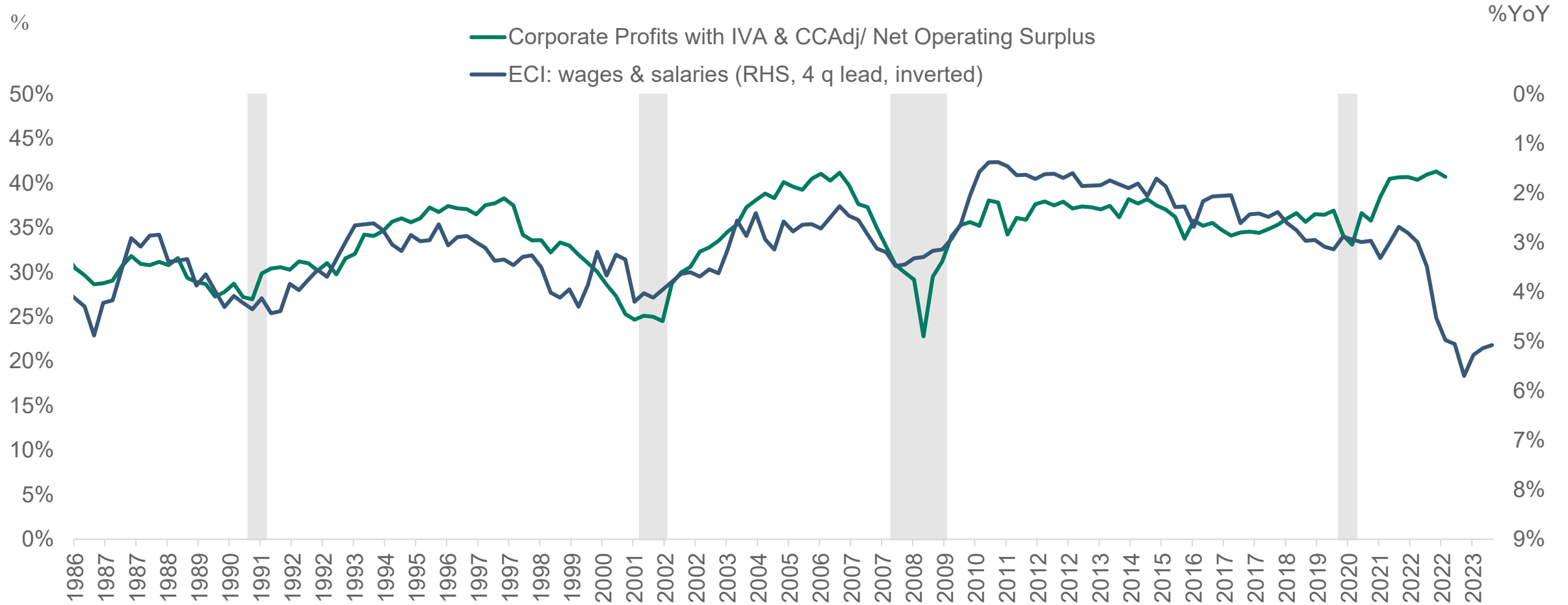
Tracking the employment recovery in different sectors

	Feb-20	Apr-20	Dec-20	Apr-21	Dec-21	Apr-22	Dec-22	Mar-23	Apr-23
Total nonfarm payrolls	100	86	94	95	98	100	101	102	102
General merchandise stores	100	95	101	102	102	105	100	102	102
Wholesale trade	100	93	95	96	99	101	102	103	103
Health and personal care stores	100	90	95	100	103	102	104	103	103
Financial activities	100	97	98	99	101	102	103	103	103
Gas stations	100	94	97	96	98	100	102	103	104
Food and beverage stores	100	99	103	102	101	102	103	104	104
Construction	100	86	97	97	100	101	103	104	104
Air transportation	100	85	82	87	93	95	101	103	104
Trade, transportation, and utilities	100	89	98	99	102	103	104	104	104
Motion picture and sound recording industries	100	50	68	78	101	101	105	105	105
Office of physicians	100	89	99	100	101	102	105	105	106
Real estate	100	93	97	99	102	103	105	105	106
Truck transportation	100	94	98	99	102	103	106	106	106
Professional and business services	100	89	97	98	103	105	106	107	107
Building material and garden supply stores	100	99	112	108	109	106	109	107	107
Scenic and sightseeing transportation	100	42	61	68	83	85	93	105	110
Publishing industries, except internet	100	97	99	101	107	110	112	111	111
Couriers and messengers	100	103	120	122	130	131	128	129	129
Warehousing and storage	100	96	119	124	141	148	147	146	146

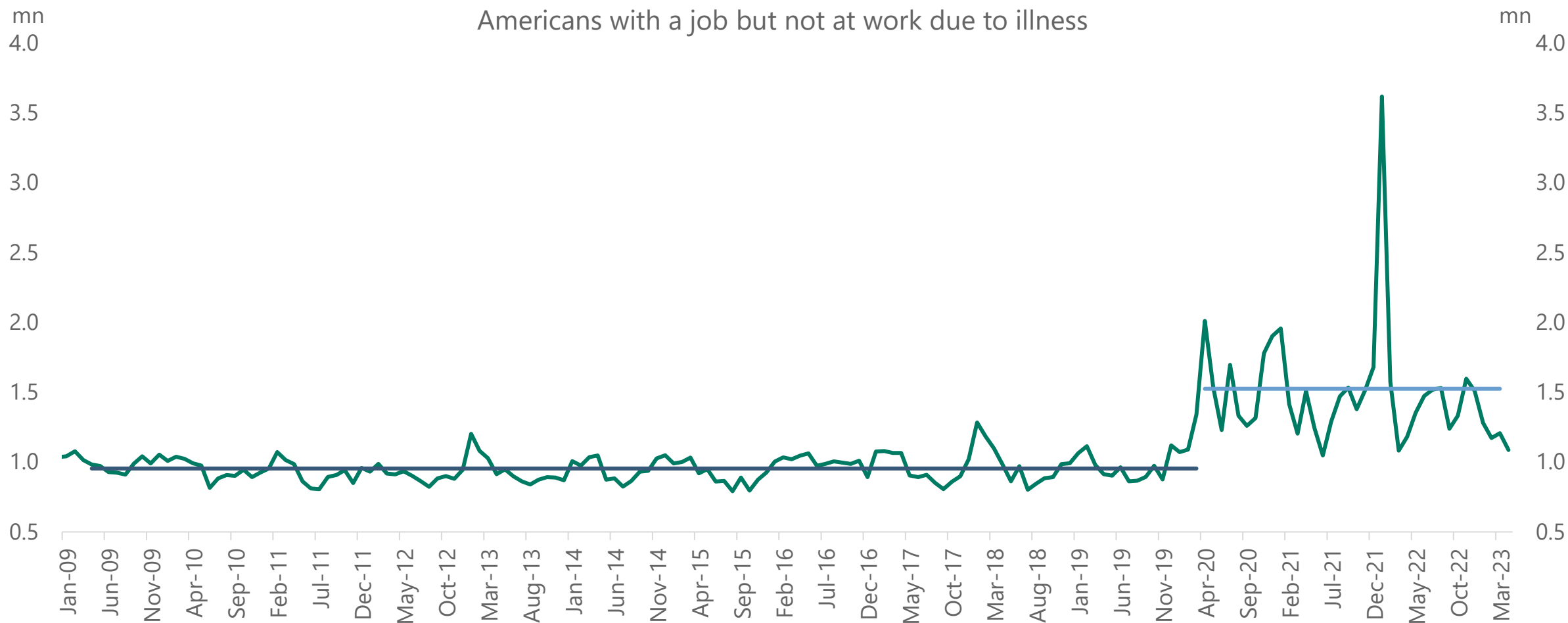
9.6mn job openings and 5.6mn unemployed



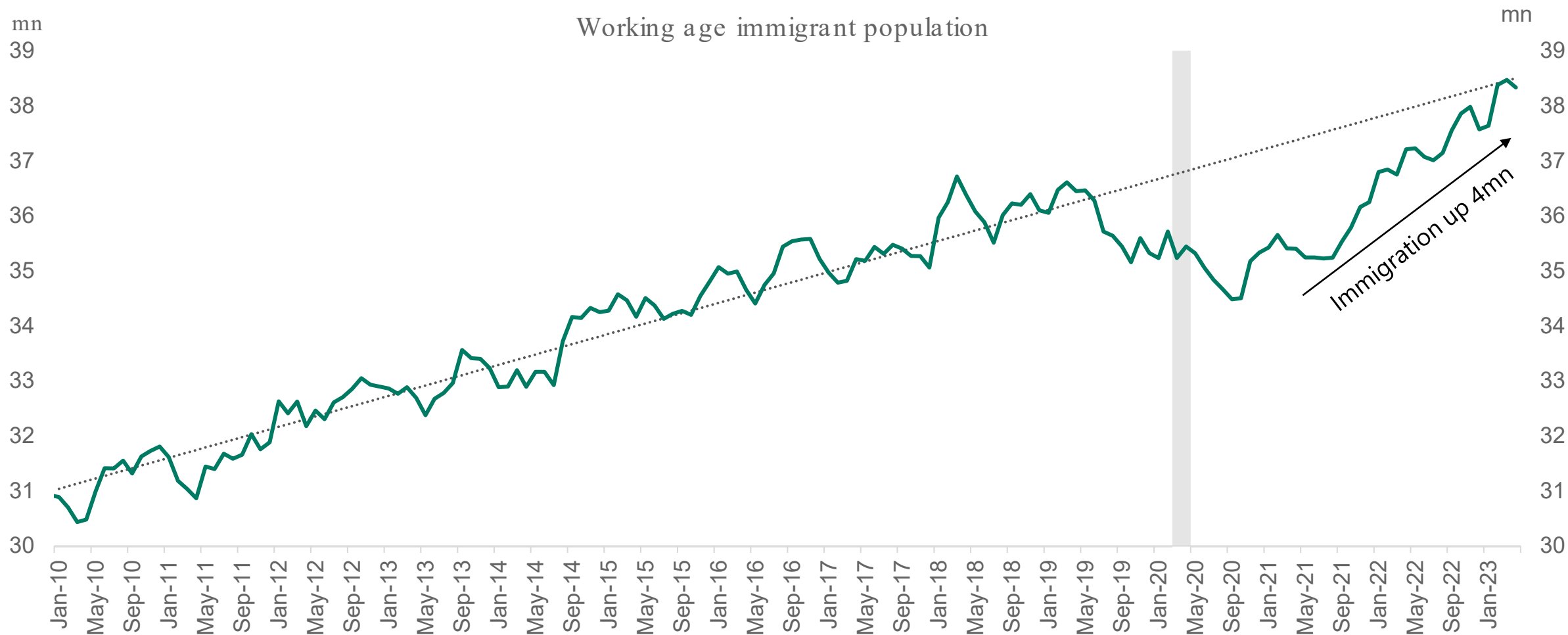
Rising labor costs continue to weigh on profit margins



Decline recently in the number of Americans with a job but not at work due to illness



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



Source: BLS, Haver Analytics, Apollo Chief Economist



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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.