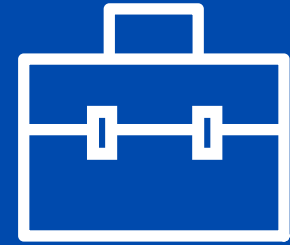


TCA Monthly Employment Snapshot

February 2022 Report

March 4, 2022



Top Expanding Sectors

- Leisure & Hosp: 179k
- Education & Health: 112k
- Trade, Trans, & Util: 103K
- Professional & Bus: 95k
- Construction: 60k

Consumer Sentiment

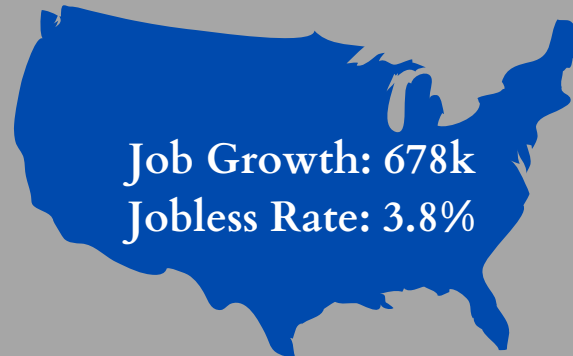
67.2 (-340 bps)

January's data is a retreat back to the lowest figure since November 2011.

PMI

58.6% (+100 bps)

Respondents report strong demand and the easing of Omicron's impact.



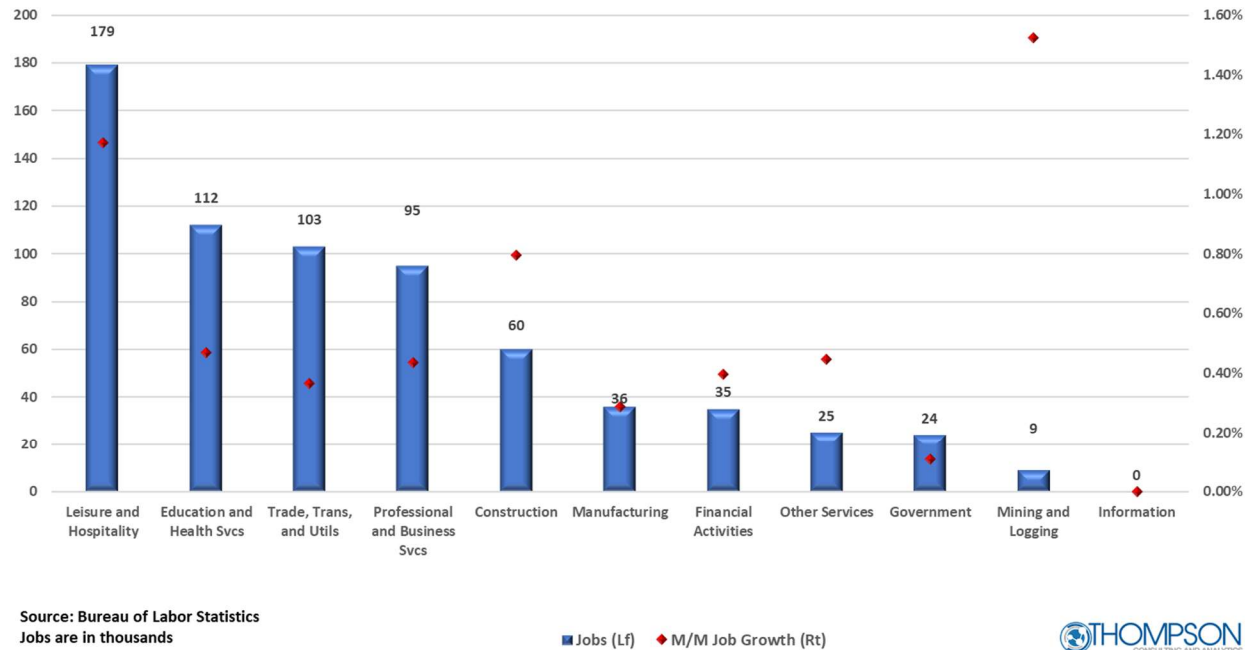
Job Growth: 678k
Jobless Rate: 3.8%

Economic Highlights

- February employment growth was above expectations (440k).
- Leisure and hospitality grew by 179,000 jobs.
- 2022 Forecast: 330,000 jobs/month.

Sources: Bureau of Labor Statistics
Institute of Supply Management
University of Michigan

National Employment Growth by Sector (Feb 2022)



US employment growth (678,000 jobs) surged beyond expectations (440,000 jobs) in February 2022. The broad-based employment growth in the employment report illustrates how the labor market fired on all cylinders. Leisure and hospitality (179,000 workers) was the largest-gaining sector in the recent release. Education and health services rose by 112,000 positions. The bulk of the sector's gain came from the health care component (63,500 workers). Manufacturing added 36,000 workers in February and has recorded positive employment growth for the tenth consecutive month. The January PMI registered at 58.6% (up 100 bps month-over-month). Respondents cite strong demand and weakening effects from the Omicron variant. The US economy averaged employment growth of 555,000 in 2021. We expect US employment growth to average 330,000 jobs in 2022.

US Labor Market Snapshot (February 2022)												
Variable	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	2022 YTD	Difference from Jan '20
Population (Civilian, Non-Inst.)	261,003	261,103	261,210	261,338	261,469	261,611	261,766	261,908	262,029	262,136	263,263	1.4%
Total Employment	144,431	144,694	145,141	145,698	146,387	146,904	147,328	148,005	148,652	149,162	150,060	-1.4%
Full-Time Employment	125,959	126,279	126,514	126,211	127,473	127,340	128,076	128,409	129,388	130,191	131,485	0.5%
Part-Time Employment	25,158	25,046	25,189	25,488	25,310	25,739	25,772	25,903	25,956	25,681	25,809	-6.4%
Unemployment Rate	6.0%	6.0%	5.8%	5.9%	5.4%	5.2%	4.7%	4.6%	4.2%	3.9%	3.9%	40 bps
Underutilization Rate	10.7%	10.3%	10.1%	9.8%	9.2%	8.8%	8.5%	8.2%	7.7%	7.3%	7.2%	30 bps
Employment/Population Ratio	57.8%	57.9%	58.0%	58.0%	58.4%	58.5%	58.8%	58.9%	59.3%	59.5%	59.8%	-130 bps
Labor Force Participation Rate	61.5%	61.7%	61.6%	61.6%	61.7%	61.7%	61.7%	61.7%	61.9%	61.9%	62.3%	-110 bps
Not in Labor Force	100,372	100,125	100,409	100,224	100,094	100,106	100,294	100,298	99,902	99,842	99,425	4.6%

Source: US Bureau of Labor Statistics

Note: Population, employment, and "Not in Labor Force" data are in thousands.

The US labor market was firing on all cylinders in the February report. The unemployment rate fell by 20 bps to 3.8%. Moreover, persons not in the labor force fell by 183,000 people. In other words, the unemployment rate fell while more people returned to the labor force looking for jobs. Also, the labor force participation rate has increased for the second straight month, rising by 10 bps in February. Finally, full-time employment rose for the sixth consecutive month in recent data. Though we are cautiously optimistic about the labor market, we expect that demand-side factors (i.e., a mismatch between firm requirements and the qualifications of jobseekers) will constrain employment growth. Moreover, we expect that inflation will accelerate as interest rates rise and wages growth continues to surge. Finally, the conflict between Russia and the Ukraine could lead to higher fuel prices, which would also drive inflation growth.