

APRIL 2026



Workforce Optics

INSIGHTS, NUMBERS & KNOWLEDGE FOR A COMPETITIVE WORKFORCE

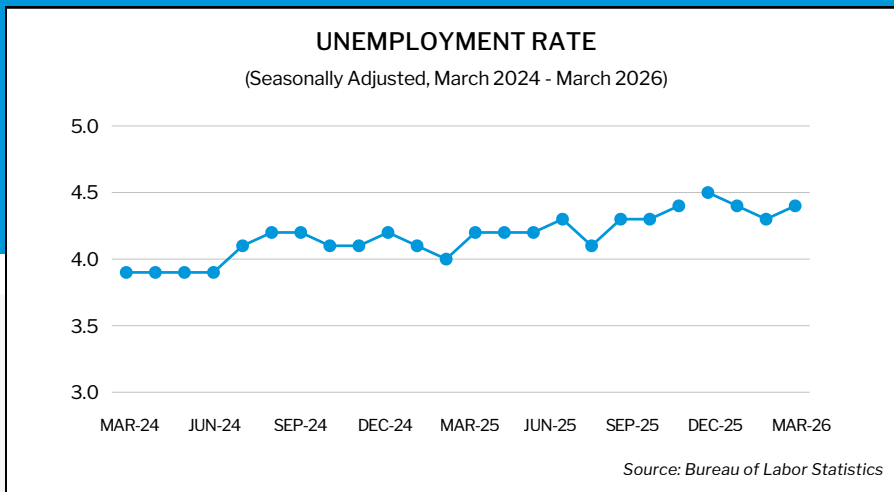
Welcome! In this issue of Workforce Optics, we explore a labor market that has bounced back from February's soft patch but is still cooling beneath the surface. We unpack what this "soft but stubborn" environment means for employers as AI, demographic shifts, and rising cost pressures reshape where and how you compete for talent in 2026.

Jobs Update

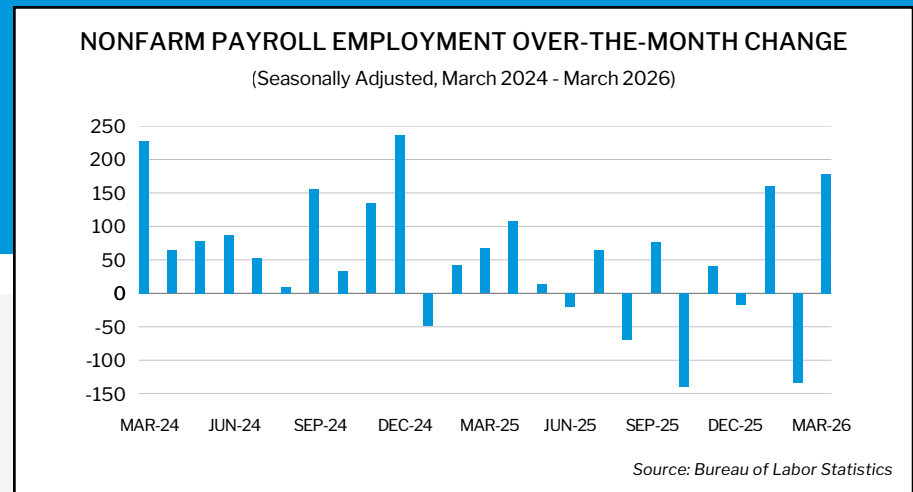
The U.S. labor market rebounded in March, with **nonfarm payrolls increasing by about 178,000 jobs**, a strong recovery after February's sharp decline. The unemployment rate edged down to 4.3%, indicating continued overall stability despite recent volatility. This rebound was stronger than expected and suggests the labor market remains resilient, even as growth has slowed compared to prior years.

Job gains were led by health care, construction, manufacturing, and leisure and hospitality, with health care rebounding significantly after strike-related losses in February. However, federal government and some white-collar sectors (like finance and information) continued to lose jobs, reflecting ongoing structural weakness in certain parts of the economy. **Wage growth remained moderate at around 3.5% year-over-year**, continuing to outpace inflation but showing signs of cooling.

Despite the strong headline number, underlying trends point to a cooling and uneven labor market. Labor force participation declined slightly, and hiring activity remains subdued overall, with slower job growth over the past several months. Economists note that while layoffs are still relatively low, reduced labor supply and cautious hiring are keeping the unemployment rate stable, suggesting **a labor market that is resilient but losing momentum amid broader economic uncertainty**.



Note: Data for October 2025 were not collected due to the federal government shutdown.



4.3%

National Unemployment Rate

MARCH 2026

0.1% MoM Change



7.5 MILLION

Unemployed Persons

MARCH 2026

0.1% MoM Change



Compete Smarter in a “Soft but Stubborn” Labor Market

In their latest outlook, labor economists Daniel Zhao (Glassdoor) and Svenja Gudell (Indeed) describe a market where [AI headlines are loud but the real story is slower and more uneven](#). Generative AI's impact remains narrow—concentrated in roles like translators, certain copywriters, and some customer service jobs—rather than rewriting the labor market overnight.

For most occupations, the data looks more cyclical than structural. Companies over-hired post-pandemic, then pulled back, and are now squeezing productivity from existing headcount rather than adding to it.

Demand is also fragmenting. White-collar postings in marketing, finance, HR, and talent acquisition have softened meaningfully, while roles requiring a physical human presence—physicians, logistics, frontline operations—remain stubbornly hard to fill. Immigration bottlenecks are quietly tightening supply in sectors long reliant on international talent. The result is a "soft but stubborn" market: [slower overall hiring, but persistent pockets of intense competition](#).

On pay, both economists caution against blanket restraint. Wage growth has cooled and the switcher-versus-stayer pay gap has narrowed, but inflation is still outpacing wages, eroding real spending power. Gudell suggests the counter-intuitive play is to go slightly counter-cyclical—leaning into compensation and benefits now to stand out as others pull back. Zhao adds that pay transparency is table stakes; the real opportunity lies in differentiating the total package through flexibility, benefits, and creative perks that [signal a forward-thinking culture without necessarily adding significant cost](#).

With fewer promotions and internal moves available, many workers feel stuck—some willing to step down a level for better growth potential. Zhao and Gudell argue this is where employers can win: be honest about AI's real impact, invest in managers and culture, and treat career development as the bridge between attraction and retention. Use this quieter period to [redesign rewards and roles before the next hiring wave arrives](#).

ABOUT THE EXPERTS

Svenja Gudell is the Chief Economist at Indeed, where she leads economic research and analysis on global labor market trends. Her work focuses on workforce dynamics, hiring demand, and the intersection of technology and employment.



Daniel Zhao is the Chief Economist at Glassdoor, where he oversees labor market research and workplace analytics. He specializes in employee sentiment, job search behavior, and economic forces shaping the modern workplace.



EMPLOYMENT NEWS OF NOTE

Gartner Says Most Supply Chain Shocks Will Soon Fix Themselves

Gartner forecasts that by 2031, 60% of supply chain disruptions will be detected and resolved without human intervention as AI and “agentic” automation take over routine management. Rising trade uncertainty and geopolitical shocks are overwhelming manual responses, prompting CSCOs to deploy **AI that senses disruptions, runs risk analyses, and triggers corrective actions autonomously.**

Gartner advises starting with low-risk decisions, owning an enterprise-wide AI strategy, investing in data quality and governance, planning for workforce impacts, and building contingency protocols for human intervention when needed.



How a 250-Year Employment Gap Quietly Flipped in 2026

Indeed’s March 2026 *Labor Market Update* shows that the U.S. employment gap between men and women has reversed, with **women now holding more nonfarm jobs than men for only the third time on record**—and the first time outside a recession.

From February 2024 to February 2026, the U.S. added 1.2 million jobs, about two-thirds going to women, driven by health, social assistance, and other female-skewed sectors, while male employment fell by 142,000. For employers, **this signals that talent pipelines assuming a male-majority workforce are outdated**, and traditionally male-dominated sectors like logistics, skilled trades, and manufacturing face increasing competition.



Sources: Gartner press release, March 18, 2026. Indeed March 2026 US Labor Market Update.

How Women’s Pay Stalls While Men’s Keeps Climbing

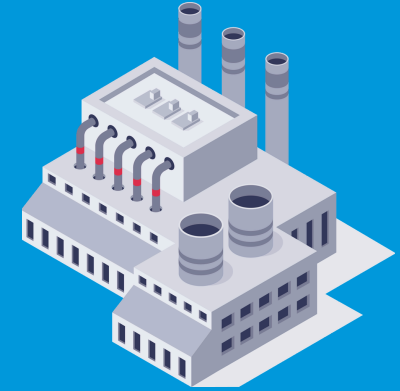
Glassdoor’s “Beyond the Gap: Women’s 2026 Compensation Report” shows that the gender pay gap doesn’t shrink with experience – it doubles over the course of a career. Glassdoor finds that women start their careers earning about 12% less than men, but the gap widens to 19% after 10 years and reaches roughly 25% after 30 years of experience, even when controlling for role. Women’s wage growth effectively plateaus in their late 30s, while men’s earnings continue to rise through their 40s, a pattern driven by structural forces: women are clustered in lower-paying occupations, still shoulder more caregiving, and face persistent bias in promotions and within-role pay.



Sources: Glassdoor 2026 *Beyond the Gap* report

MANUFACTURING UPDATE

March PMI: Growth Returns, Costs Climb



The March 2026 ISM Manufacturing PMI report shows that U.S. manufacturing activity remains in expansion territory, with the headline PMI rising to 52.7 in March from 52.4 in February, marking a third straight month of expansion and the 17th consecutive month of overall economic growth.

This marks several consecutive months of growth, signaling that the sector is continuing to recover after a prolonged downturn in 2024-2025. Gains were supported by stronger new orders and production, indicating improving demand and output across key manufacturing industries.

However, the report also highlights mixed underlying conditions. While demand and output are improving, manufacturing employment remains in contraction, suggesting companies are still cautious about hiring. Other components like inventories also remain weak, and growth in new orders has moderated slightly compared to earlier months, pointing to a gradual—not robust—recovery.

A major theme in the latest report is rising inflationary pressure. The “prices paid” index surged sharply—reaching its highest levels since 2022—driven by higher input costs, supply chain disruptions, and geopolitical factors. This creates a double-edged dynamic: manufacturing is expanding, but cost pressures are intensifying, which could squeeze margins and complicate the broader economic outlook if inflation persists.

ISM'S EMPLOYMENT INDEX

EMPLOYMENT	% HIGHER	% SAME	% LOWER	NET	INDEX
Mar 2026	14.2	70.8	15.0	-0.8	48.7
Feb 2026	18.8	60.8	20.4	-1.6	48.8
Jan 2026	13.7	68.0	18.3	-4.6	48.1
Dec 2025	9.0	69.9	21.1	-12.1	44.8

THE TAKEAWAY



Manufacturing is growing again, but the recovery is uneven. Demand is improving while hiring lags and rising cost pressures threaten momentum.

About Staffmark Group

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