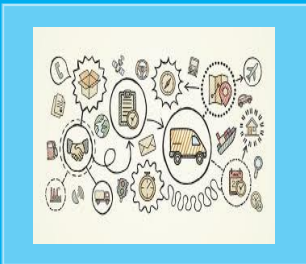


Customer & Workforce Insights

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Overview



- Another strong month of job growth across all major economic sectors including 32,000 new manufacturing jobs.
- Unemployment stays low but better upward trends in hourly pay and labor participation.
- More positives: consumer confidence, imports continue at high levels.
- Some early cautionary signs: global growth is slowing in some major economies, oil prices are dropping, US manufacturing growth slowing.

Manufacturing

[Manufacturing activity still growing, but slower](#) in October according to the latest ISM PMI report. Slowing supplier deliveries and smaller customer inventories indicate supply chain capacity challenges, but no major red flags otherwise.

If you think of automation and workforce ‘upskilling’ as a race and increased productivity as the prize, automation is winning. Nearly 60% of executives surveyed who are leading or actively participating in an automation initiative report not yet meeting their increased productivity goals, illustrating the [urgent need for increased training/upskilling](#).

For example, Toyota is all-in, [investing in programs to shrink the skills gap](#). In this case, they are partnering with organizations that teach STEM concepts as *early as pre-kindergarten*.

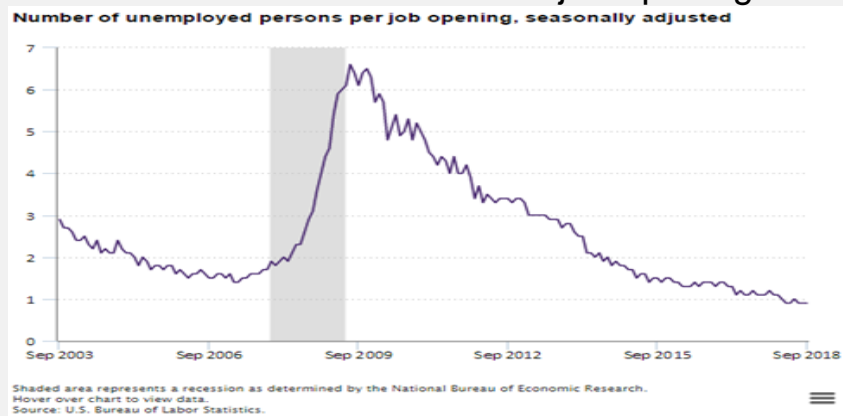
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Workforce

- For some employers, this historically tight labor market is motivating them to offer more flexible scheduling to fill their jobs, a particularly attractive option for the expanding number of older workers. The problem is that many companies are not actively recruiting them, but [some see the value in making it part of their workforce strategy](#).
- Persistent, record-low unemployment is [finally moving the needle on hourly pay](#), accelerating wage growth to its highest rate since 2008.
- We are staying in the zone: the third month in a row where job openings outnumber those looking (see chart).



Logistics

[Consumer confidence remains high](#), setting up for a strong holiday retail spending season.

And it seems very likely that logistics operations will stay busy *through* the Christmas season right up to New Year's Day, as [retail import numbers remain stronger longer](#) in anticipation of tariff increases in 2019.

So far, so good: US companies are [passing off increased tariff costs](#) for now, but it is not clear how long that will be an option.