

US Labor Market Trends

February 2025

Indeed Hiring Lab



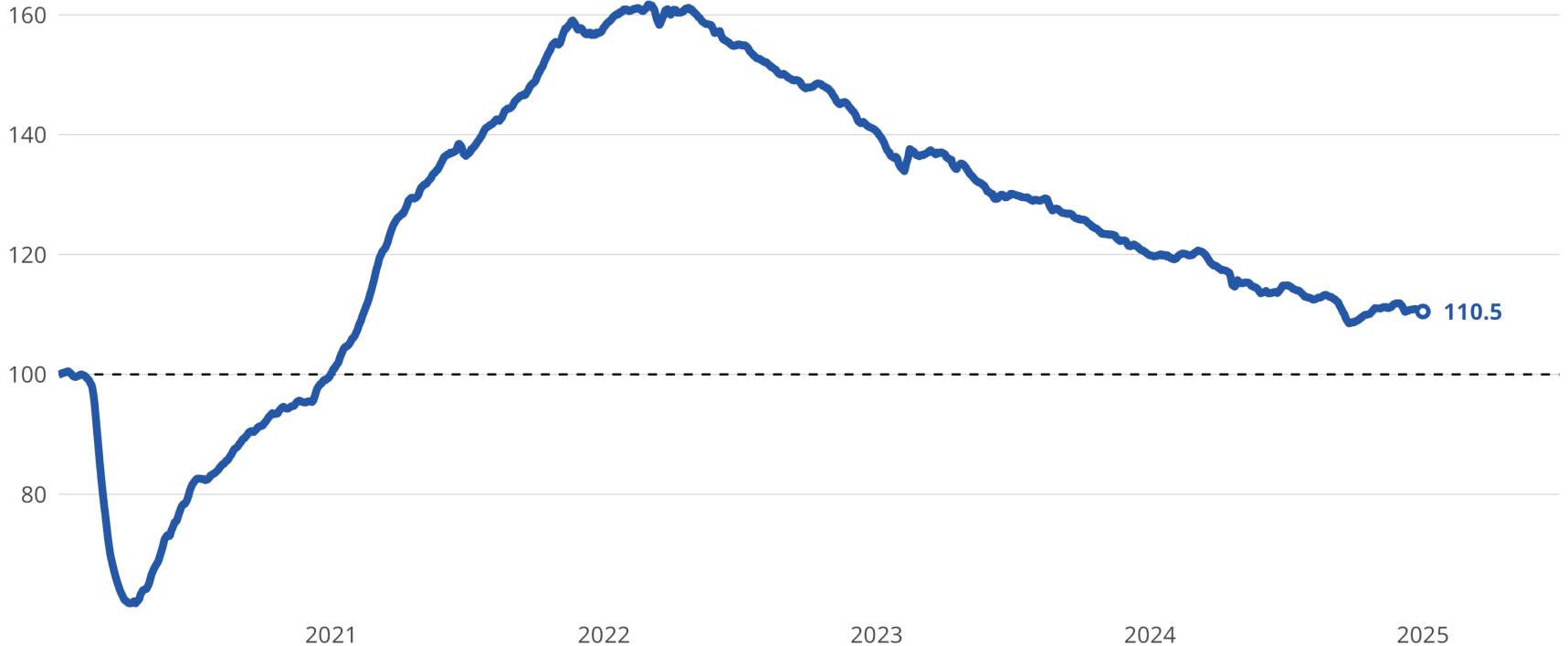
US labor market overview

- Job postings and openings were 10.5% above their pre-pandemic levels as of January end.
- The share of job postings advertising remote positions stood at 8.3% at the end of January, down from a 2022 peak of 10.4%.
- In December, annual posted wage growth held steady at 3.1% and was down 0.2% from November.
- Labor force participation among prime-aged workers has fallen slightly but remains above pre-pandemic levels.
- Job gains remain healthy, with employers adding an average of 237,000 since November.
- The unemployment rate was 4% in January, down from 4.1% in December but up from 3.7% in January 2024.
- Job searches rebounded from the holidays, reaching 22% above December 10th levels at the end of January.



Job postings are moderating after falling past their peak

U.S. data, Index (100 = February 1, 2020), data through January 31, 2025



Source: Indeed



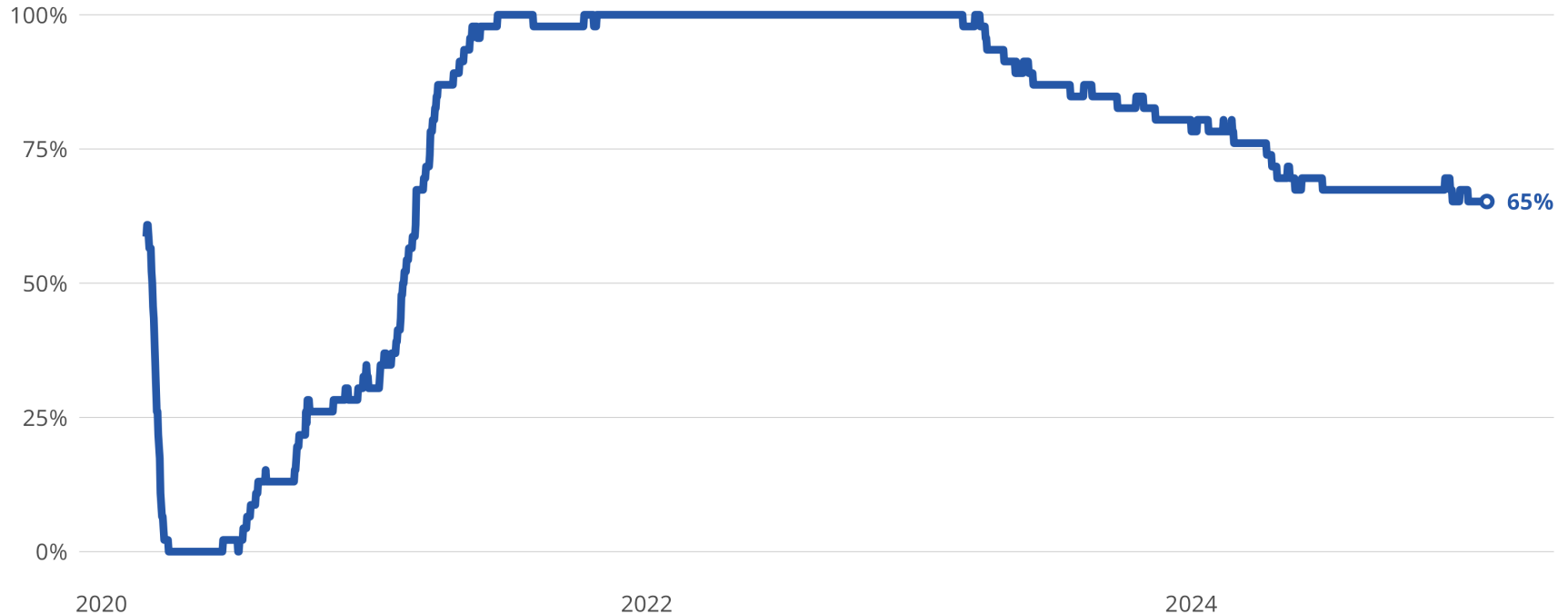
Job postings on Indeed are down 0.9% from a month ago

U.S. data, month-over-month growth in Indeed Job Postings Index,
January 1, 2022 - January 31, 2025



Job postings are elevated in 65% of sectors

U.S. data, share of sectors with postings above pre-pandemic baseline, March 1, 2020 — January 31, 2025

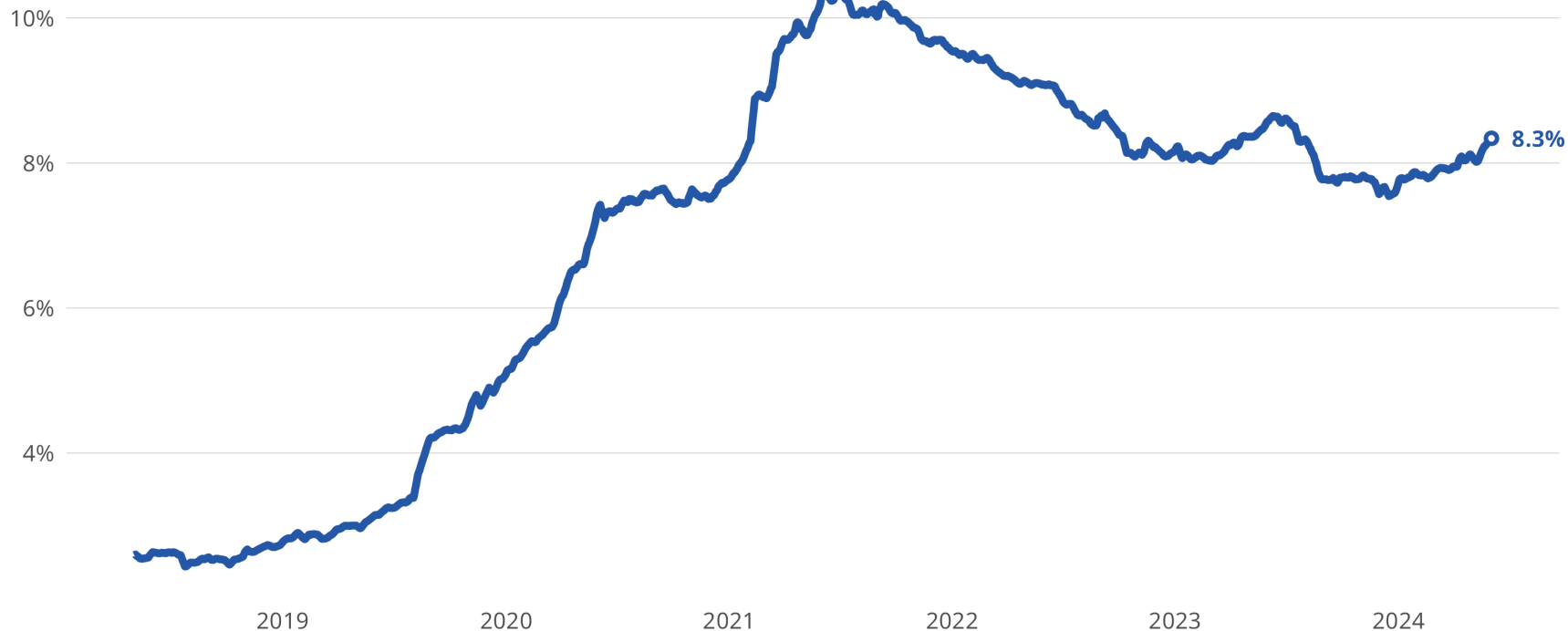


Source: Indeed



Remote postings have fallen past their peak

U.S. data, January 1, 2019 to January 31, 2025

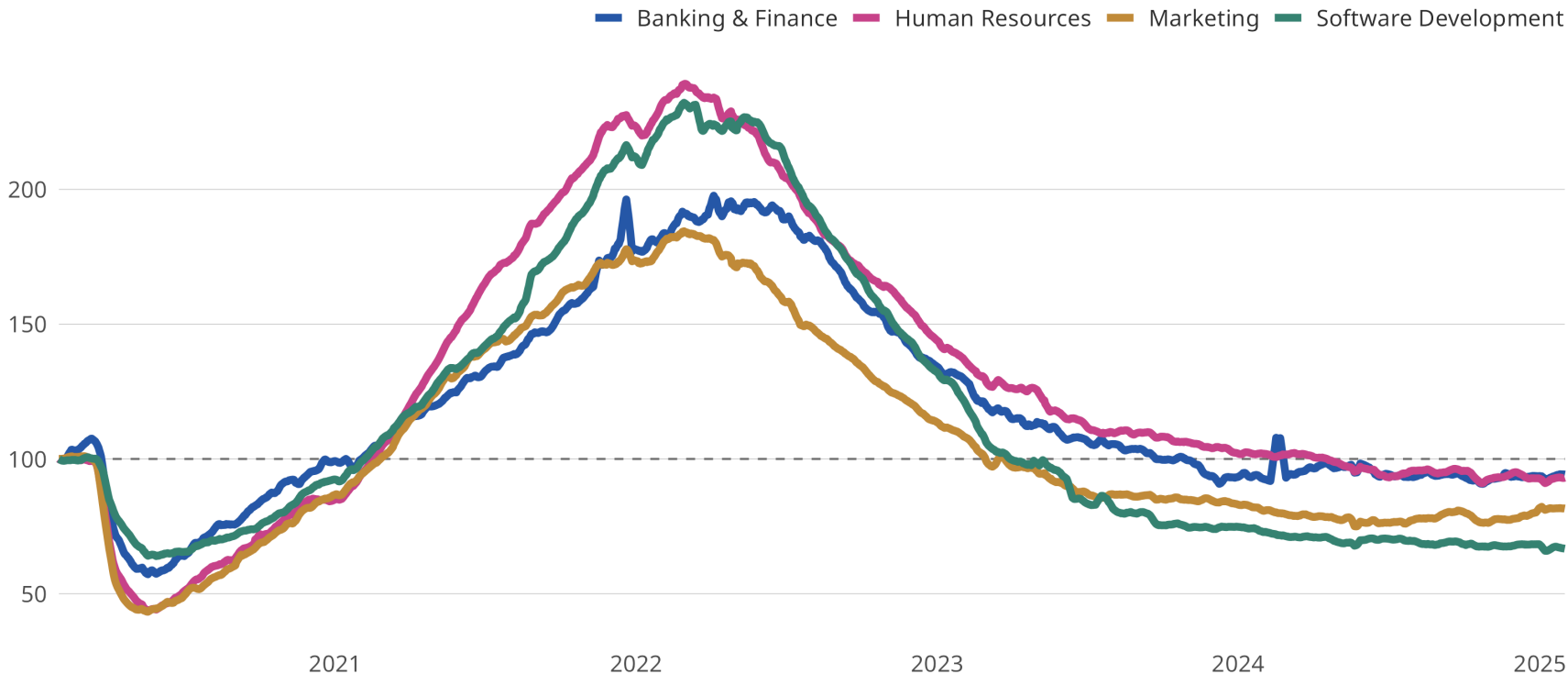


Source: Indeed



Postings are down in many traditional 'office job' sectors

U.S. data, Index (100 = February 1, 2020), through January 31, 2025

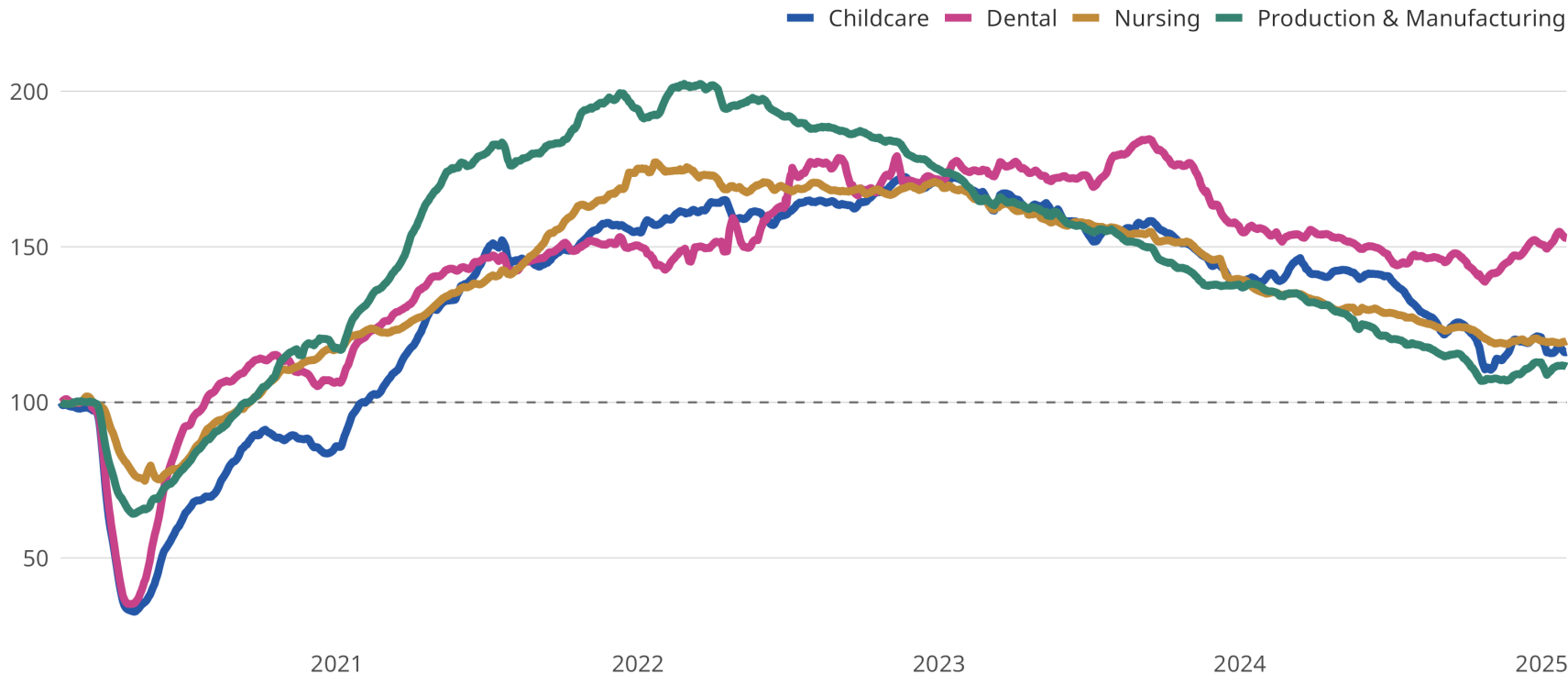


Source: Indeed



Postings are holding up better in many 'in-person' sectors

U.S. data, Index (100 = February 1, 2020), through January 31, 2025

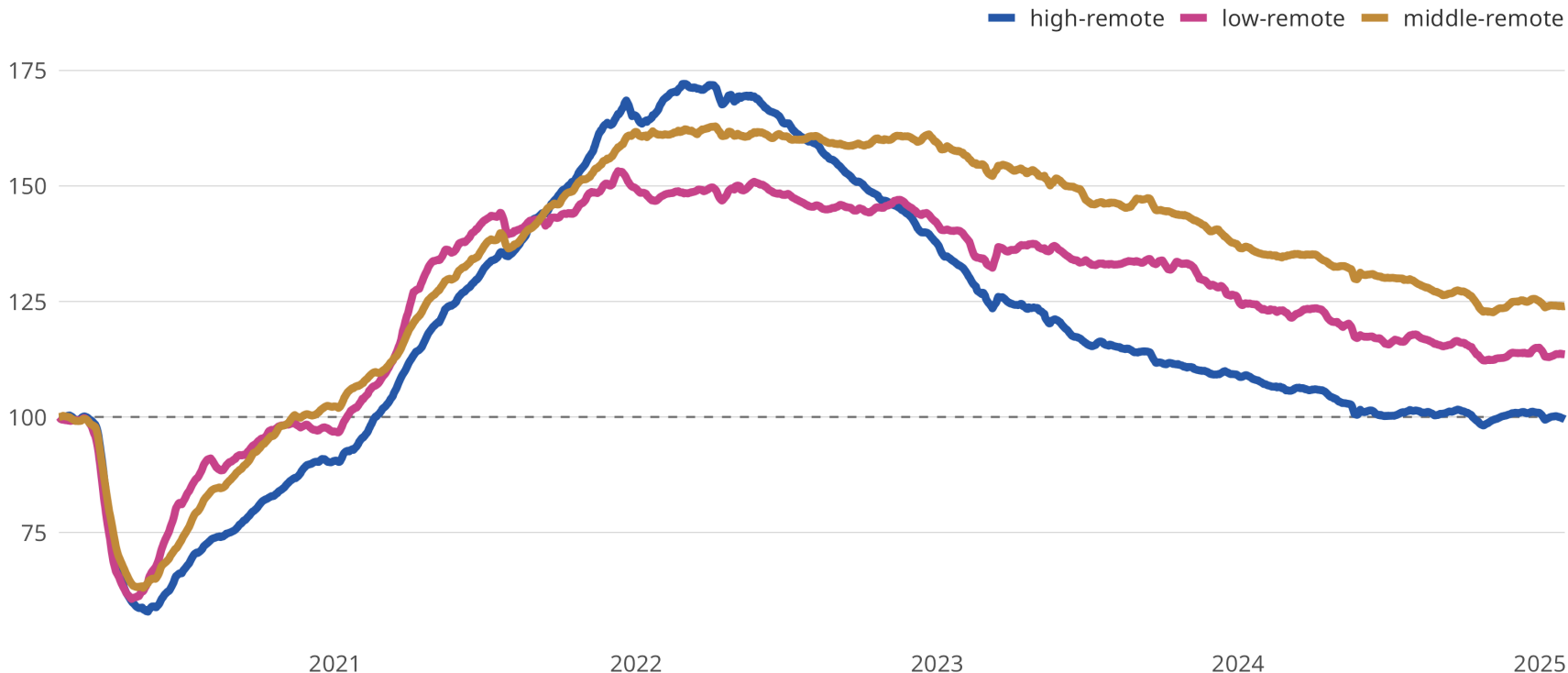


Source: Indeed



Postings are weak but stable in high work-from-home sectors

U.S. data, Job Postings Index by remote-work tier, data through January 31, 2025

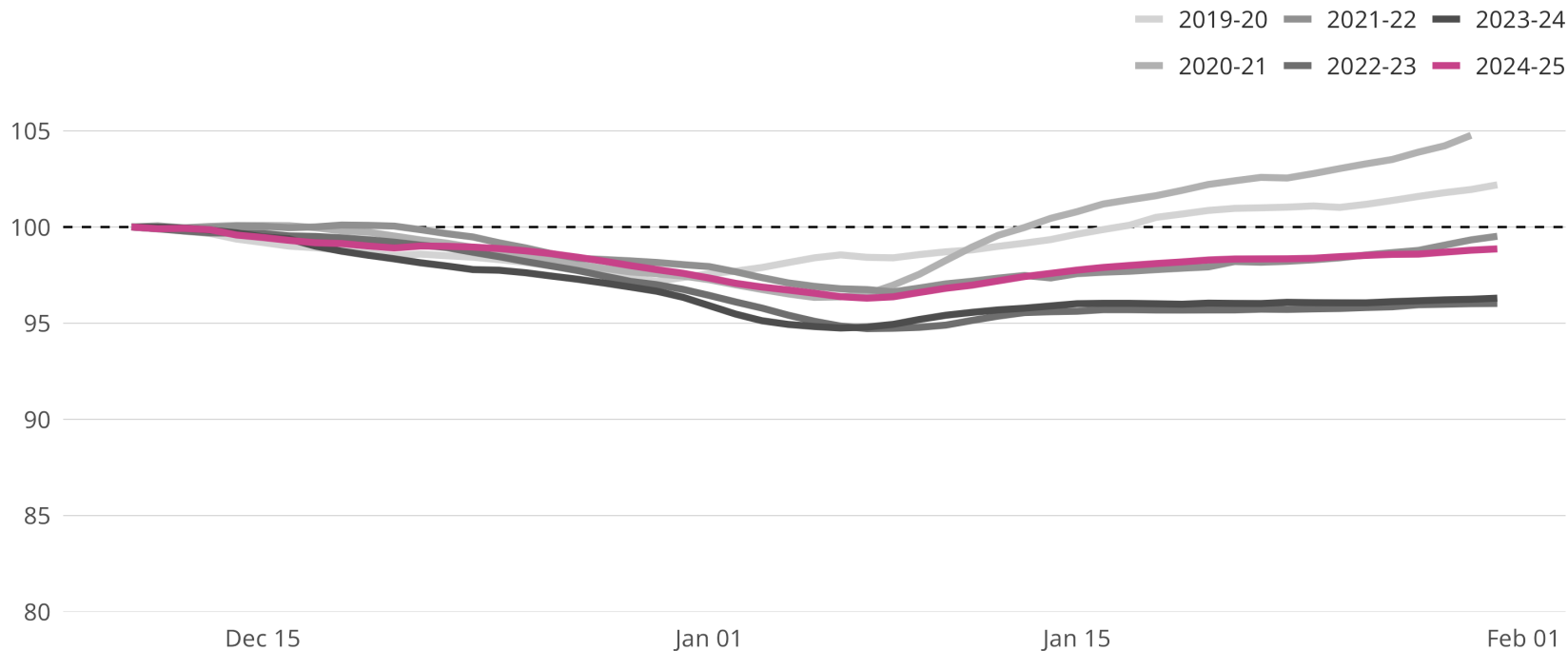


Source: Indeed



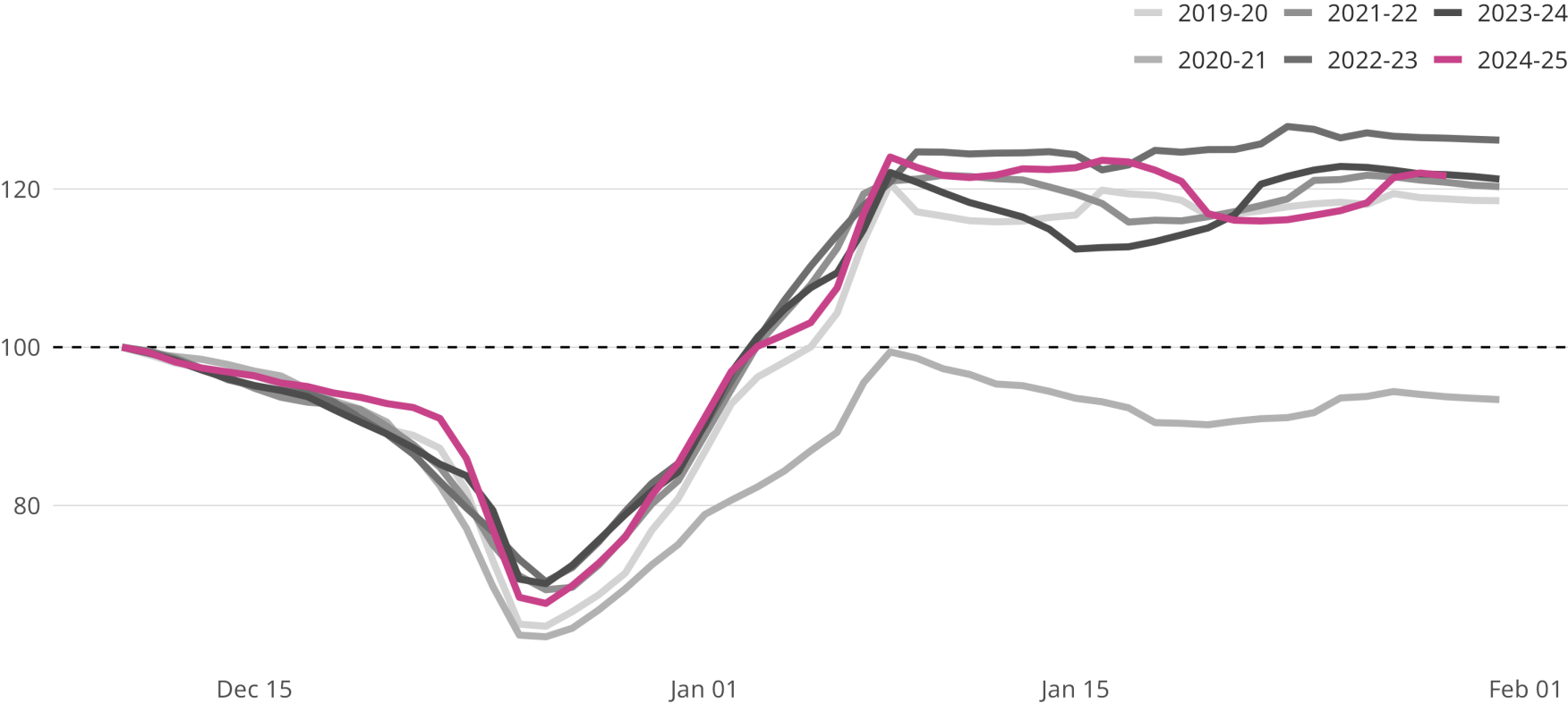
Job postings didn't rebound to pre-holiday levels, but bounced back stronger than last year

US data, Indexed average to December 10, index = 100



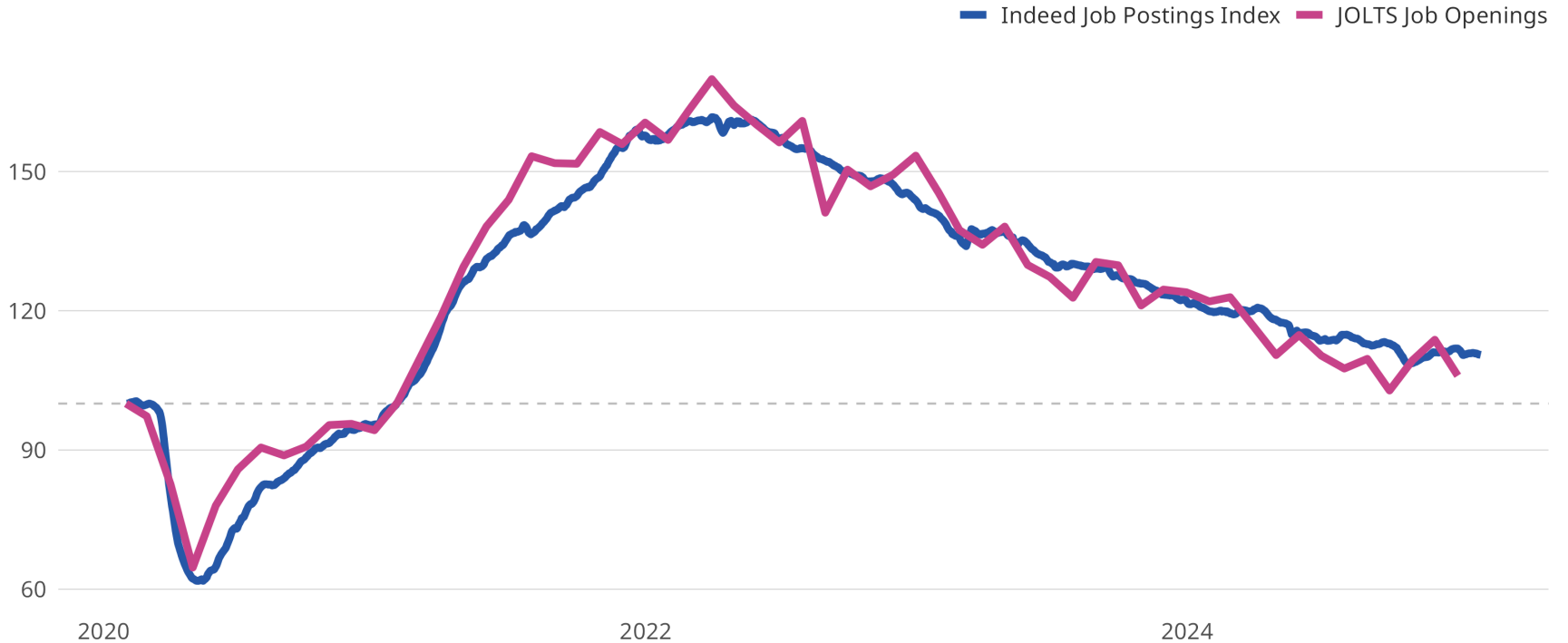
Searches have stayed consistent, despite a changing economy

US data, Indexed to December 10, index = 100



Job openings and postings track each other

U.S. data, Index (100 = January 31, 2020)

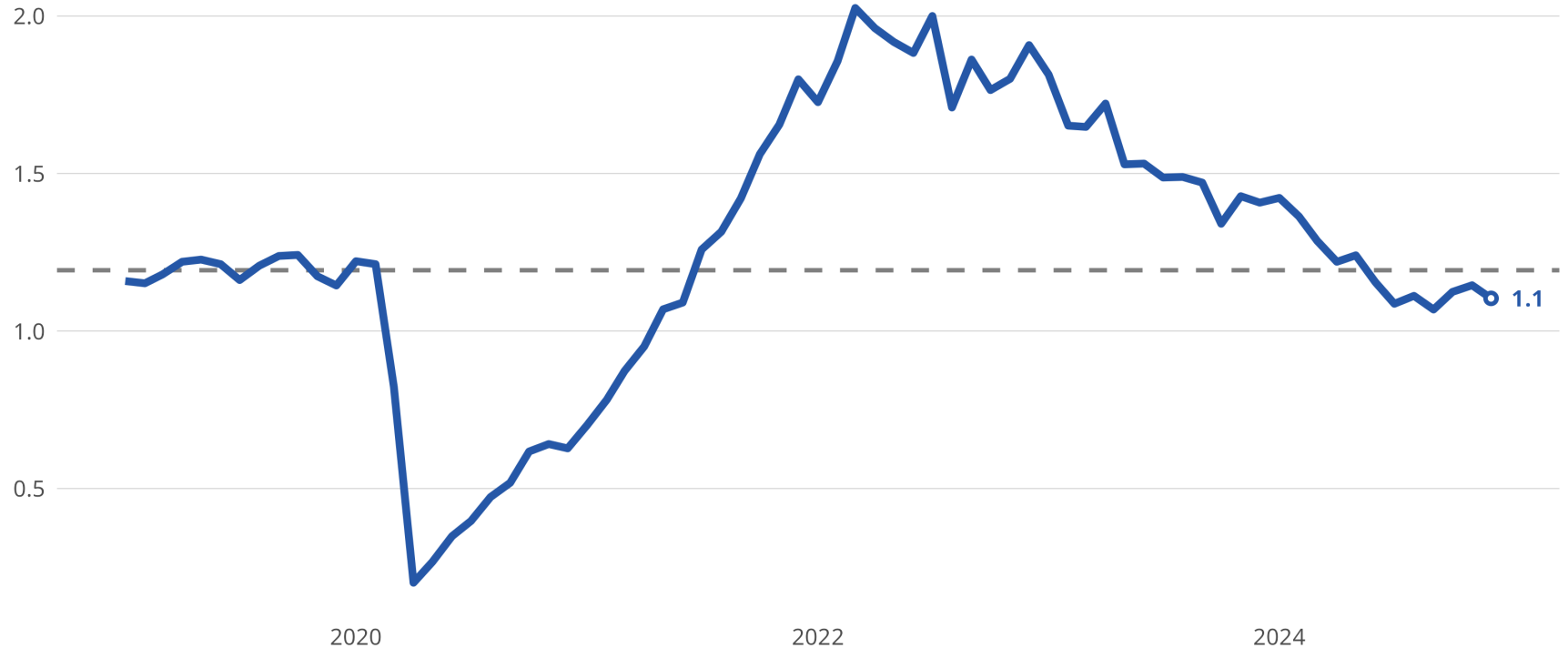


Source: US Bureau of Labor Statistics-January 31, 2020 to December 2024
Indeed-January 31, 2020 to January 31, 2025



The ratio of openings to unemployment is now below 2019 levels

Job openings per unemployed worker, U.S. data, January 2019 - December 2024

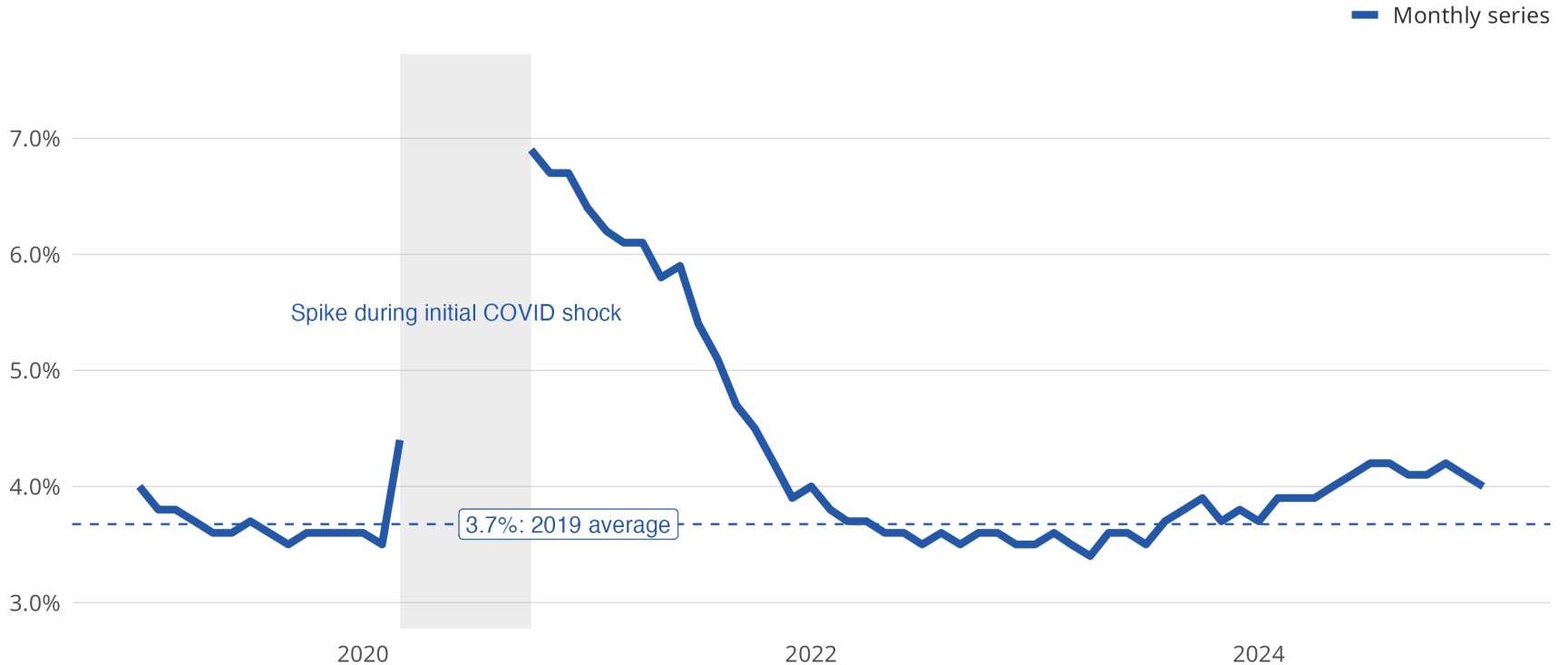


Source: US Bureau of Labor Statistics



The unemployment rate remains historically low

Unemployment as % of labor force, U.S. data, January 2019 — January 2024

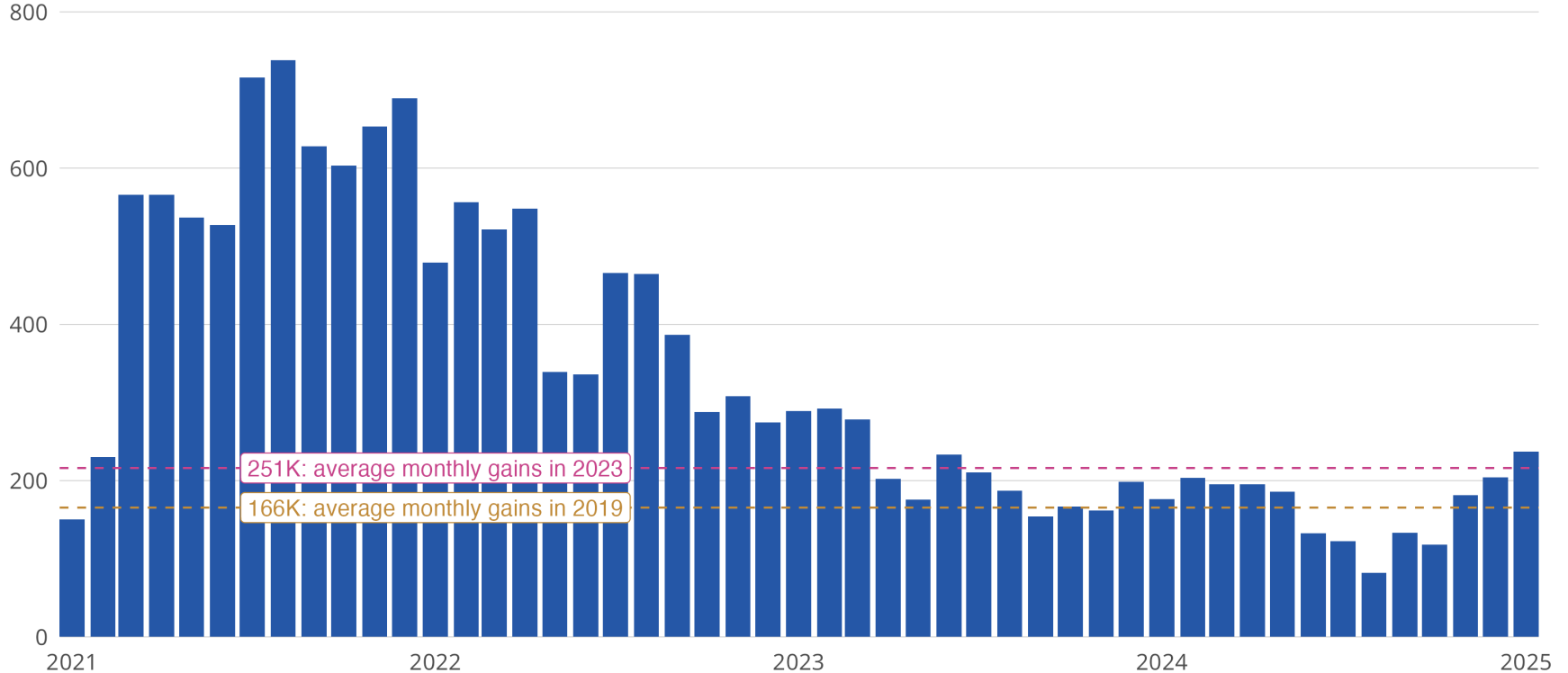


Source: US Bureau of Labor Statistics



Monthly job gains return to 2023 average

US, thousands of jobs, 3 month moving average, January 2021 - January 2024

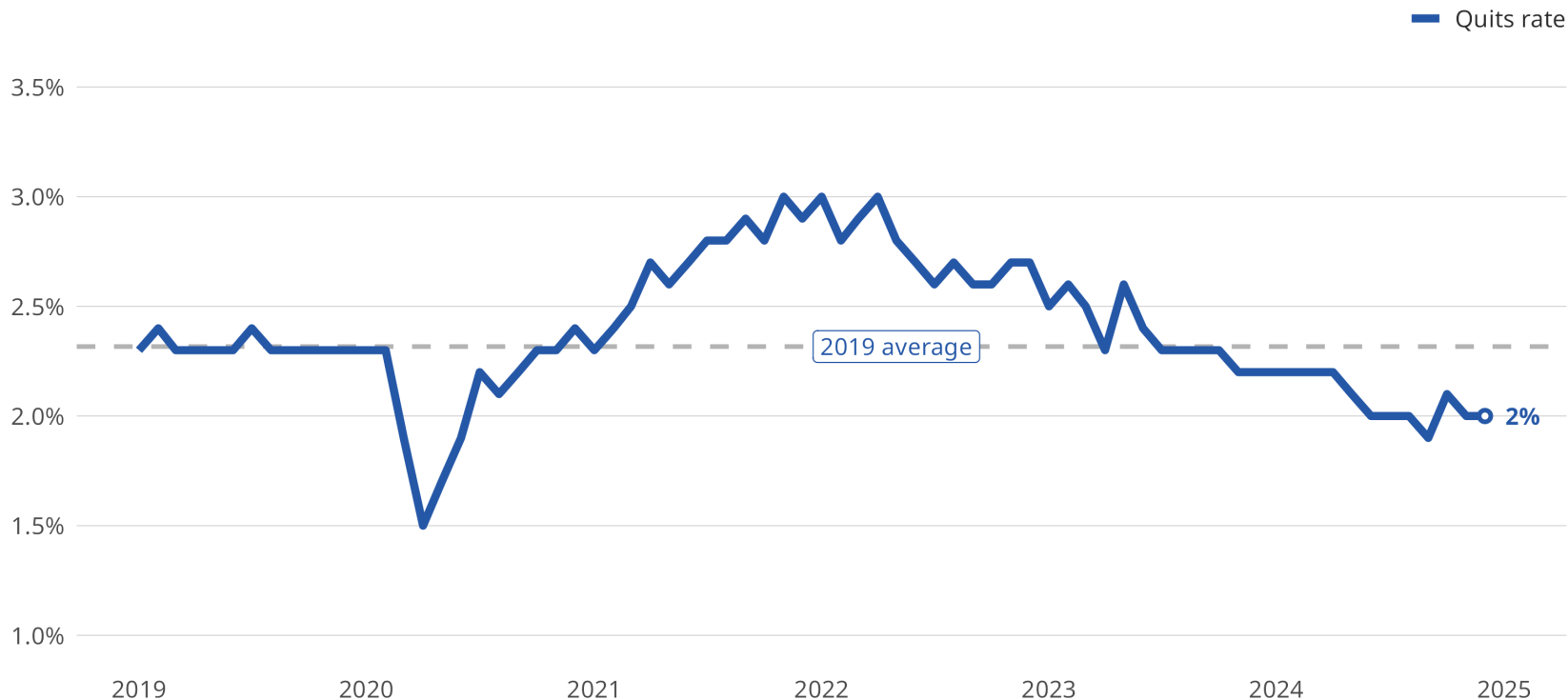


Source: US Bureau of Labor Statistics



The quits rate is below its pre-pandemic level

Quits as % of employment, January 2019 - December 2024, U.S. data

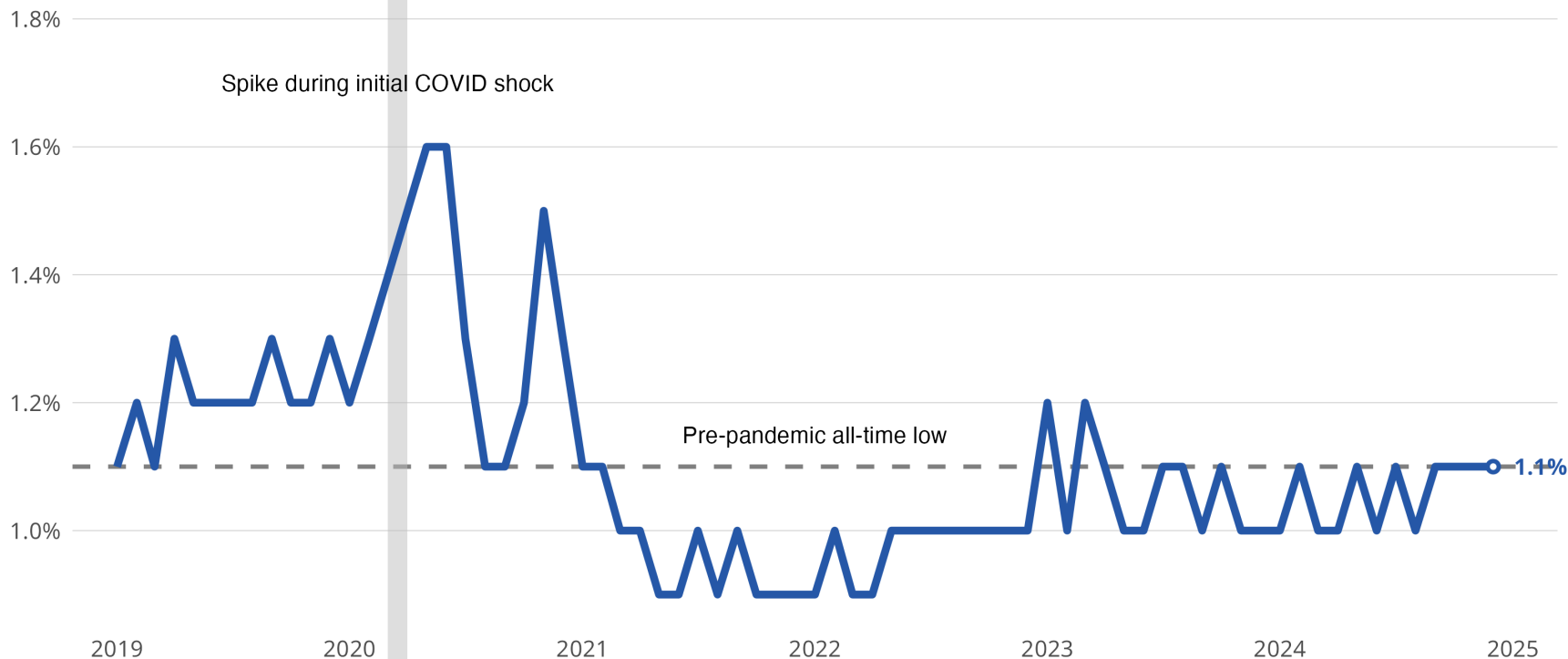


Source: US Bureau of Labor Statistics



Layoffs remain low by historical standards

Layoffs and discharges rate, U.S. data, January 2019 - December 2024

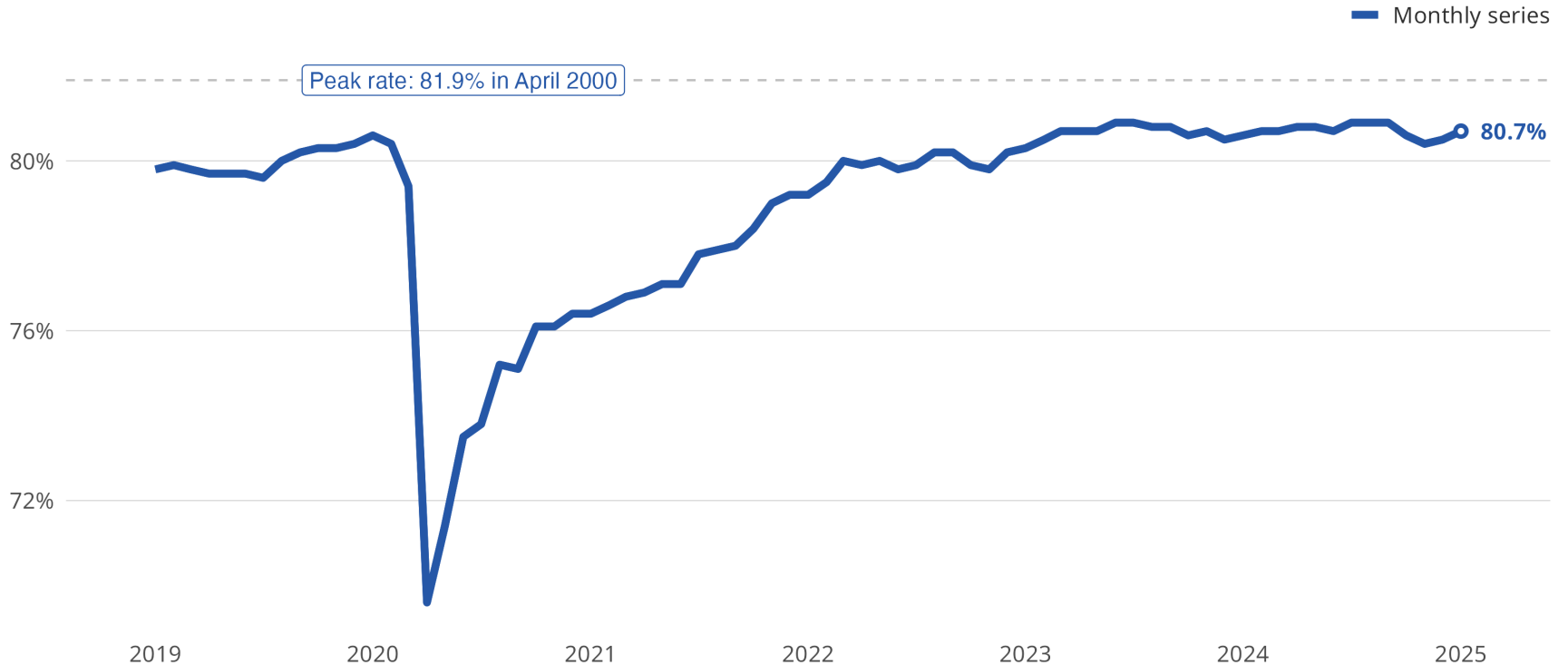


Source: U.S. Bureau of Labor Statistics



The prime-age employment rate is plateauing

Share of people ages 25 - 54 with a job, U.S. data, January 2019 - January 2024

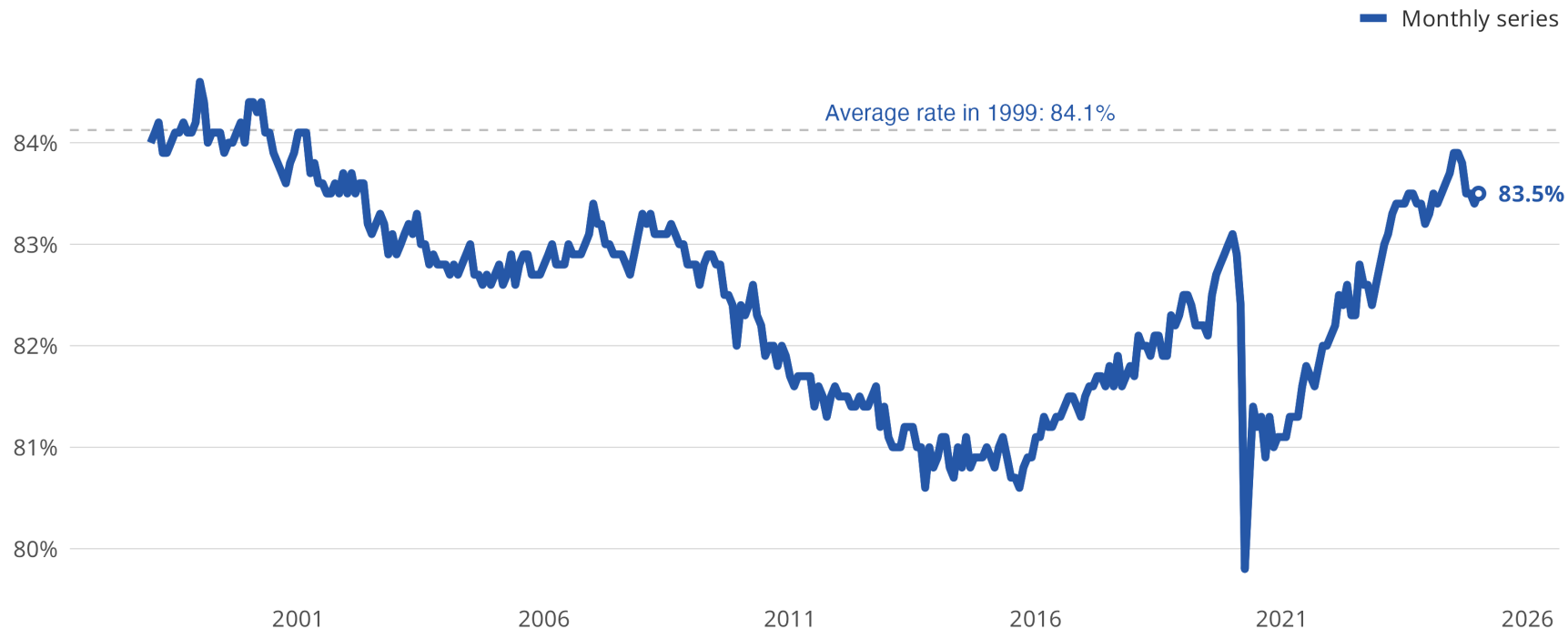


Source: US Bureau of Labor Statistics



Prime-age labor force participation is at a multidecade high

Share of workers aged 25 - 54 in the U.S. labor force,
January 1998 - January 2024

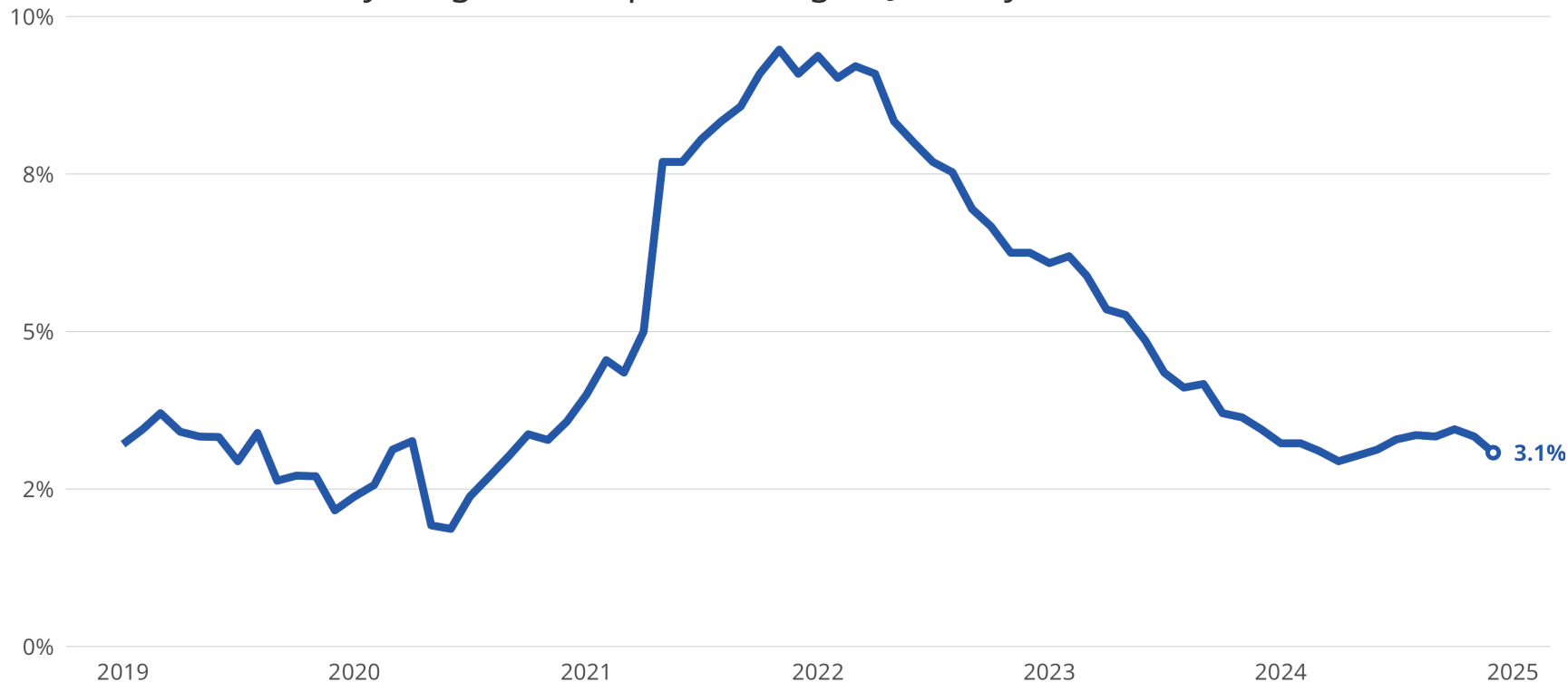


Source: US Bureau of Labor Statistics



Posted wage growth is slowing

U.S. data, Year-over-year growth in posted wages, January 2019 - December 2024

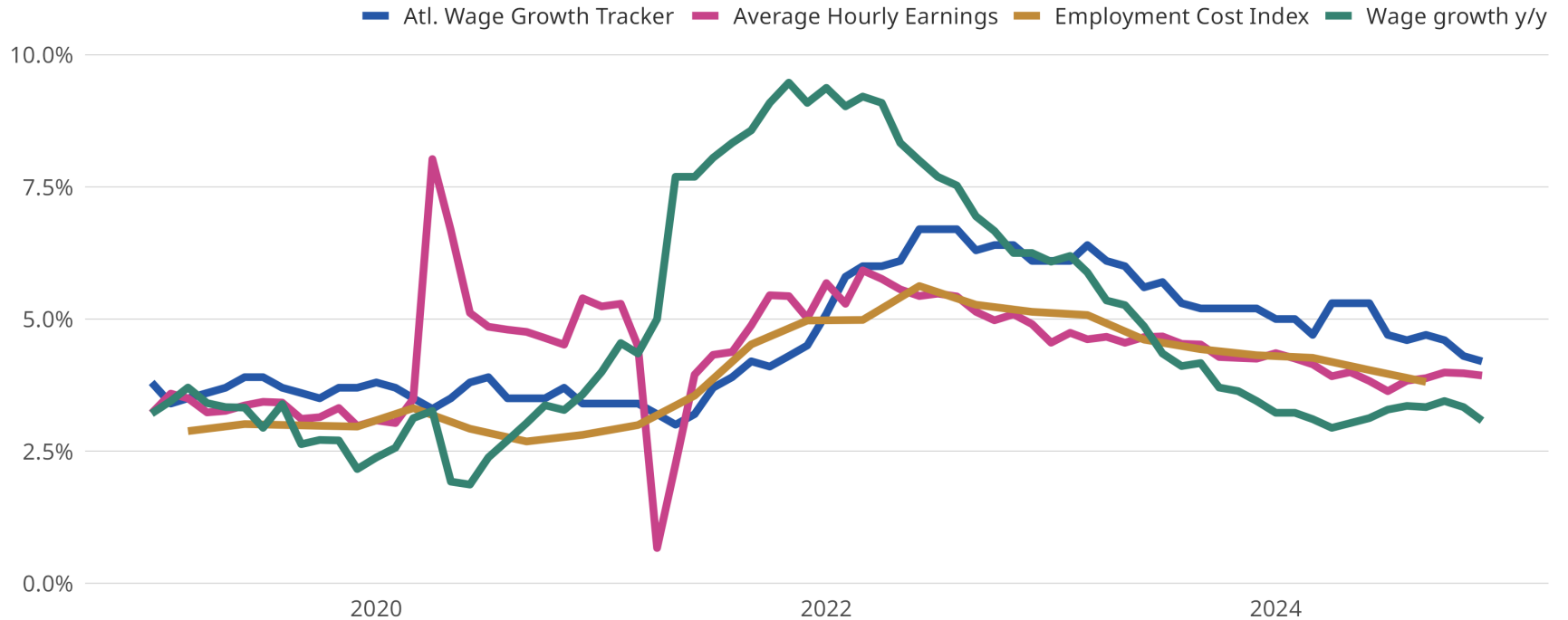


Source: Indeed Wage Tracker



Wage growth is stabilizing across measures

Year-over-year growth, U.S. data

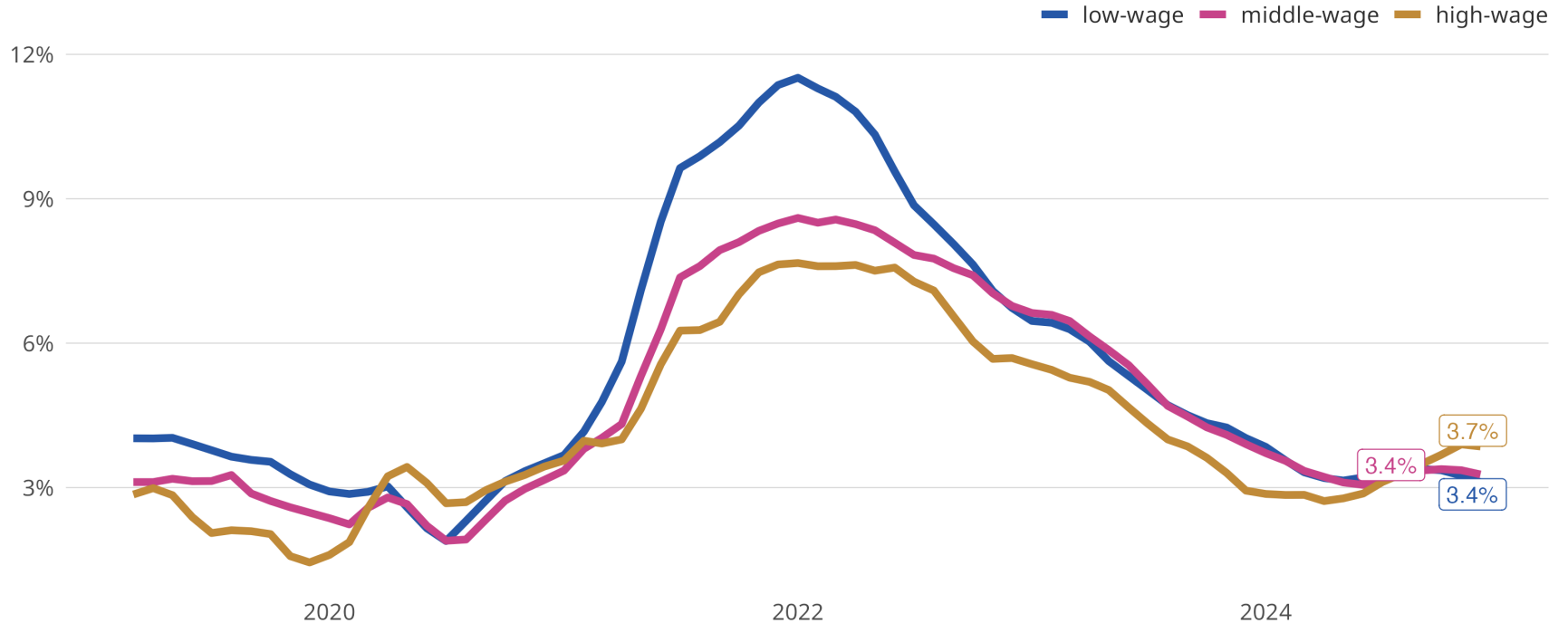


Source: Bureau of Labor Statistics-January 2019-December 1, 2024,
Federal Reserve Bank of Atlanta-January 2019-July 2024,
and Indeed January 2019-January 31, 2025



Wage growth is stabilizing across sectors

Year-over-year growth in posted wages, U.S. data,
3 month average, March 2019 - December 2024

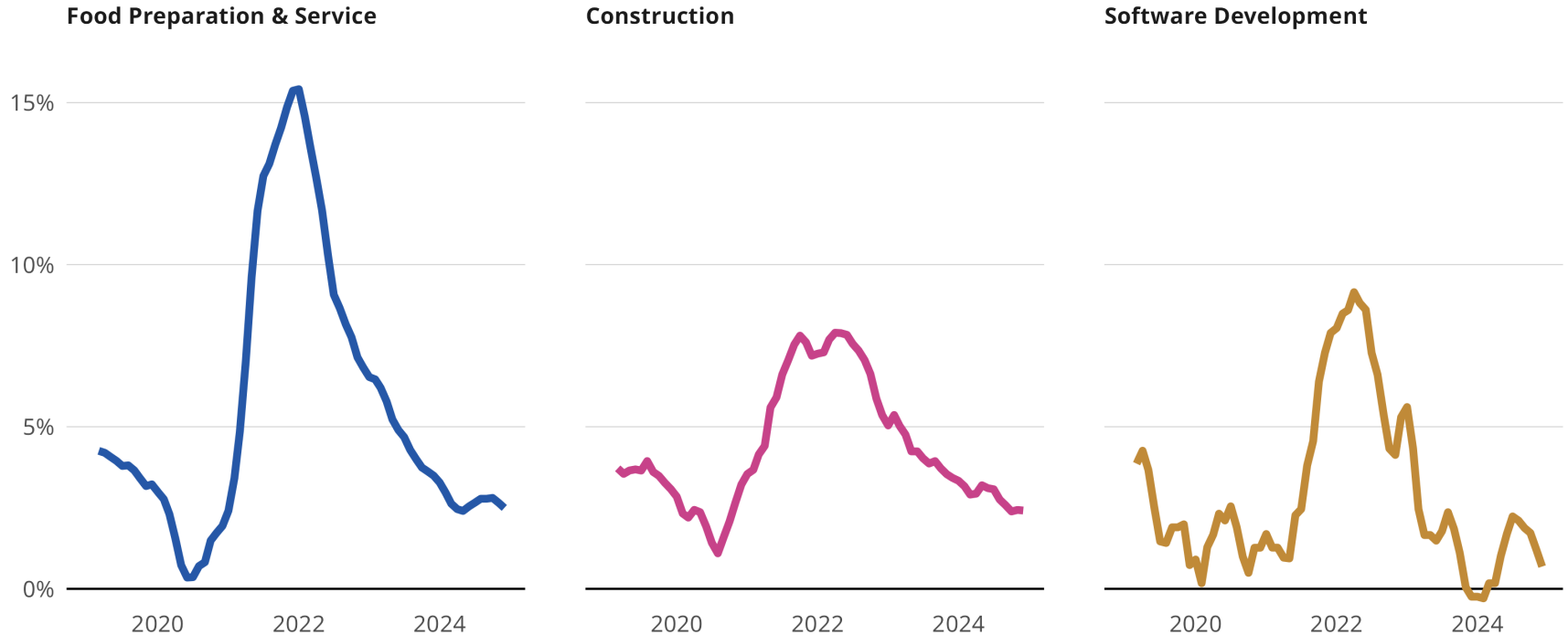


Source: Indeed Wage Tracker. Wage tiers based on a category's median posted wage in 2023



Trends in posted wage growth by occupational sector

Year-over-year growth in posted wages, U.S. data, 3 month average, March 2019 - December 2024

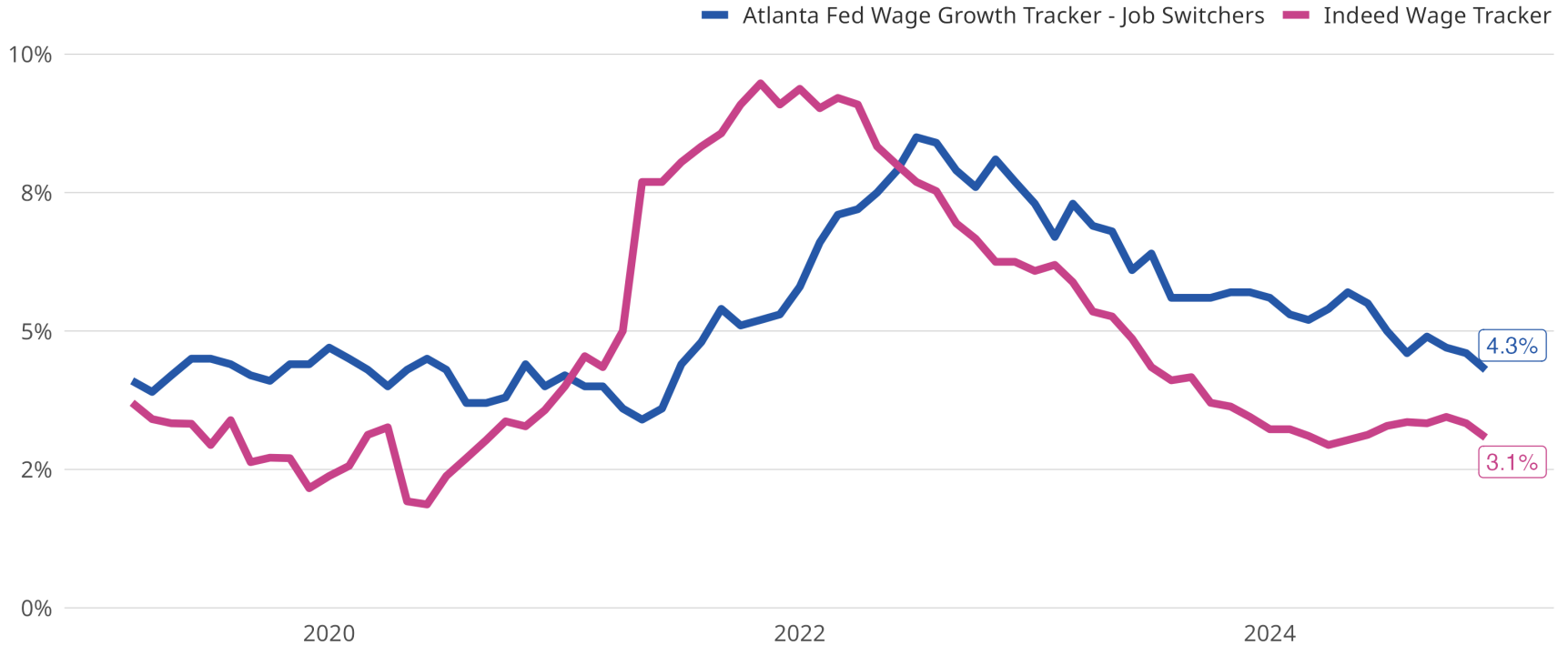


Source: Indeed Wage Tracker



Posted wage growth has led job switcher wage growth

Year-over-year growth, U.S. data

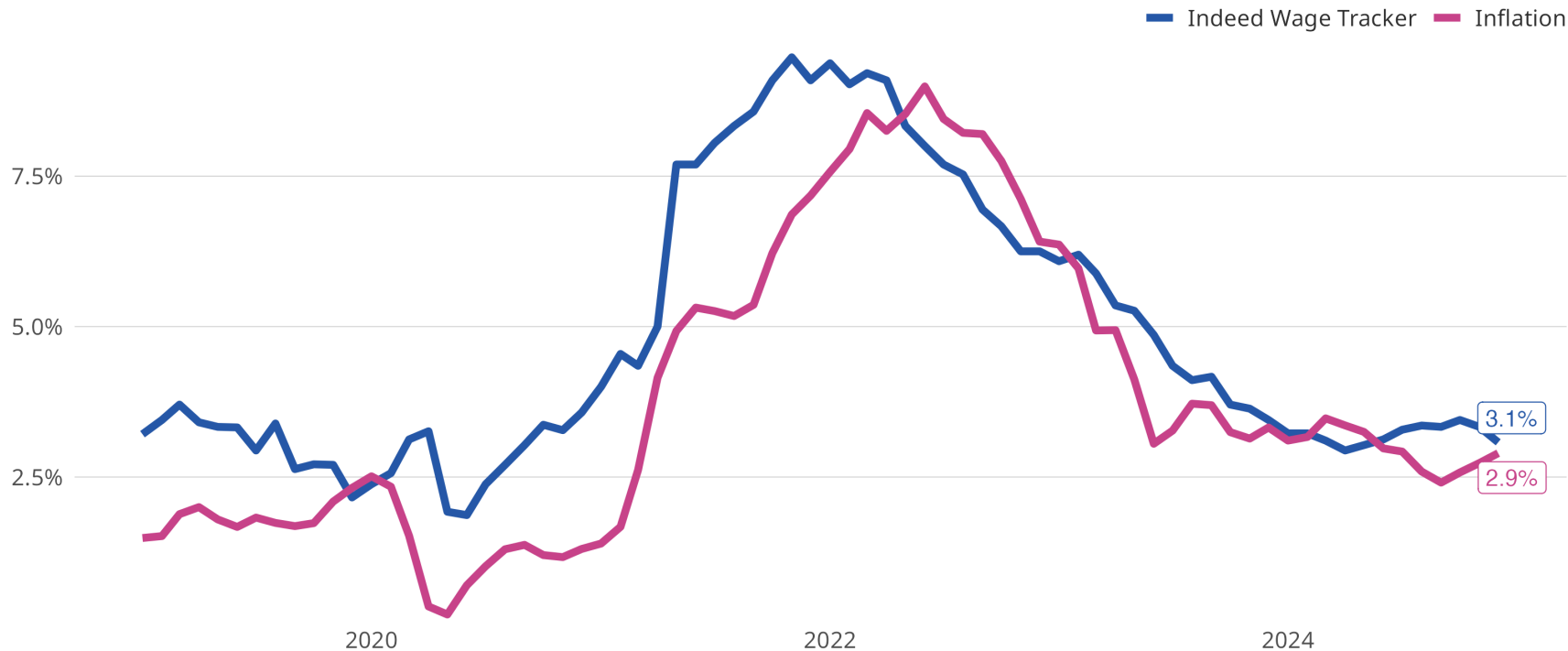


Source: Indeed, (annual growth) March 2019-December 2024
Federal Reserve Bank of Atlanta (3 month moving average), March 2019-December 2024



Inflation is trending down while posted wage growth stabilizes

Year-over-year growth

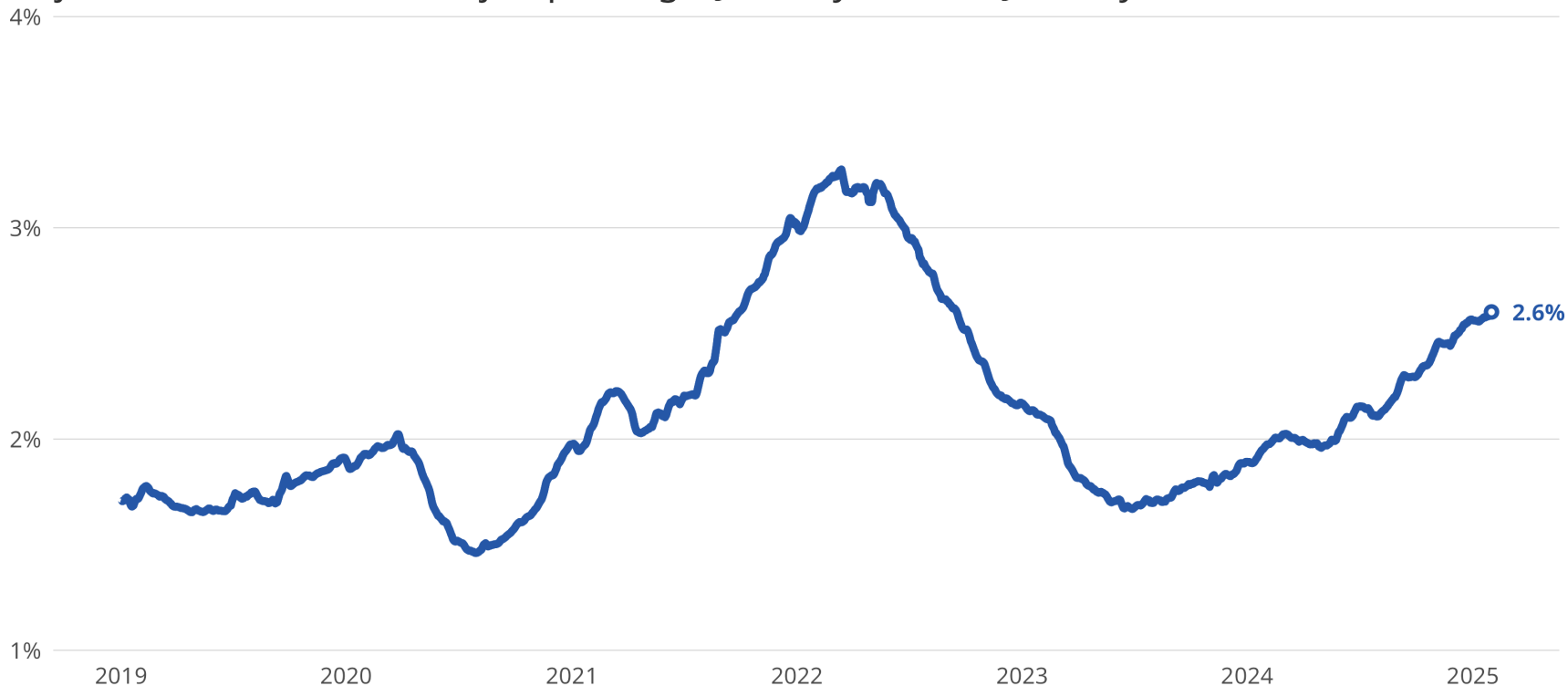


Source: Indeed Wage Tracker (January 2019-December 2024),
Consumer Price Index (January 2019-December 2024)



US AI job postings remain below their 2022 peak

AI jobs as a share of all US job postings, January 2019 — January 2025

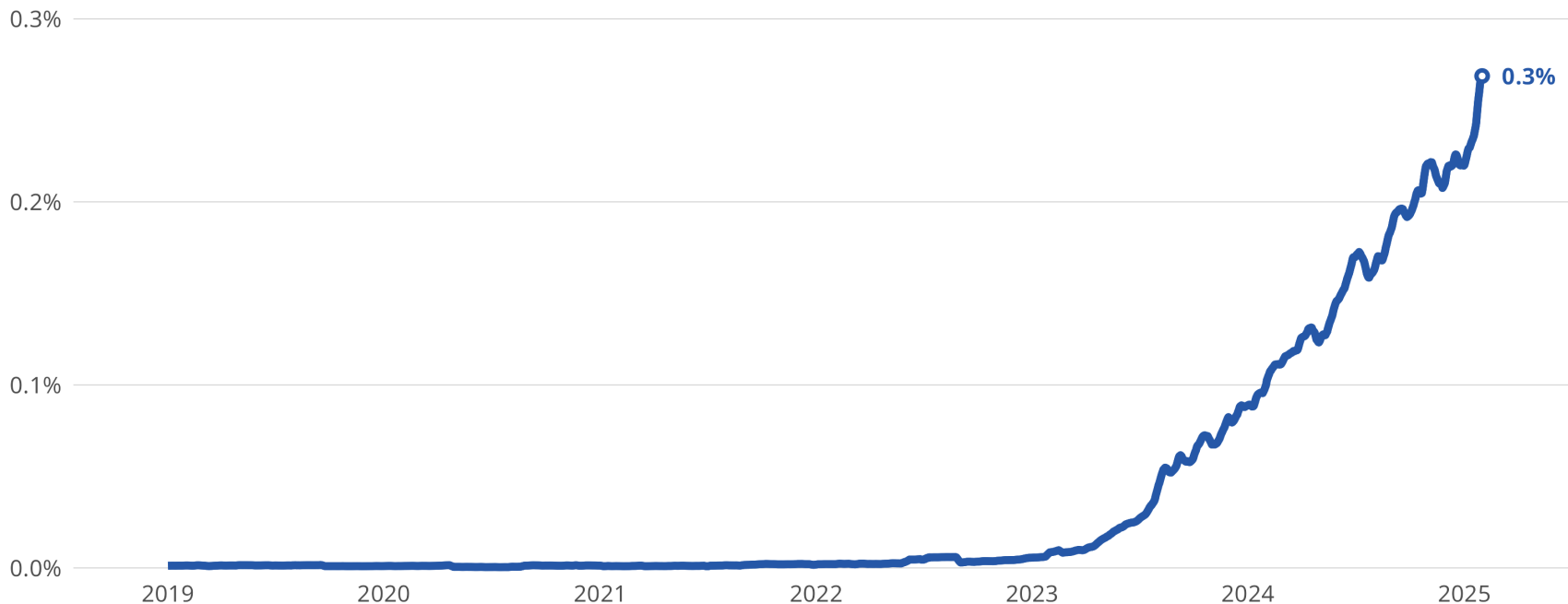


Source: Indeed



US Gen AI job postings are rare but growing

Gen AI jobs as a share of all US job postings, January 2019 — January 2025



Source: Indeed



- hiringlab.org
- data.indeed.com