

APRIL 2025



Workforce Optics

INSIGHTS, NUMBERS & KNOWLEDGE FOR A COMPETITIVE WORKFORCE

Let us be your resource as you plan budgets, set pay rates, and build and retain an engaged workforce. The enclosed employment trends, hiring challenges, and compensation tips are designed to help you better understand today's employment environment to make informed staffing decisions.



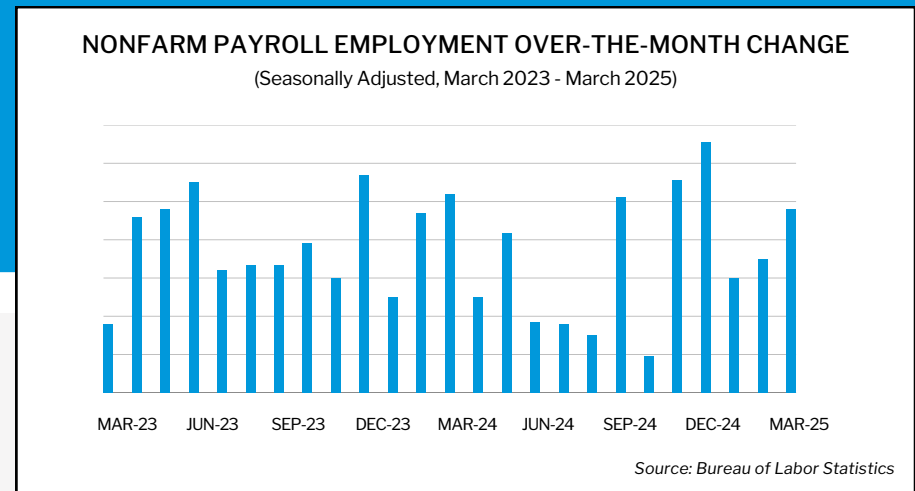
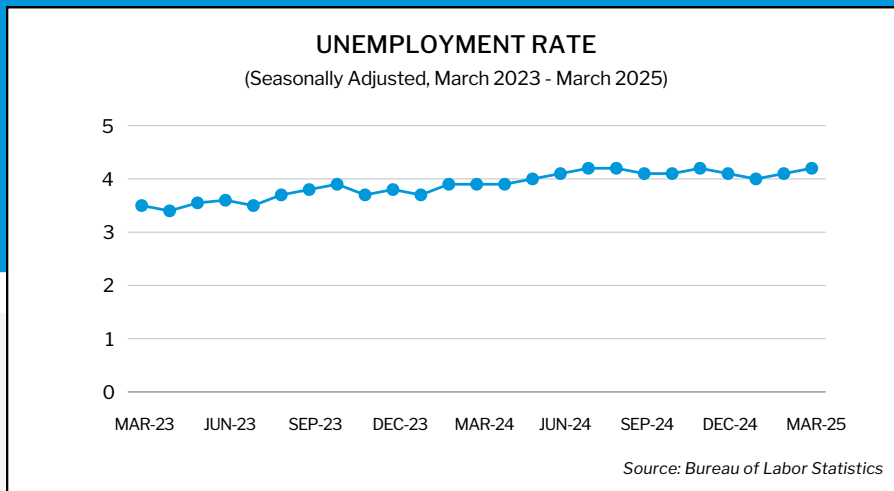
Jobs Update

The Bureau of Labor Statistics' March 2025 Employment Situation report reveals that the U.S. economy added 228,000 jobs, significantly surpassing the average monthly gain of 158,000 over the prior year. This robust growth was primarily driven by notable increases in the healthcare sector (+54,000 jobs) and social assistance (+24,000).

Additionally, employment in transportation and warehousing rose by 23,000 in March, about double the prior 12-month average gain of 12,000. Job gains in couriers and messengers (+16,000) and truck transportation (+10,000) were partially offset by a job loss in warehousing and storage (-9,000). Additionally, retail trade employment rose by 24,000 positions, partly due to the return of workers from a strike in food and beverage stores.

Despite the strong job creation, the unemployment rate edged up slightly to 4.2% from 4.1% in February. This uptick is attributed to an increase in the labor force participation rate, indicating that more individuals are actively seeking employment. Notably, the unemployment rate has remained in a narrow range of 4.0% to 4.2% since May 2024.

However, the report also highlights a decline in federal government employment, which decreased by 4,000 jobs in March. This reduction reflects ongoing efforts to streamline government operations.



4.2%

National Unemployment Rate

MARCH 2025

0.1% MoM Change



7.1 MILLION

Unemployed Persons

MARCH 2025

31k MoM Change



EMPLOYMENT TRENDS

Job Posting Growth Slows as Companies Reduce Hiring

As of March 7, U.S. job postings were 9% above pre-pandemic levels, but down 0.8% compared to February, according to data from Indeed. Similarly, Gartner reports a decline in the percentage of HR leaders seeing an increase in job postings at their organizations – from 34% in December 2024 to just 27% in January 2025. Concurrently, the percentage of HR leaders intentionally slowing hiring as a cost-saving measure rose significantly, from 36% in December 2024 to 52% in January 2025. This slowdown in hiring reflects **cautious organizational attitudes toward economic uncertainty** as the new year progresses.



New Challenges for HR Leaders

Organizations are navigating fresh challenges, with new political priorities cited as the most pressing issue (51%). This concern is closely followed by persistent skills gaps (45%) and disruptions caused by Generative AI (GenAI) technologies (41%). Companies must **remain agile and responsive to evolving policies** that could significantly impact workforce planning and strategic operations.

Rapid Growth in Generative AI Implementation

The use of Generative AI continues to accelerate, with the number of HR leaders piloting, planning, or implementing GenAI solutions increasing from 49% in July 2024 to 61% in January 2025. The expected **workforce disruption from GenAI has also risen sharply – from 27% in November 2024 to 37% in January 2025**. Many HR leaders (67%) are strategically planning to reallocate employees to capitalize on efficiencies gained from GenAI, indicating a deeper integration and anticipation of significant workforce changes.



Sources: Indeed, Gartner

Remote Work is More Remote These Days

Five years have passed since the pandemic abruptly shifted many professionals to remote work, prompting organizations worldwide to rapidly adapt to managing distributed teams. However, recent trends suggest the initial surge toward remote employment may be reversing.

The share of job postings advertising remote positions stood at 8.3% at the end of January, up modestly from recent months but down from a 2022 peak of 10.4%, finds Indeed's latest U.S. Labor Trends Report. And according to LinkedIn's latest Workforce Confidence survey, [remote work in the U.S. has steadily declined since peaking in late 2020](#), while hybrid and onsite work models have seen noticeable growth.

At the height of the remote work wave in October 2020, nearly half (46%) of employees in the U.S. were working remotely. At that time, hybrid schedules accounted for 12%, and onsite employment stood at 39%. By February of this year, the landscape has shifted significantly, with remote employment falling to 26%. While hybrid work arrangements have grown slightly to 16%, they still trail behind predominantly onsite employment, now at 55%.



55%
ON SITE
EMPLOYMENT

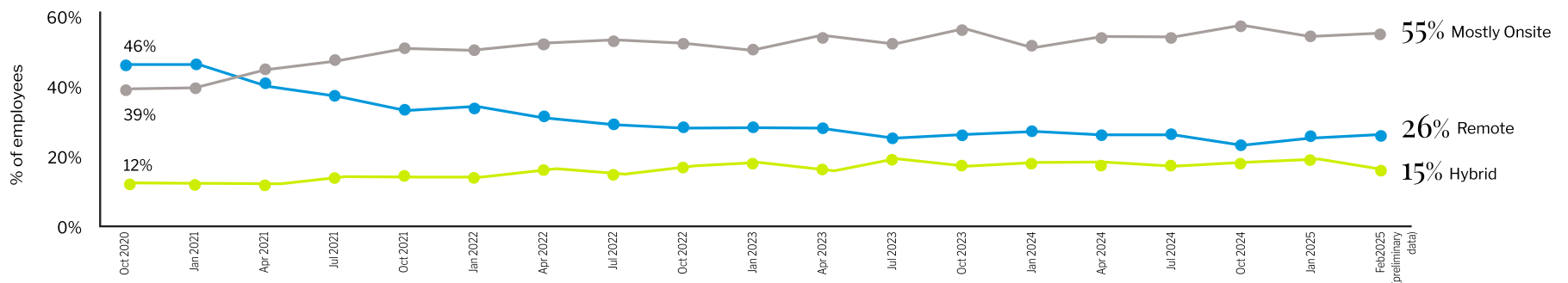
16%
HYBRID WORK
ARRANGEMENT

26%
REMOTE
EMPLOYMENT



WHERE AMERICANS WORK IS CHANGING

Remote work has been steadily declining in the U.S. since 2020, while hybrid and onsite work arrangements have been mostly on the rise.



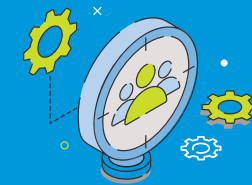
Source: LinkedIn Market Research

U.S. Manufacturing Slips Back Into Contraction

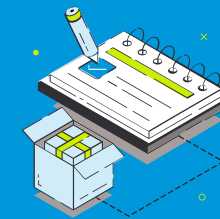
Recent data indicates weaker-than-anticipated performance in the U.S. manufacturing sector. The ISM manufacturing index for March fell to 49.0 from February's 50.3, marking a return to contraction territory and coming in below market expectations of 49.5. This aligns with recent regional manufacturing reports, which also [suggest softening conditions](#).

Key metrics saw notable declines: employment dropped sharply to 44.7 from 47.6, new orders decreased to 45.2 from 48.6, and production moved lower to 48.3 from 50.7. In this index, a score above 50 indicates expansion, while anything below signals contraction, with lower numbers reflecting a more severe downturn.

The decline appears [largely influenced by ongoing tariff concerns](#), particularly disruptions to supply chains and fears of retaliatory measures from trading partners. Additionally, prices paid jumped significantly to 69.4 from 62.4, suggesting businesses might be acting preemptively before tariffs drive consumer prices higher. The current data underscores persistent stagnation within the manufacturing sector, challenging the expectation that tariffs could stimulate industry growth.



Employment dropped sharply to **44.7** from 47.6



New orders continued to decrease to **45.2** from 48.6



Prices paid jumped to **69.4** from 62.4

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