

JULY 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.

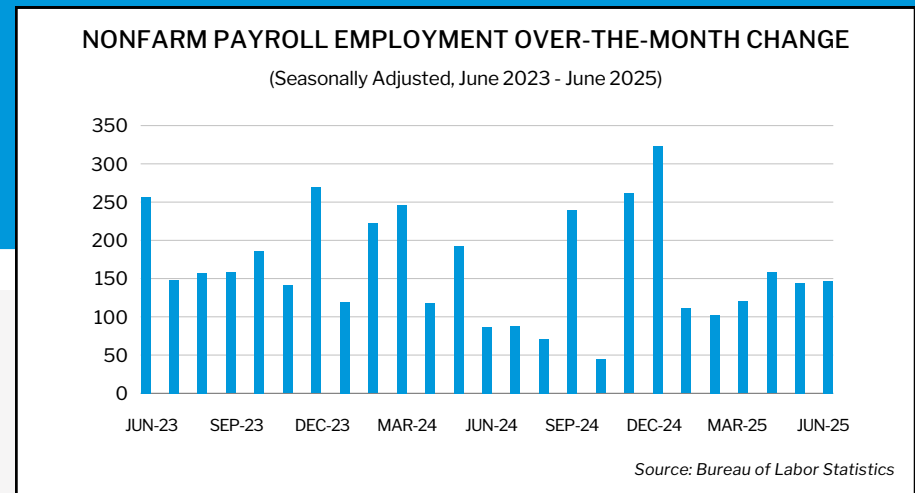
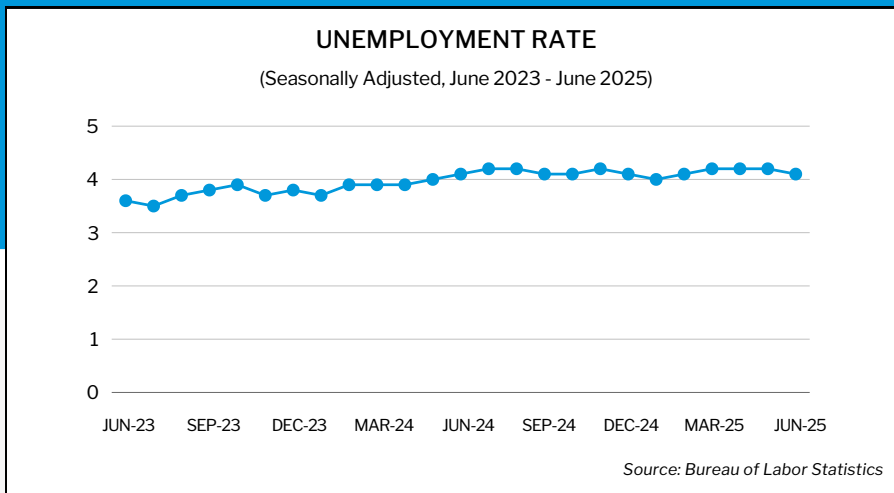


Jobs Update

In June, U.S. employers added **147,000 nonfarm payroll jobs**, well above the consensus forecast of 110,000 and slightly up from May's 144,000 gains. This robust job growth defied expectations, with notable gains in state government (+47,000) and healthcare (+39,000), while federal employment continued to contract (-7,000).

The unemployment rate fell to 4.1%, down from 4.2% in May, staying within a fairly tight band seen over the past year. June also saw a **dip in labor force participation to 62.3%**, its lowest since late 2022, and a slight rise in long-term unemployment, signaling a mix of stability and underlying softness.

Average hourly earnings rose a modest 0.2% for the month – about 3.7% higher year-over-year – suggesting inflation-linked wage pressure remains contained. The number of unemployed persons fell slightly to 7 million, down from 7.2 million in May. This decline aligns with the drop in the unemployment rate to 4.1%. However, **the long-term unemployed—those jobless for 27 weeks or more, ticked up to 1.5 million**—accounting for 22.4% of the total unemployed population.



4.1%

National Unemployment Rate

JUNE 2025

0.1% MoM Change



7 MILLION

Unemployed Persons

JUNE 2025

220k MoM Change



EMPLOYMENT TRENDS

Market Volatility is Stress-Testing Talent Strategy

Today's nonstop market disruptions are putting talent strategies under pressure. A staggering **70% of HR leaders say recent economic shifts have jeopardized their ability to meet workforce goals**. Yet, only 36% feel confident their organization can adapt effectively.

The message is clear: businesses that can't proactively sense and respond to change risk falling short. Without **agility and foresight**, even the best-laid talent plans won't deliver.



Agentic AI Poised to Redefine Employee Experience

Agentic AI is no longer a futuristic concept – it's quickly becoming essential to delivering a modern, competitive employee experience. In fact, **80% of HR leaders plan to deploy AI assistants or agents within the next year**.

Most are exploring semiautonomous tools (44%), with another 36% opting for nonautonomous solutions. And with two-thirds of HR leaders trusting AI agents to enhance the employee experience, it's clear: the shift is already underway. **Organizations that hesitate risk falling behind**. In the race to deliver smarter, more responsive HR, agentic AI may be a strategic advantage.

Too Many Applications, Too Few Hires

At first glance, an avalanche of résumés might sound like every hiring manager's dream. But in today's job market, **the flood of applications is creating more chaos than clarity**, especially for companies desperate to fill critical skills gaps.

LinkedIn reports a 45% surge in applications over the past year, now averaging 11,000 submissions every minute. Other platforms are seeing similar spikes, **driven by a tight labor market and the rise of AI-powered "one-click" applications**. The result? Qualified candidates are getting lost in the noise, and employers are drowning in résumés – yet still struggling to find the right talent.



Sources: Gartner, LinkedIn

Job Openings Tick Up Despite Economic Headwinds

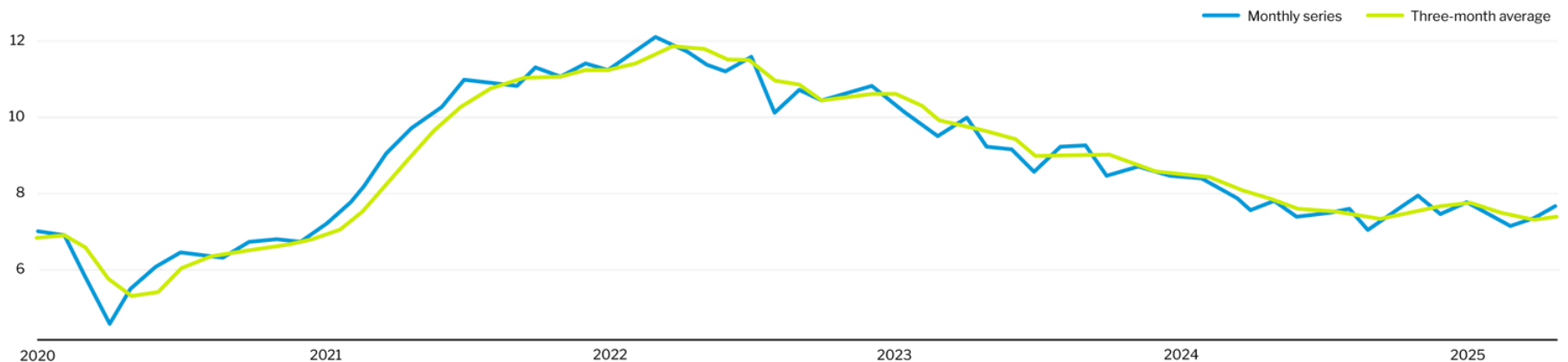
In May, [job openings climbed to 7.8 million](#) – the second consecutive monthly increase and the first such streak since early 2022, according to the Bureau of Labor Statistics. The quits rate edged up to 2.1%, while the layoff rate remained at a historically low 1%. Gains were driven by sectors like transportation, warehousing, and finance, possibly spurred by anticipated tariffs and regulatory shifts.

Despite encouraging figures, economic uncertainty—driven by factors such as geopolitical instability and shifting trade policies—continues to cloud the outlook. Yet businesses are increasingly willing to push ahead, favoring [decisive short-term hiring even as long-term conditions remain unclear](#).



THE LONG-TERM JOB OPENINGS TREND IS STABLE

Job openings, millions, Jan 2020 - May 2025



Source: Job Openings and Labor Turnover Survey

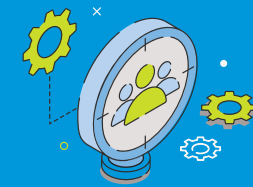
U.S. Manufacturing Shows Tentative Stabilization

The overall Manufacturing PMI® rose slightly to 49.0% in June, up from 48.5% in May, **marking a fourth straight month of contraction but at a slower pace**, says the nation's supply executives in the latest Manufacturing ISM® Report On Business®.

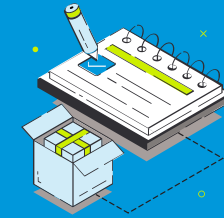
This moderating decline **shows stabilization driven by improved production and inventory positioning**. The New Orders Index remained weak at 46.4%, indicating persistent demand pressures. Production, however, rebounded into expansion territory at 50.3%, up from 45.4% - a positive signal that factories are beginning to ramp up. The Employment Index declined to 45.0%, reflecting continued job cuts as factories manage output conservatively.

New orders, export demand, and backlogs remain subdued, underscoring **ongoing global economic pressure**. The New Export Orders Index bounced back to 46.3%, up from 40.1% last month, a slight recovery after inventory drawdowns ahead of tariff moves - though still in contraction. Imports also improved to 47.4%, recovering some of May's steep decline.

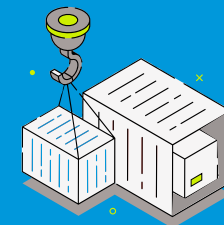
Elevated delivery times and cautious restocking signal that **supply chain issues and tariff concerns continue to weigh on output**. The Supplier Deliveries Index slowed further to 54.2%, which indicates persistent supply chain friction despite a slight improvement from May's 56.1%. Inventories edged up to 49.2%, also indicating a slight recovery.



Employment Index declined to **45.0%** from 46.8% in May



New Orders Index contracts to **46.4%**, down from 47.6% last month



New Export Orders Index rose to **46.3%**, up from 40.1% last month

About Staffmark Group

STAFFMARKGROUP.COM

Staffmark Group (SMG) is one of the largest staffing companies in the United States and is a portfolio company of RGF Staffing and Recruit Group, renowned for pioneering brands like Indeed and Glassdoor. Harnessing our global strength and innovation, we power your business with the people, flexibility, and data insights you need to succeed in your market.

From the bustling floors of manufacturing facilities to the dynamic environments of technical and professional firms, we offer the widest range of specialized workforce solutions. The expertise of our specialty brands, Advantage Technical, Digital People, Hunter Hamilton, Advantage xPO, Employee Management Services and Staffmark, ensures the talent and customized solutions to propel your business forward.



© Staffmark Group. The research presented in this report was developed from externally available sources and reflects general market trends. Monthly employment and unemployment figures can be volatile, and payroll employment estimates can be subject to revision. Some of the information and data may or may not be relevant.