



Labor Market Monitor

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The Labor Market Monitor captures key trends important for understanding the health of the labor market. By bringing together a broad range of data on job creation, unemployment, wage growth and state-level dynamics, as well as data around the potential disruption to the labor market from AI, this report provides an in-depth look at how workers are faring in today's economy.



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AI Impact on the Labor Market

This section includes data from the World Economic Forum's *2025 Future of Jobs Report*, which delves into the potential impacts of AI and other technology on the labor market through 2030. Other data in this section include anecdotal and industry data surrounding AI impact.



AI Impact

Key Takeaways:

- While some expect the impact of AI on the labor market to be similar to the effect of the internet boom in the early 2000s, anecdotes suggest **employers view the two technology trends differently**
- Many employers are **investing in AI and automation** to boost productivity, which in some cases is **reducing the need for hiring**
- **While there are a multitude of growing technologies, AI and information processing technologies** are projected to have the **largest impact** on work tasks by 2030. The share of tasks completed by **technology alone** (vs. by people or a combination of technology and people) is projected to grow from **22% in 2024 to 34% by 2030**
- The **top projected strategy across surveyed employers** to adapt to growing AI capabilities is **to upskill their existing workforce to better utilize AI** and boost productivity
- Aside from the prevalent use of AI in computer and mathematical work, **AI usage is generally highest in middle-paying industries**



Employers reacted differently to early 2000s internet boom than they're reacting to AI today

Federal Reserve Beige Book anecdotes on labor market conditions in response to rising technology trends

Dot-Com Boom & Growing Internet Capabilities: Early 2000s

"In addition to continued demand from the financial sector, **e-commerce firms are said to be "hiring like crazy," mainly looking for people with basic educational and interpersonal skills, rather than "techies."**

— New York January 2000

"**Wages are up 5 to 10 percent from year-earlier, and Internet workers are receiving even greater increases.** Prices are rising in line with wages, with no resistance from clients. 'They have no choice. As long as you can provide quality, companies will pay anything.' **Staffing firms retain a very upbeat outlook.**"

— Boston May 2000

"**One fast growing Internet company says that its average cost for new employees is up by 15-20 percent more than budgeted a year ago.**"

— Atlanta June 2000

"Internet companies continue to locate in the District. In Louisville, for example, a **web-based insurer will create almost 200 jobs, and an Internet service center is hiring 290 for its expansion.**"

— St. Louis September 2000

"**Wages and benefit costs continued to rise.** Employers noted that while hiring and recruitment bonuses remain prevalent, recent stock market volatility has tempered the use of stock options by Internet related firms."

— San Francisco November 2000

Growing Generative and Agentic AI Capabilities: 2025

"Contacts in the service and manufacturing sectors noted **additional investment in automation and AI**, reducing their demand for workers on net."

— San Francisco July 2025

"Some organizations noted **utilizing artificial intelligence (AI) to improve efficiency and help cut costs.** They noted various AI use cases such as performing human resources tasks, conducting research, analyzing data, taking notes, and proofing documents."

— Dallas July 2025

"**Elevated costs for insurance and technology, including AI and data security,** continued to impact banking and professional and business services contacts. Contacts generally expected costs to grow at a strong pace in the coming months."

— Cleveland July 2025

"A growing number of employers, across diverse industries, **sought to increase labor productivity using AI and other technologies, reducing the need for hiring.**"

— Boston July 2025

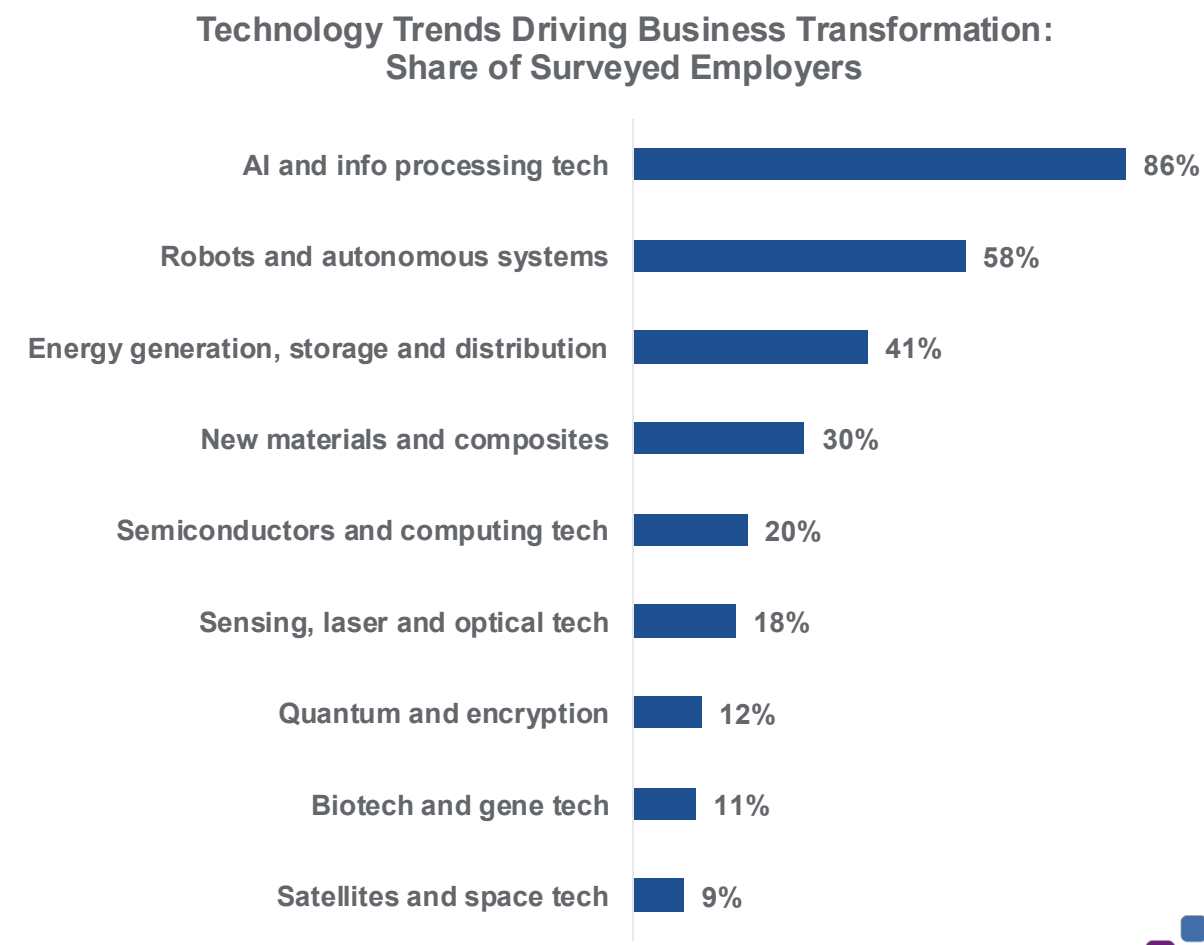
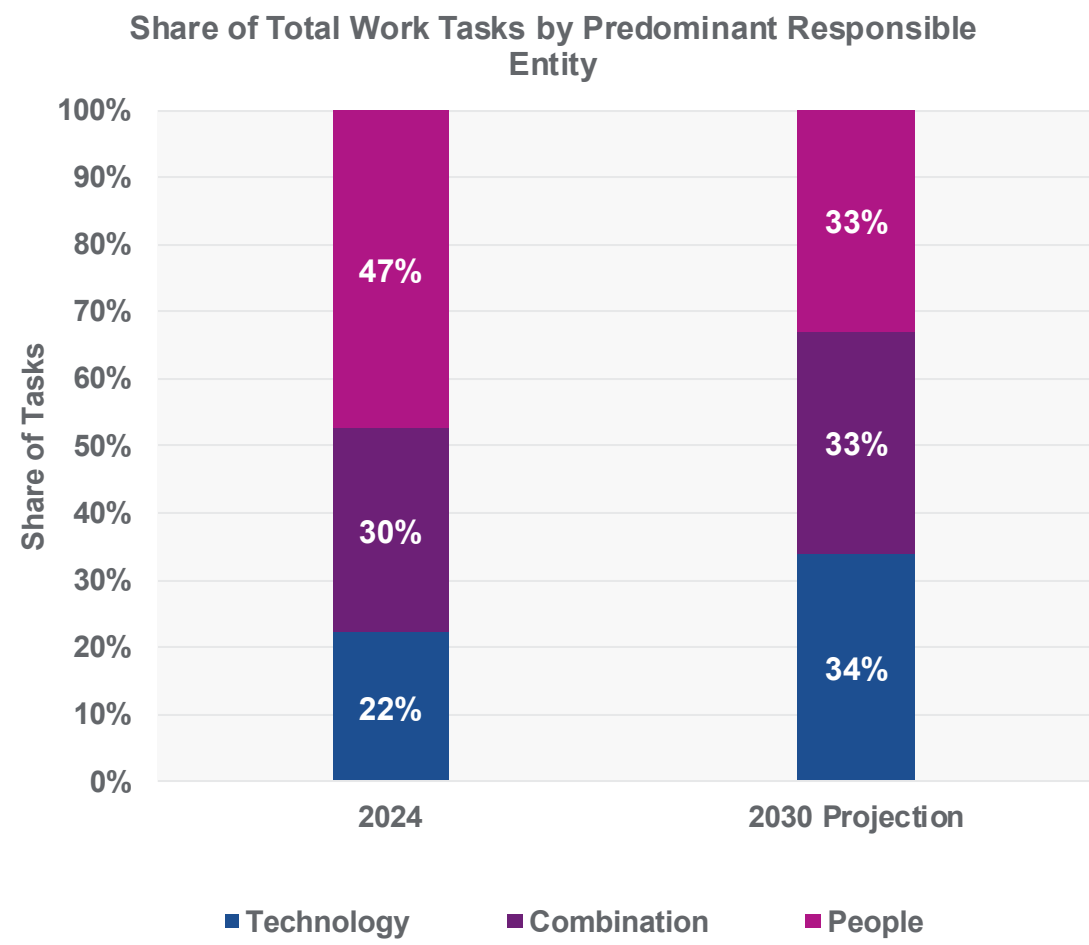
"Multiple other business contacts **reported increased use of artificial intelligence (AI), with one contact saying AI replaced some call center employees, and another contact noting how AI led to a reduction in accounting jobs.**"

— Philadelphia July 2025



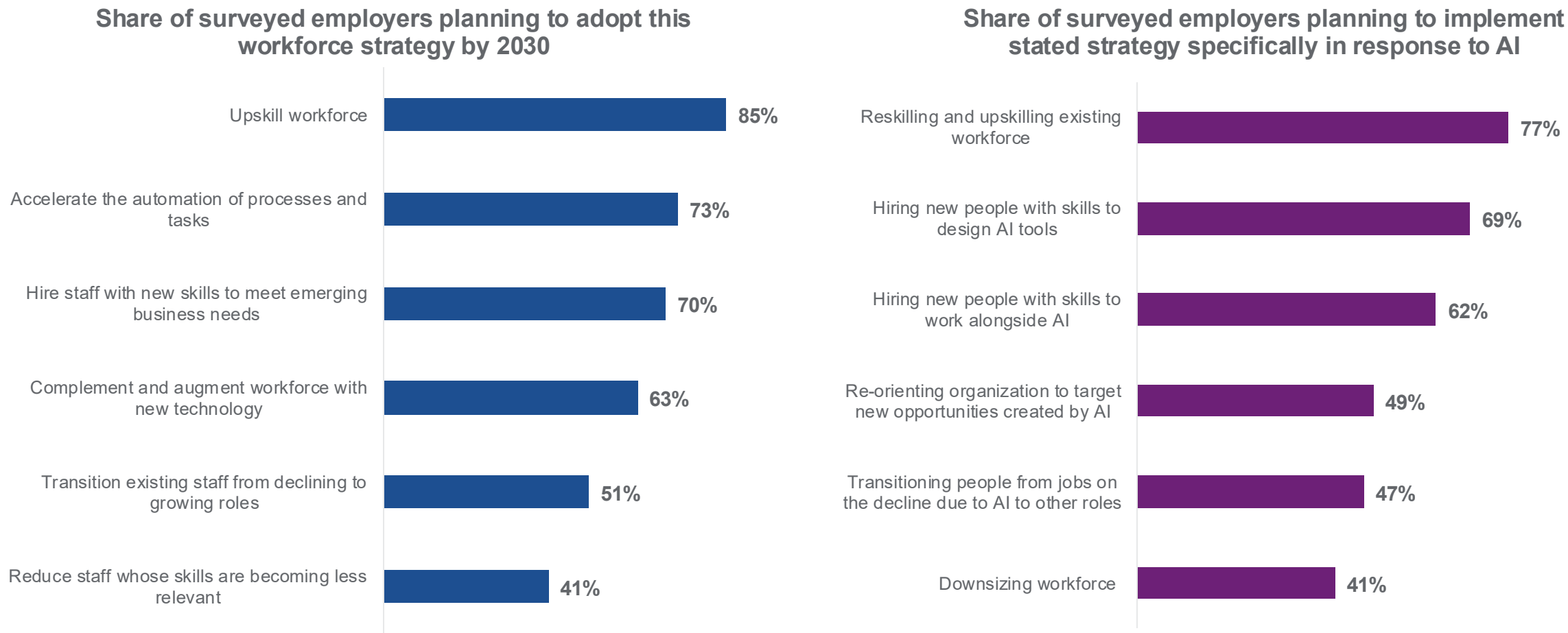
Share of work tasks attributed to technology is projected to grow

AI is considered the most transformative technology trend across surveyed employers



Employers widely plan to upskill their workforce to utilize AI capabilities

Workforce strategy plans are strongly influenced by AI uptake



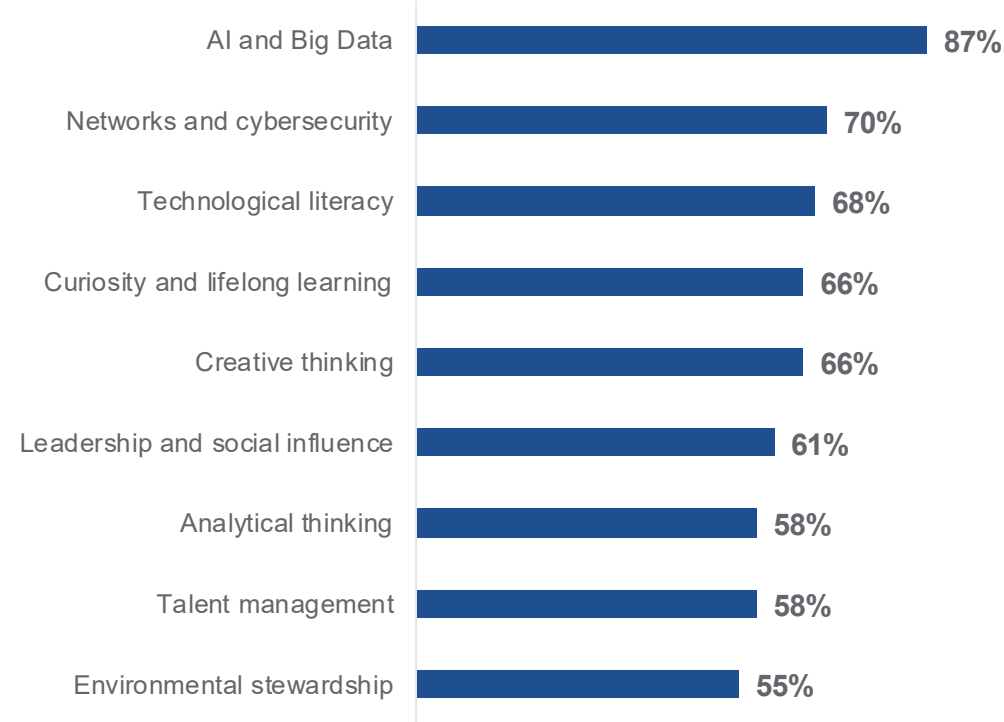
Source: World Economic Forum Future of Jobs Report 2025 and Experian Economic Strategy Group



Majority of employers expect AI skills to grow in importance

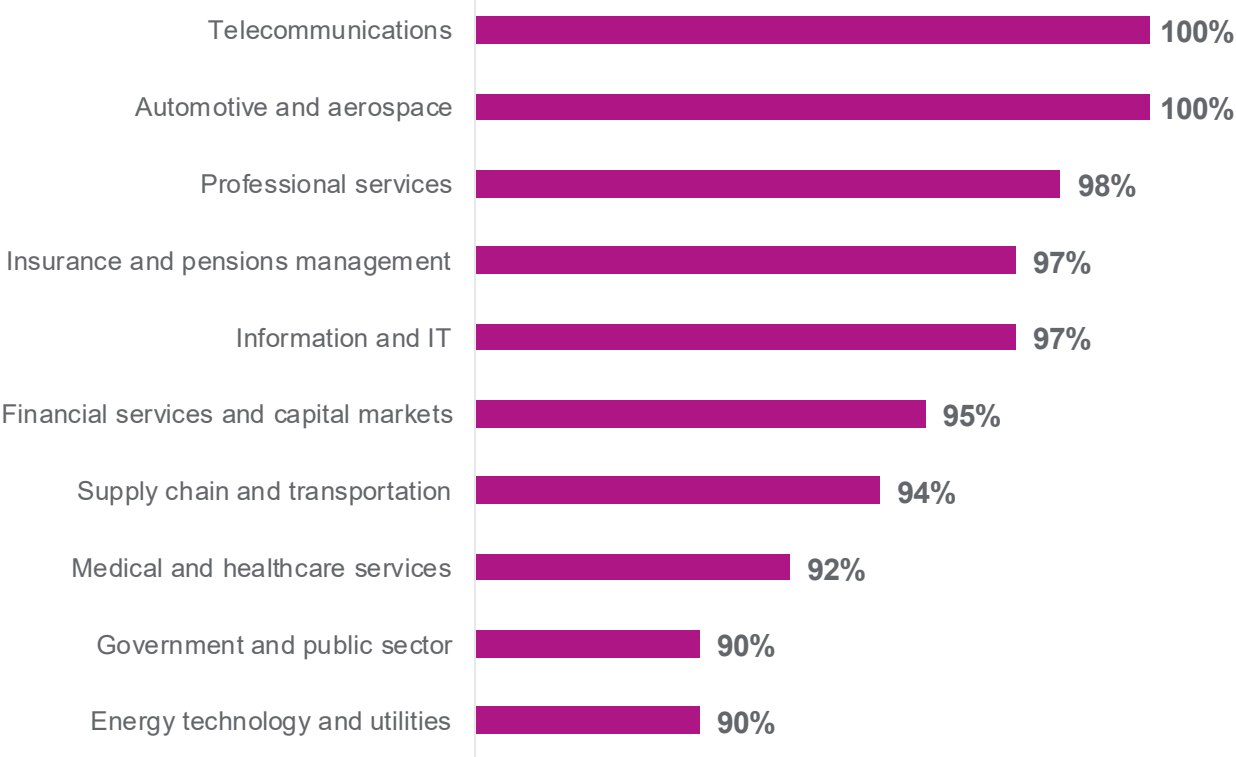
100% of surveyed employers in telecommunications and automotive and aerospace expect AI to be a growing skill

Net Increase in Skill Importance by 2030



Note: Net increase is calculated by subtracting the share of employers who expect the skill importance to decrease by 2030 from the share who expect the skill importance to increase by 2030

Percentage of surveyed employers who expect AI and Big Data to be a growing skill by 2030: by Industry

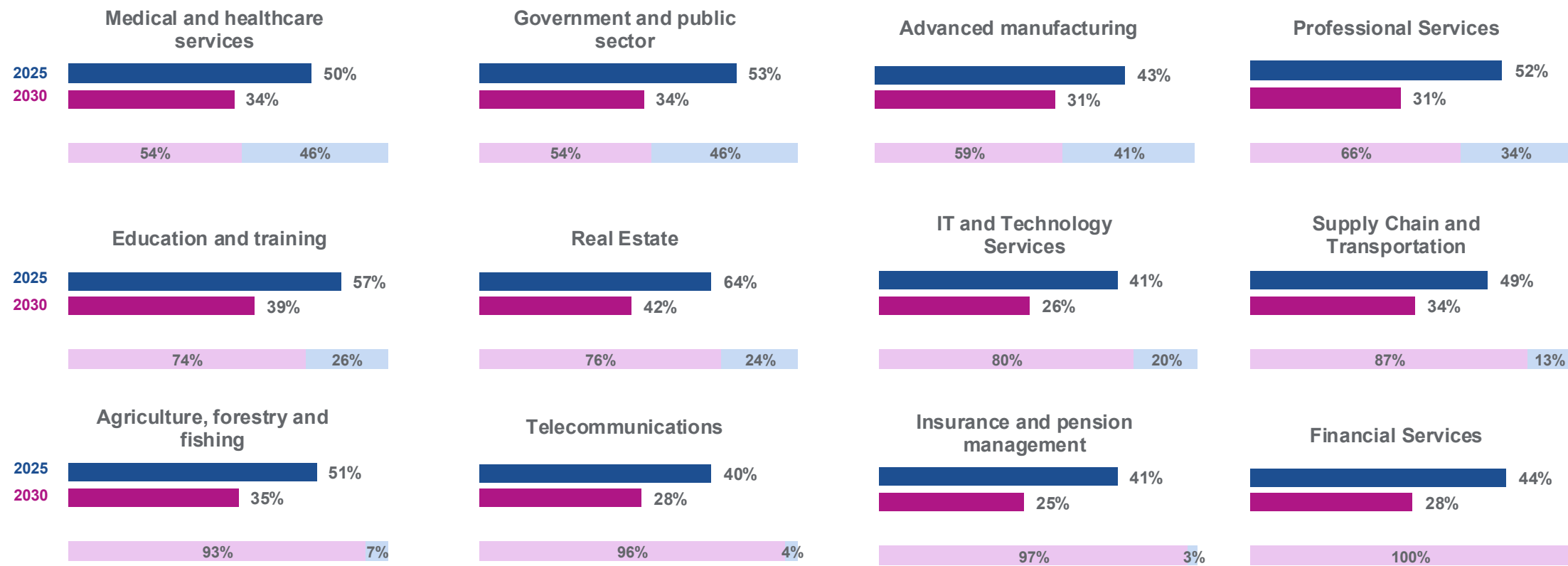


Source: World Economic Forum Future of Jobs Report 2025 and Experian Economic Strategy Group



Projections say people will be responsible for fewer tasks by 2030

Share of tasks completed by people in 2025 vs. 2030: by Industry



Key: Share of tasks done by people today (2025) Share of tasks done by people projected by 2030 Change in proportion of human-performed tasks attributed to automation Change in proportion of human-performed tasks attributed to augmentation

Source: World Economic Forum Future of Jobs Report 2025 and Experian Economic Strategy Group

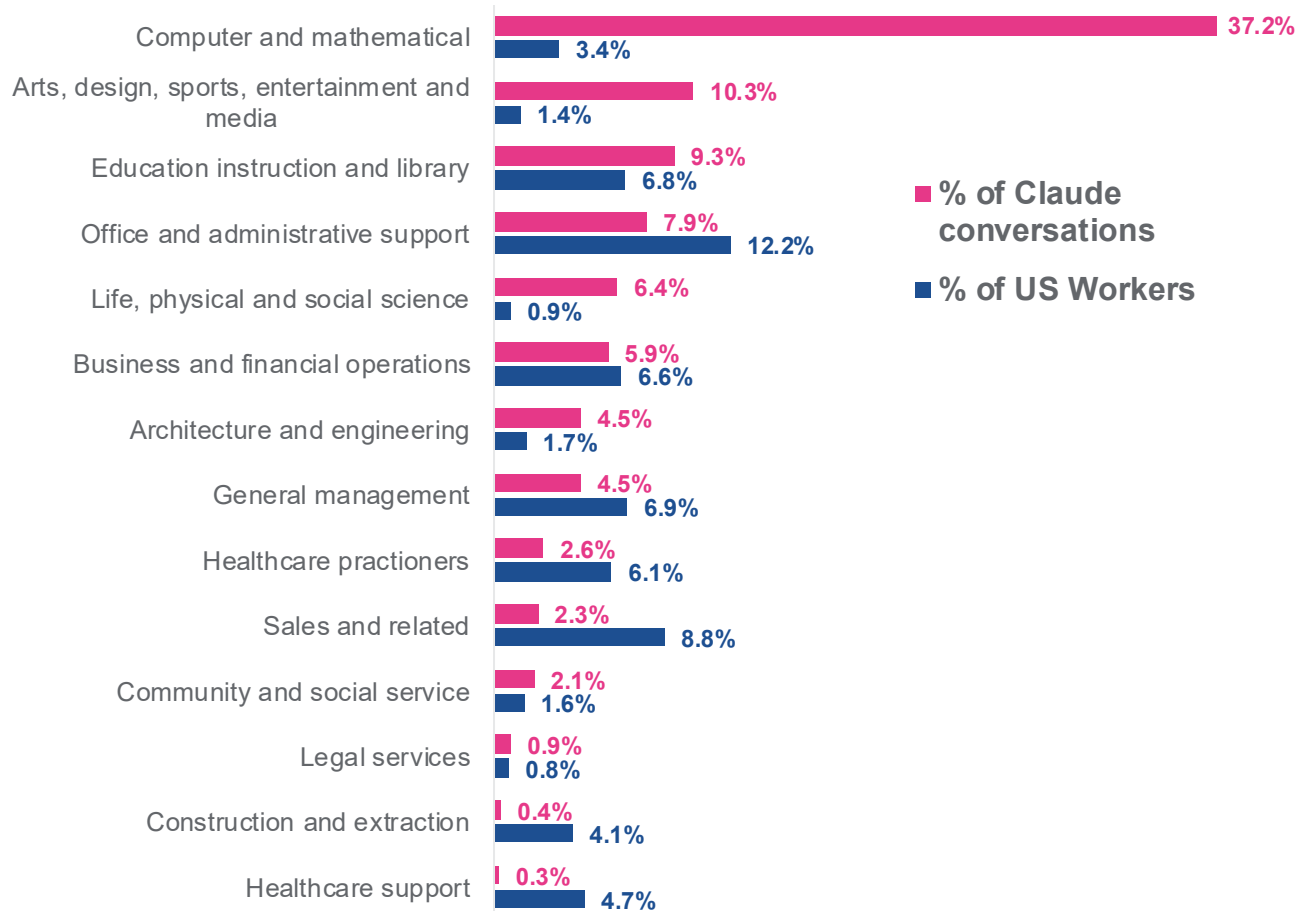
Note: Automation is defined as the replacement of human labor by technology vs. augmentation is defined as the enhancement of human labor with technology assistance



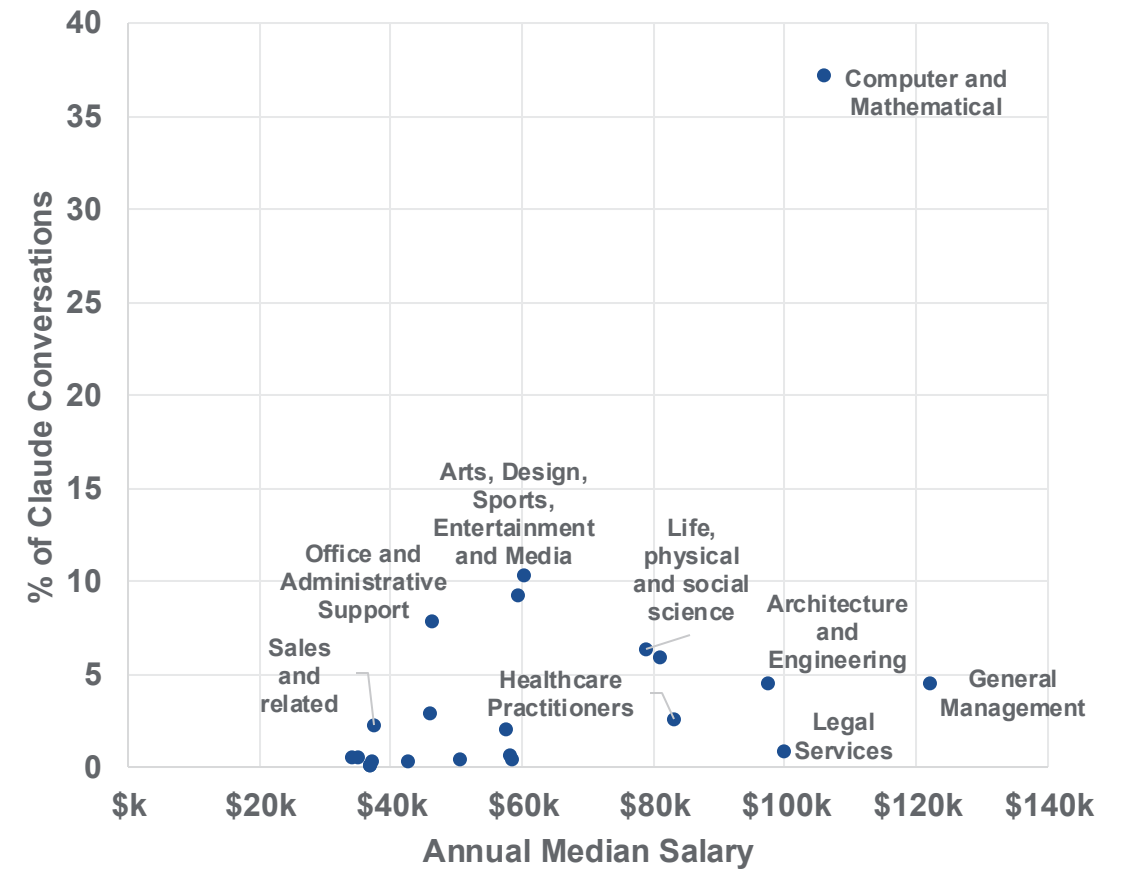
AI usage is most predominant in computer and mathematical industry

Aside from computer and mathematical, AI usage is generally highest in middle-paying industries

AI Usage by Job Type



AI Usage vs. Annual Median Wage: by Industry



Note: AI usage represents usage of Anthropic Agent *Claude* and is not necessarily representative of all AI bot usage



Job Creation and Unemployment

This section includes highlights from the monthly employment situation or “*jobs report*” which takes data from two surveys. The *establishment survey* offers information on nonfarm payrolls, hours, and earnings from surveyed business establishments, and the *household survey* offers information on the labor force, unemployment and employment from surveyed households.



Job Creation and Unemployment

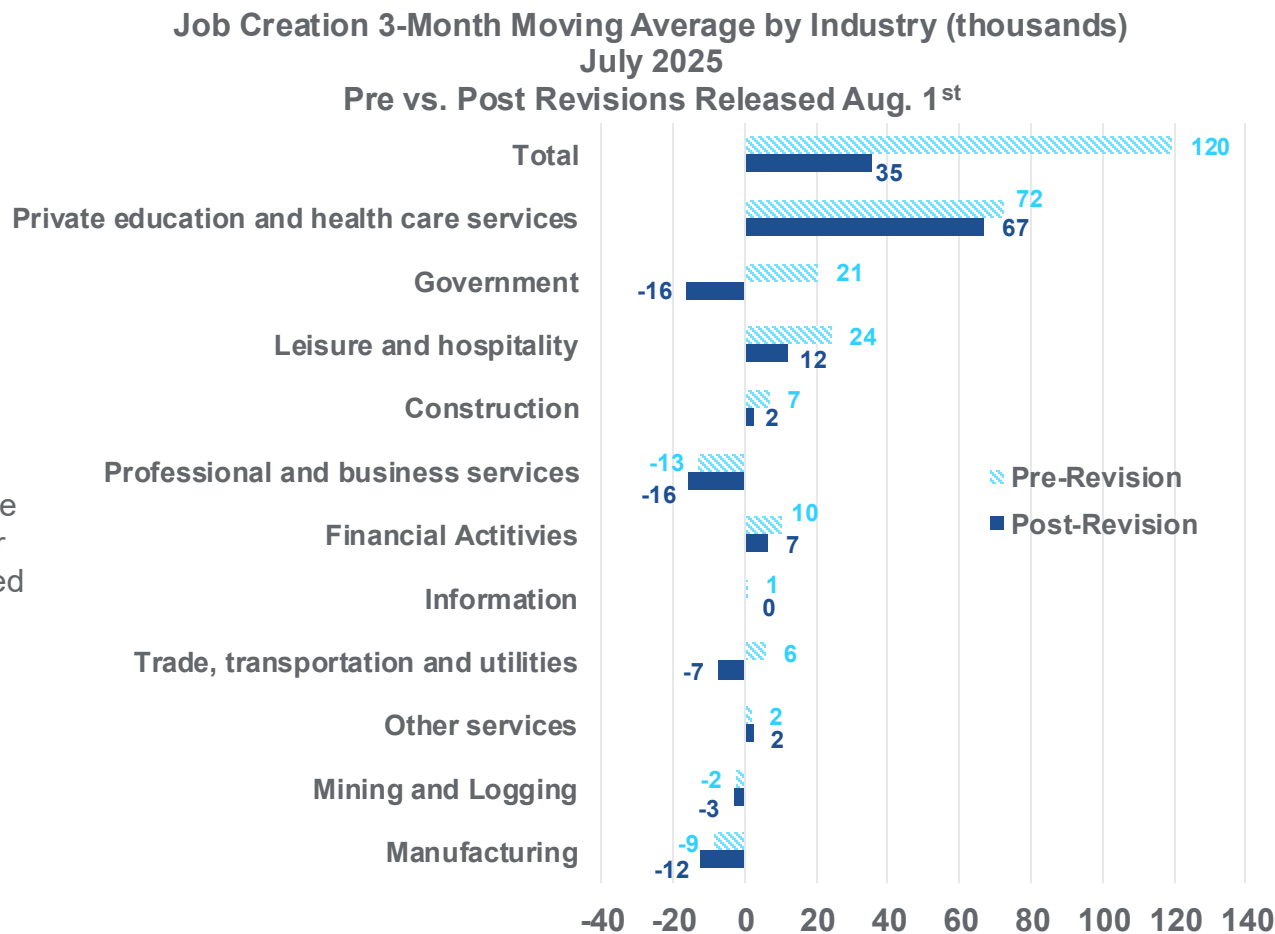
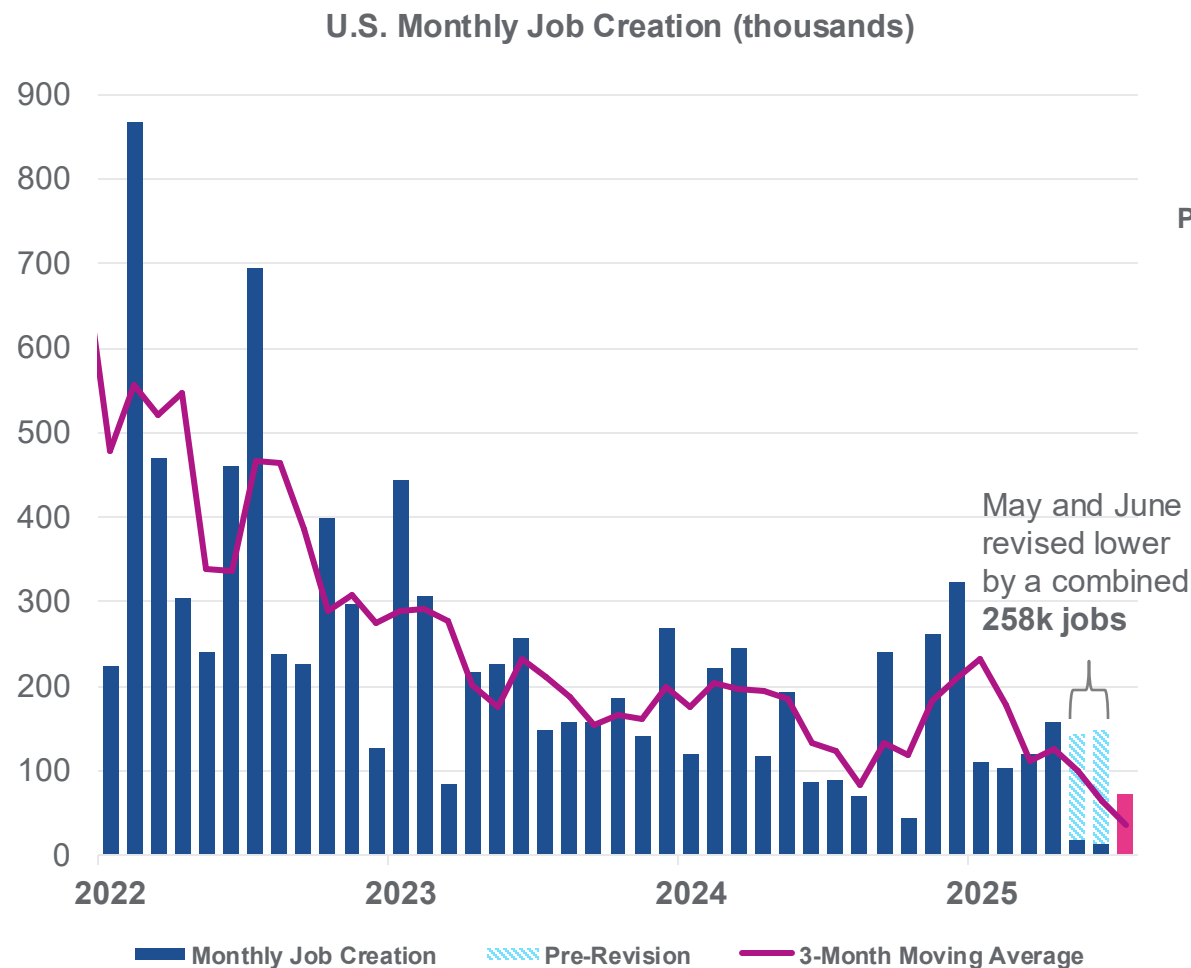
Key Takeaways:

- **The July jobs report included major downward revisions for May and June** – leaving the two months revised down by a combined 258,000 jobs and signaling a broader labor market slowdown
- As slower hiring could put pressure on unemployment going forward, our **base-case unemployment forecast** reflects a tick-up to **4.5% by Q4 2025**
- **DOGE cuts have led to a decline in federal employment thus far in 2025**, contributing to higher pockets of unemployment in certain regions including D.C.
- **Part-time employment, as well as long-term unemployment are on the rise**, signaling workers are increasingly underutilized. Unemployment has increased most recently for new labor market entrants, including recent college graduates
- There has been a **recent decline in labor force participation rates**, in part due to **recent immigration policy changes**
- **Wage growth continues to moderate but it remains above the rate of inflation** across most major industries



Downward revisions to job creation show slowing in the labor market

— Most significant revisions were in government job creation

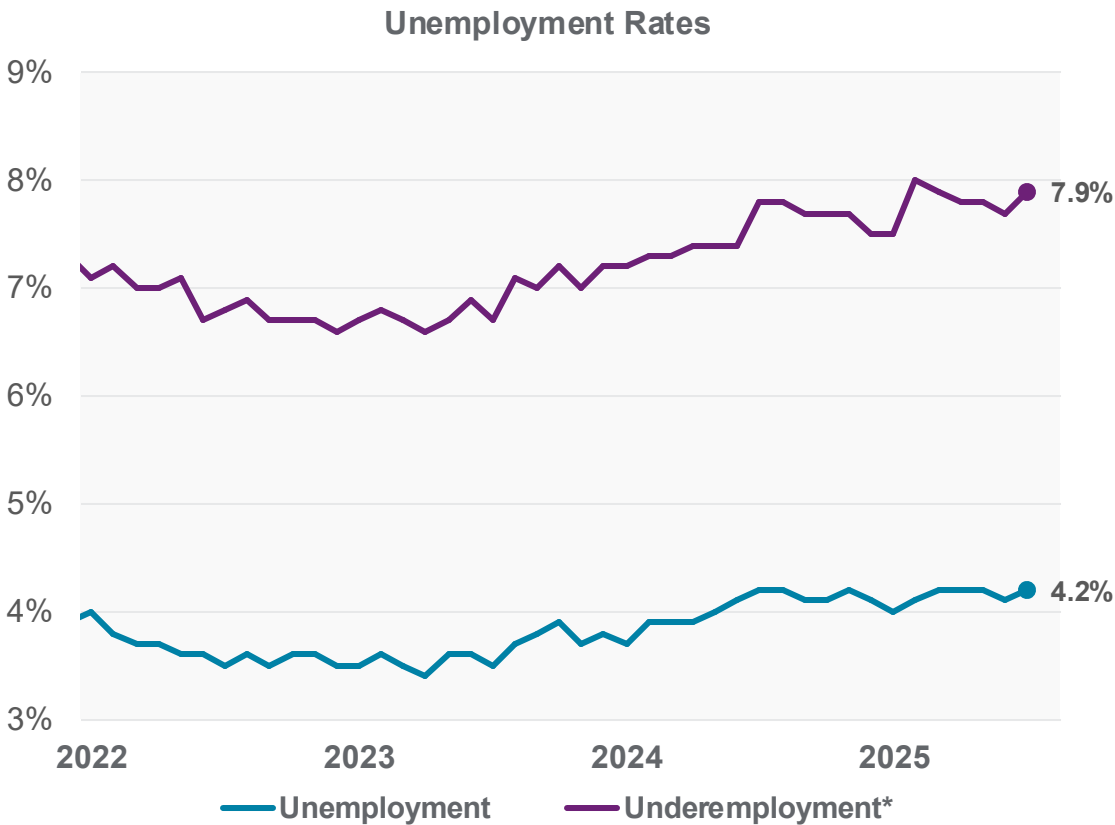


Source: Bureau of Labor Statistics and Experian Economic Strategy Group

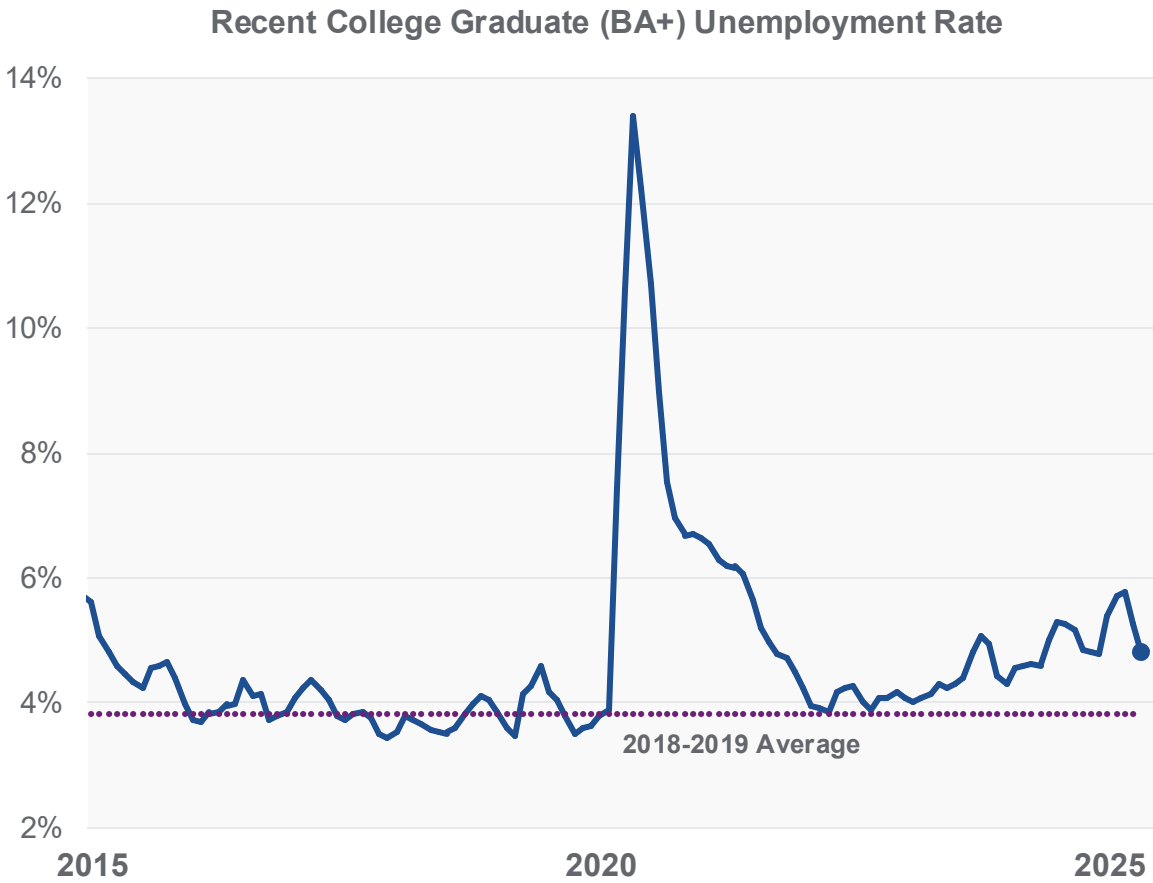


Overall unemployment ticking up modestly

—Recent college graduate unemployment remains elevated but appears to be moderating



*Underemployment, or U-6 unemployment, includes total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

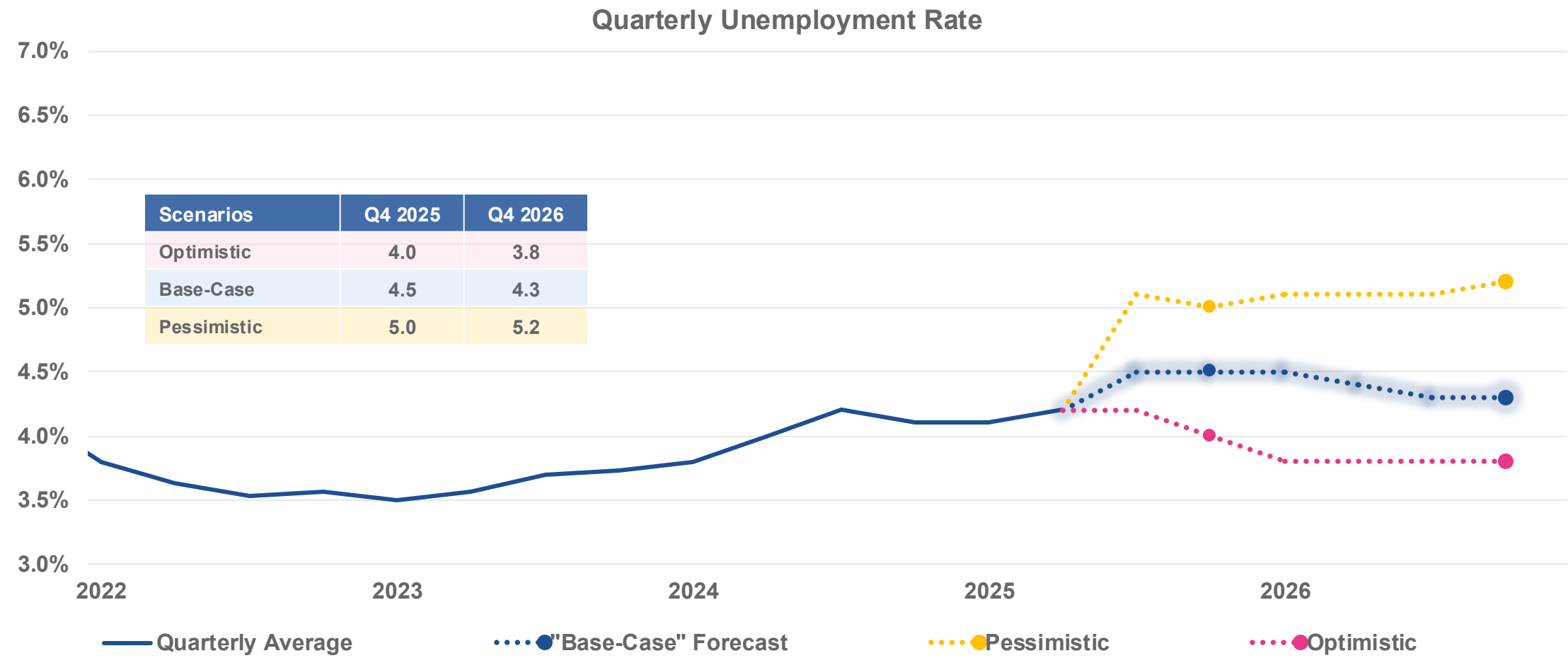


Source: Bureau of Labor Statistics, New York Federal Reserve and Experian Economic Strategy Group



Slower hiring putting pressure on unemployment

— Latest base-case forecast has unemployment sitting at 4.5% in Q4 2025

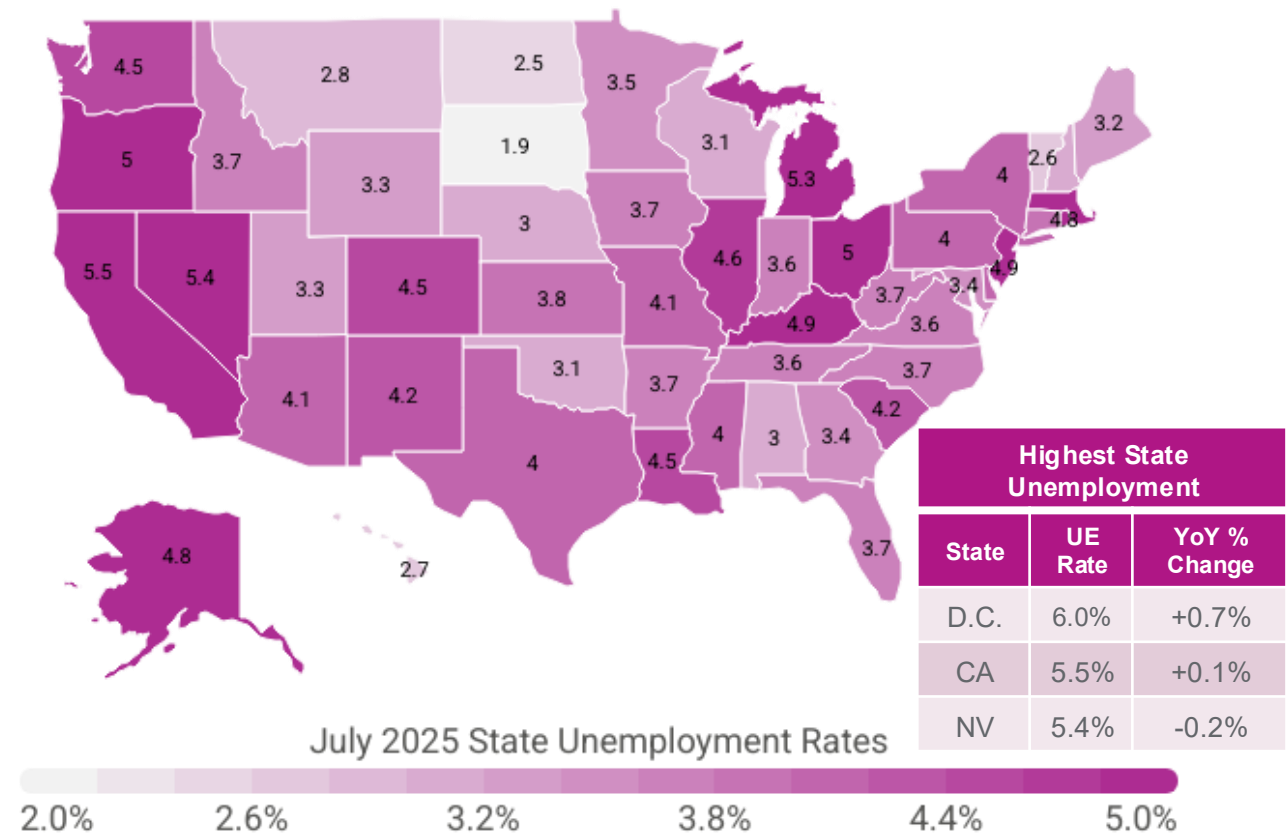
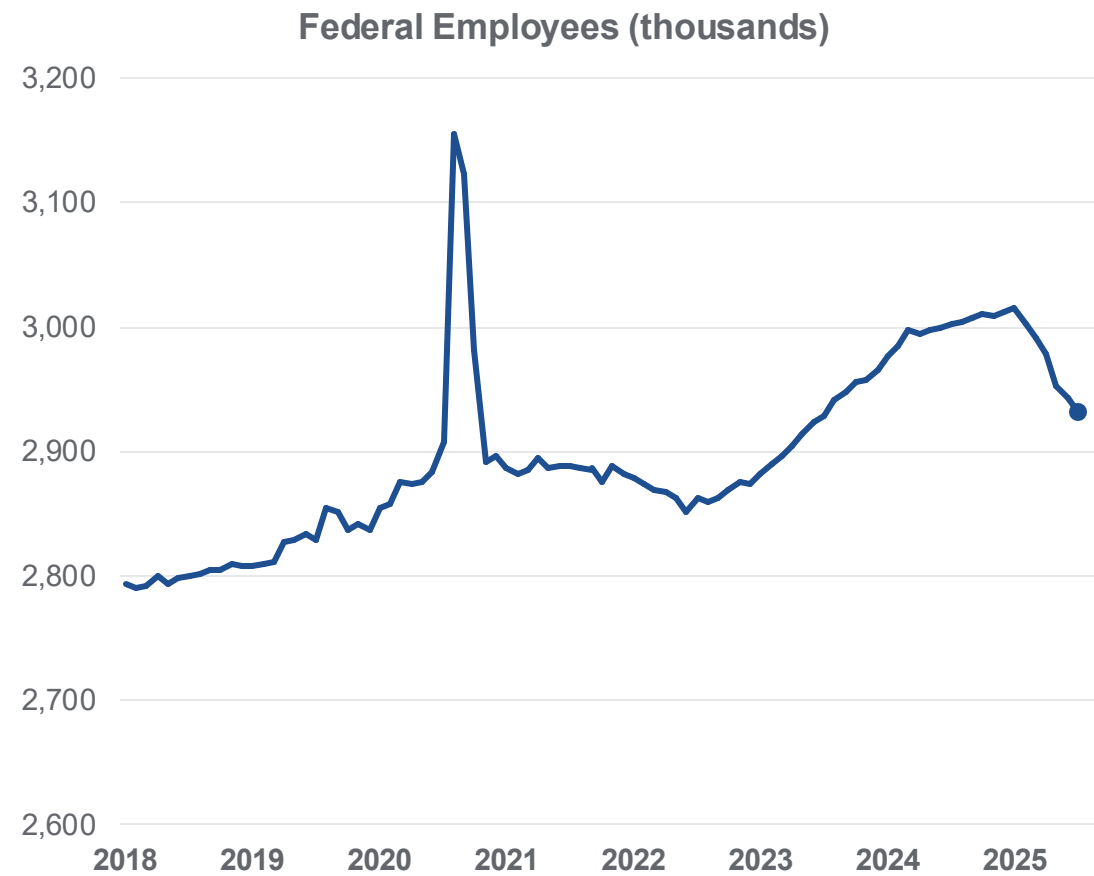


Source: Experian July 2025 Forecasts, Bureau of Labor Statistics and Experian Economic Strategy Group



Decline in federal employment has put pressure on D.C. unemployment

Unemployment remains highest in D.C., western U.S., and upper-midwest

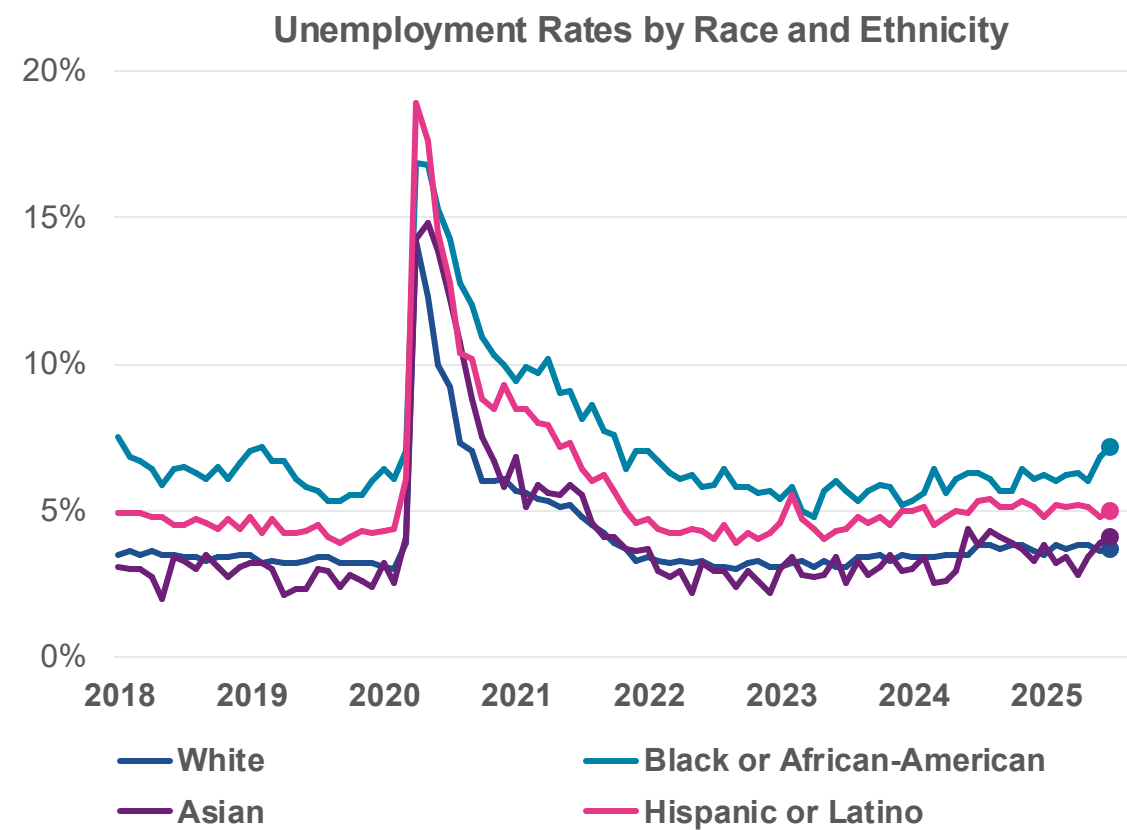
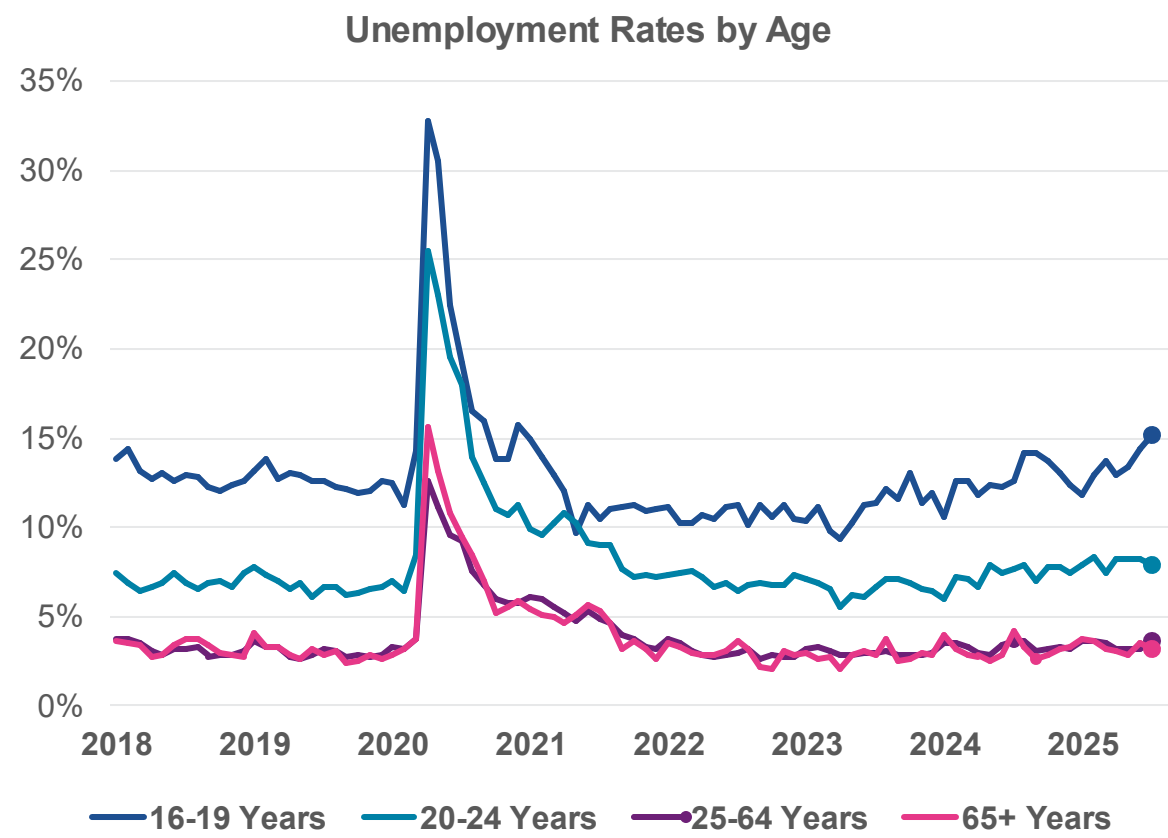


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Teen unemployment continues to tick up

— Unemployment rates have recently picked-up across a couple of race and ethnicity groups

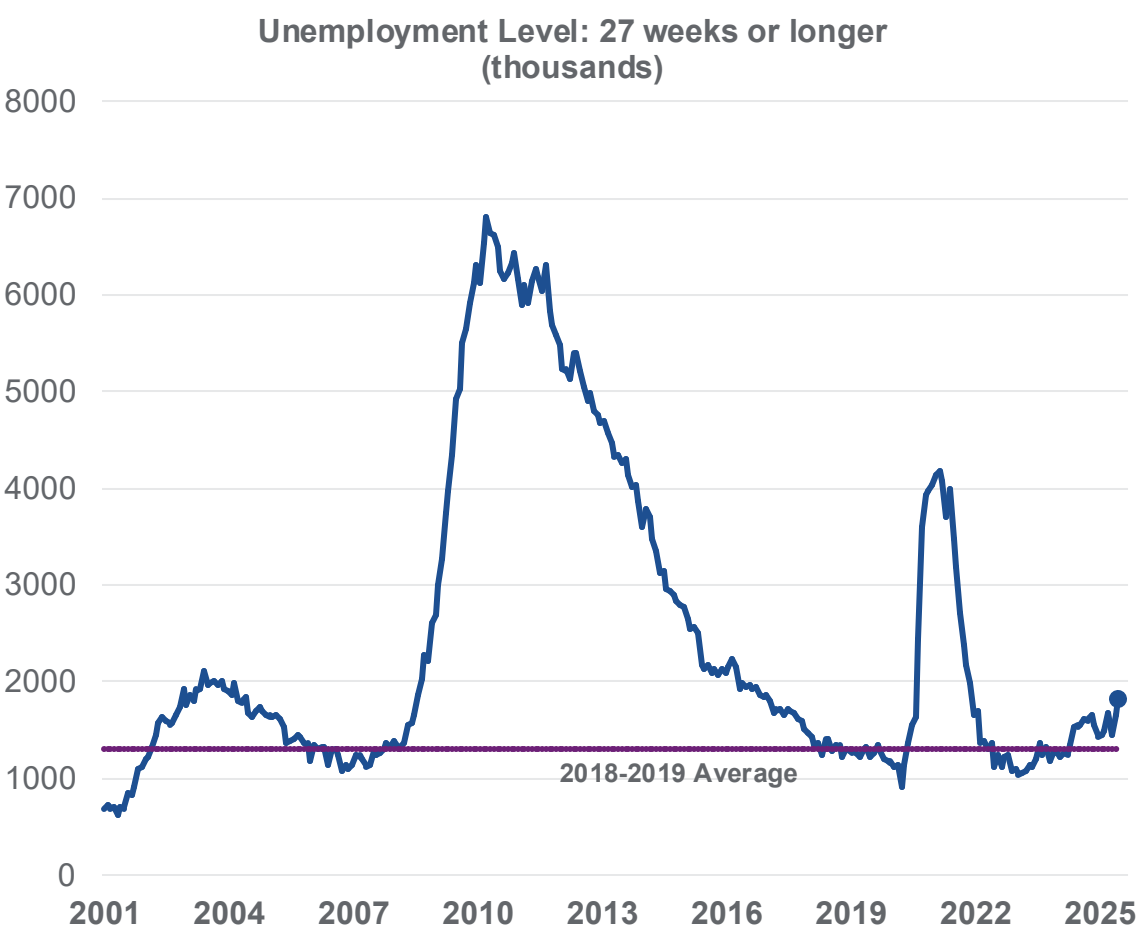
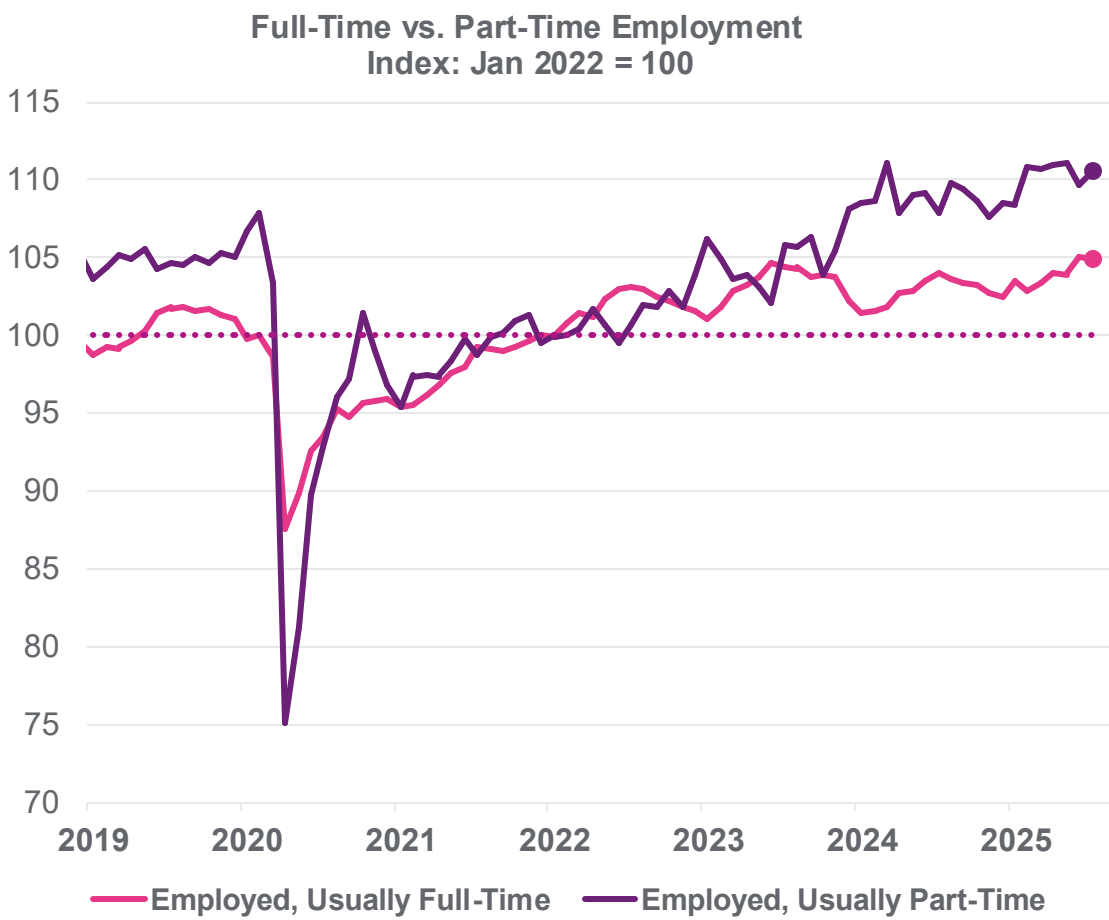


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Part-time employment continues to increase

— Long-term unemployment is on the rise

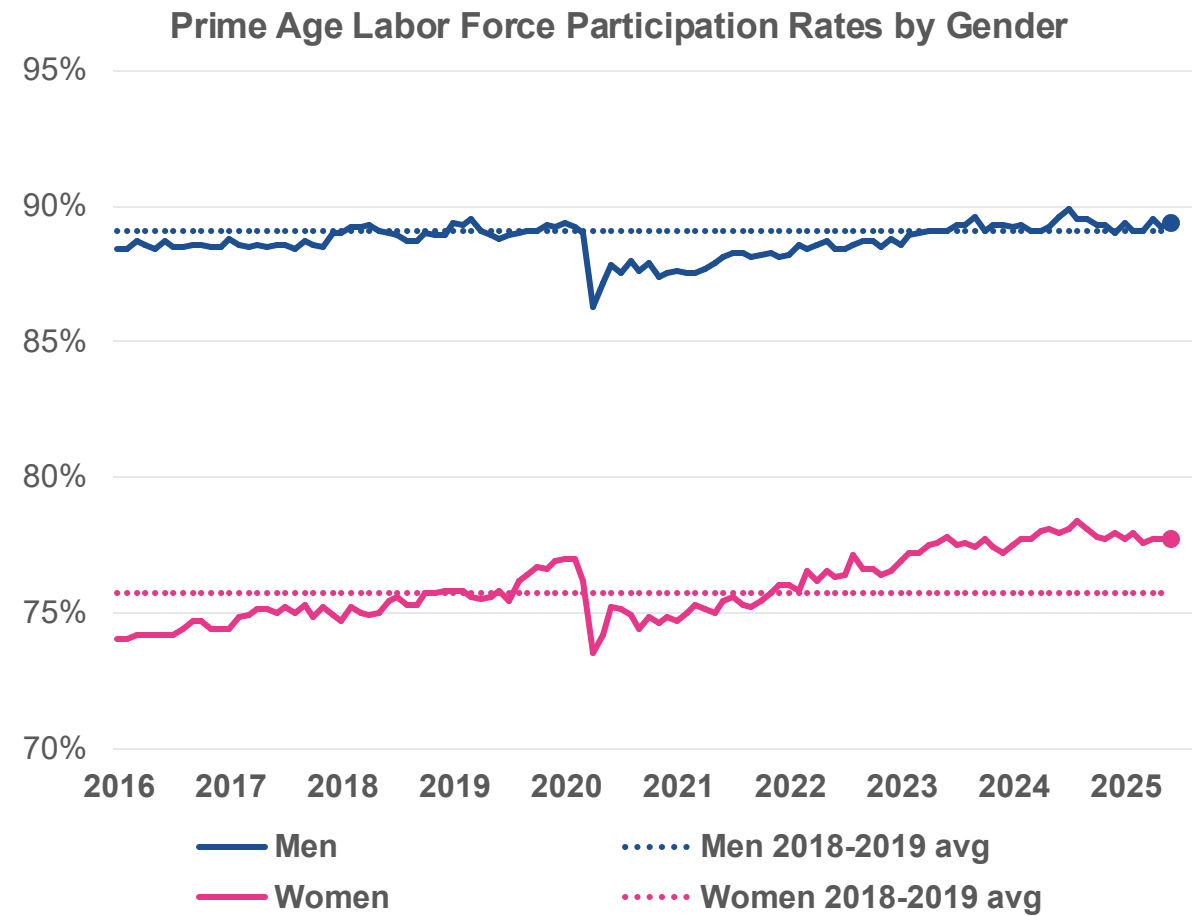
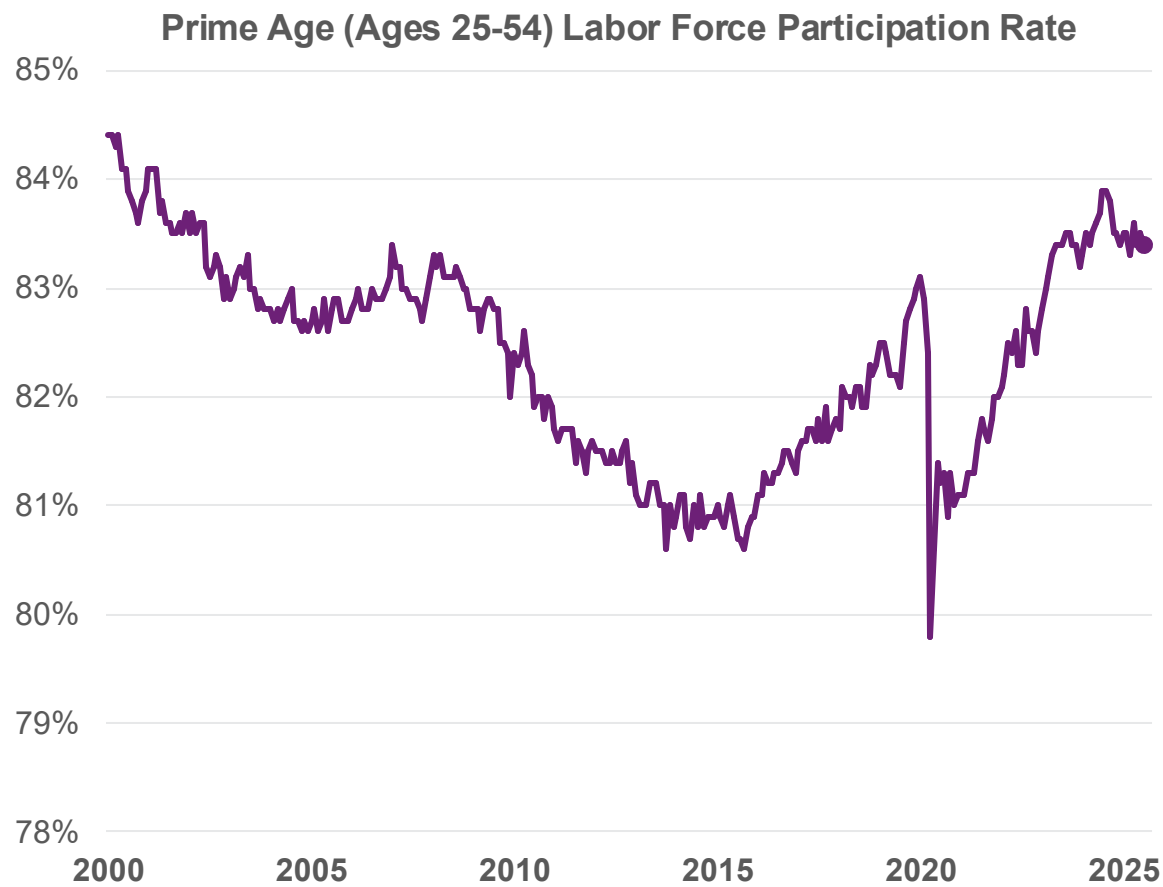


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Prime age labor force participation has declined from relative peak last fall

— Women have seen the largest gains over the last several years



Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Foreign born labor force participation seems to be moderating

New entrant unemployment climbed this month despite lower immigration

Foreign-born Labor Force Participation Rate



Unemployment Level: New Entrants
(First time workers and immigrants)
In Thousands

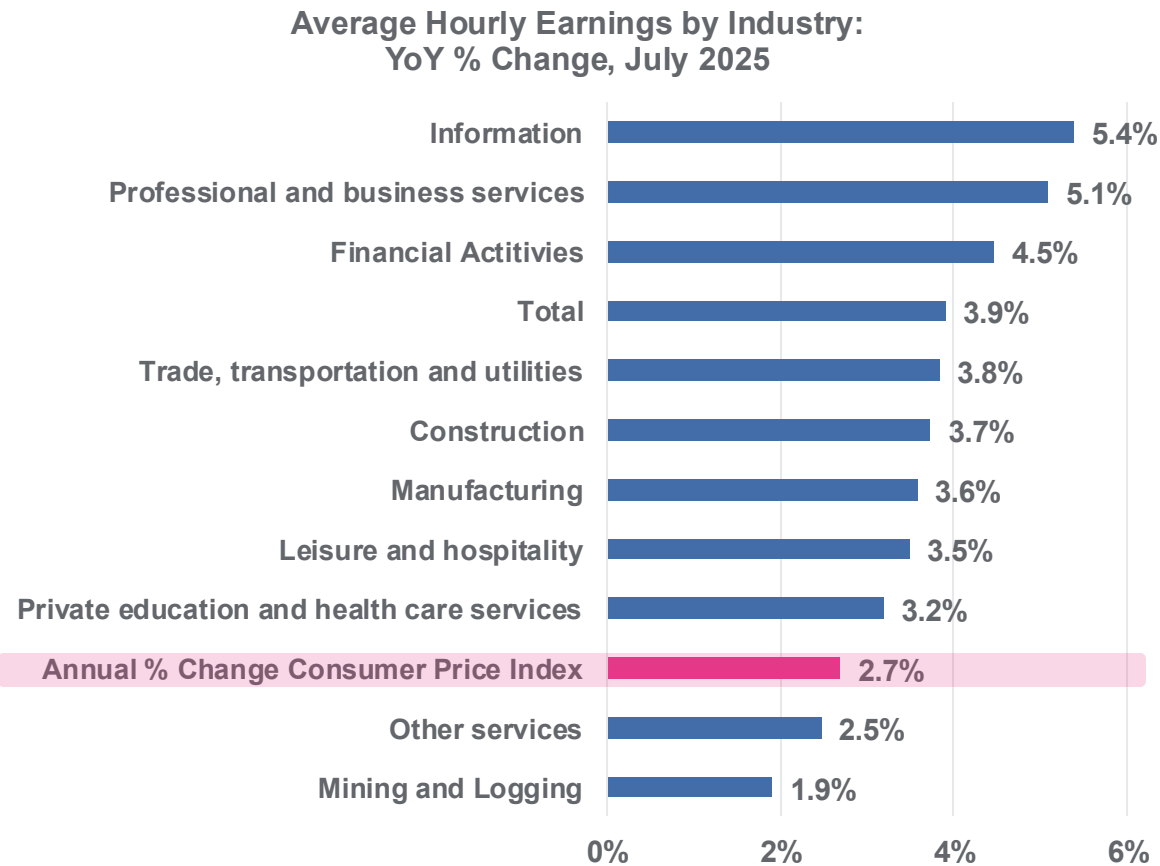
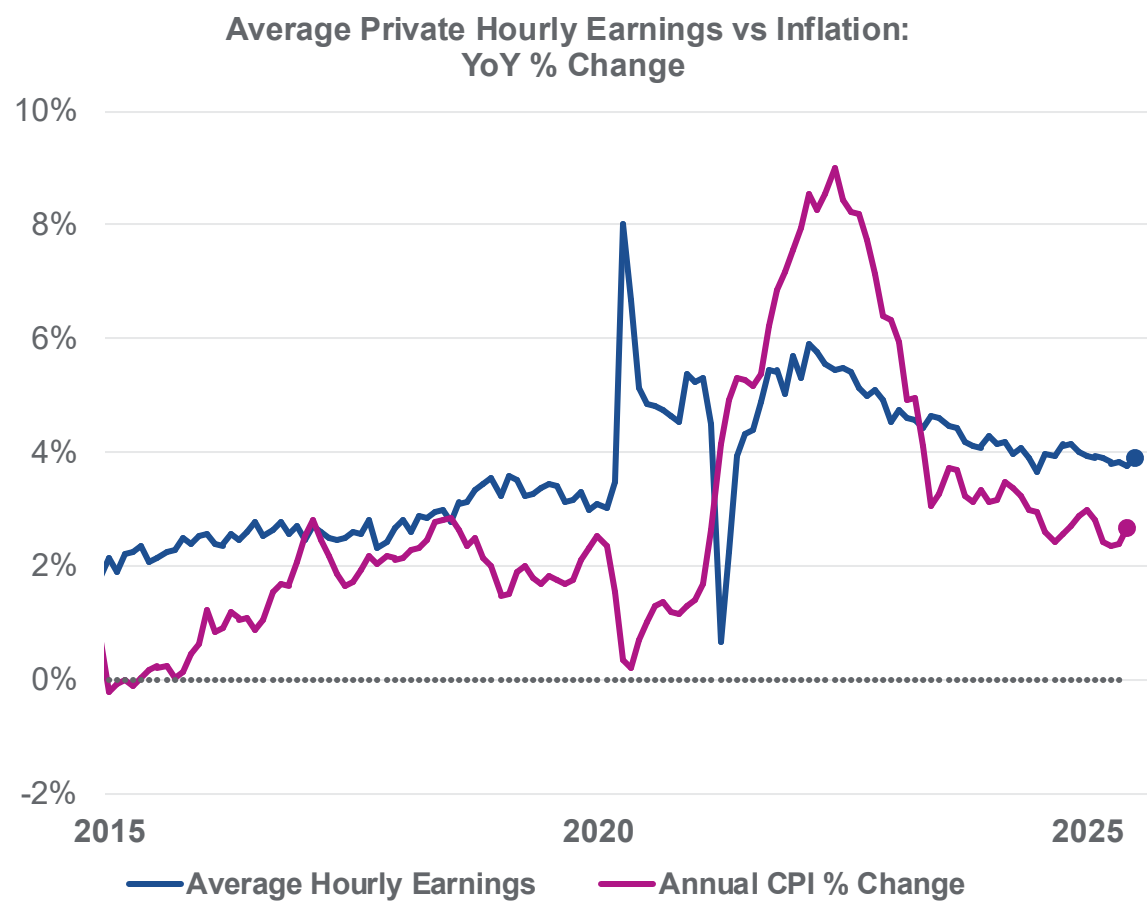


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Wage growth is slowing but overall remains above inflation

— Annual wage growth exceeds inflation across most major industries

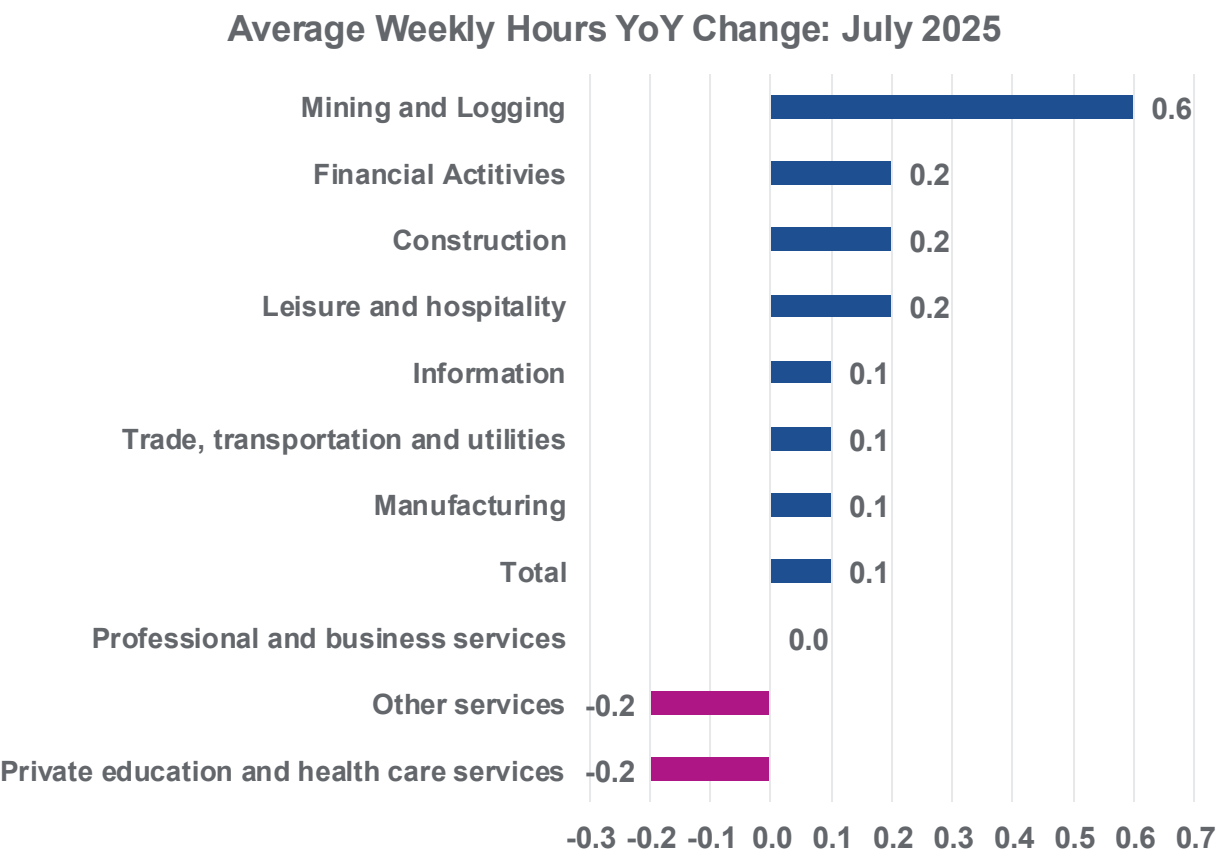
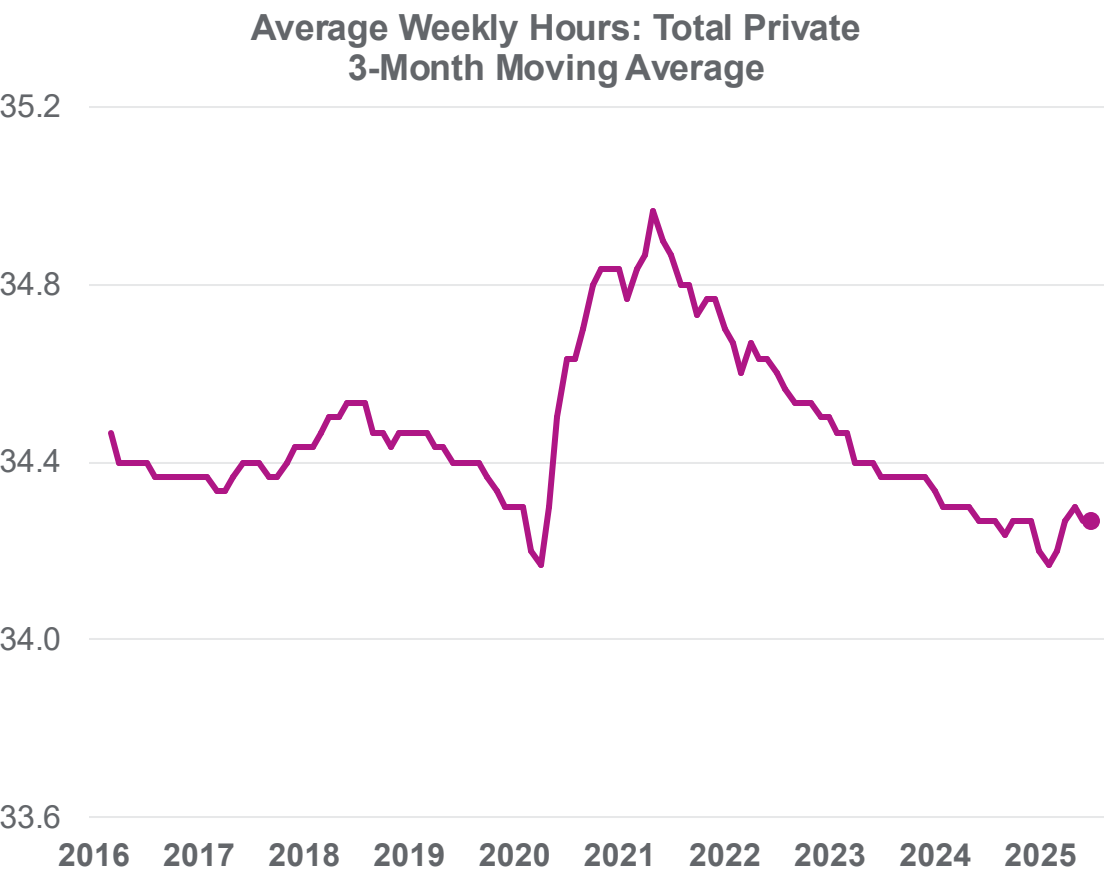


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



The average workweek length seems to have stabilized following the post-pandemic decline

— Weekly hours increased over past year across most major industries



Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Job Openings, Hires and Quits

This section includes data from the *Job Openings and Labor Turnover Survey* or *JOLTS*, which offers key data regarding job openings, job separation and hiring.



Job Openings, Hires and Quits

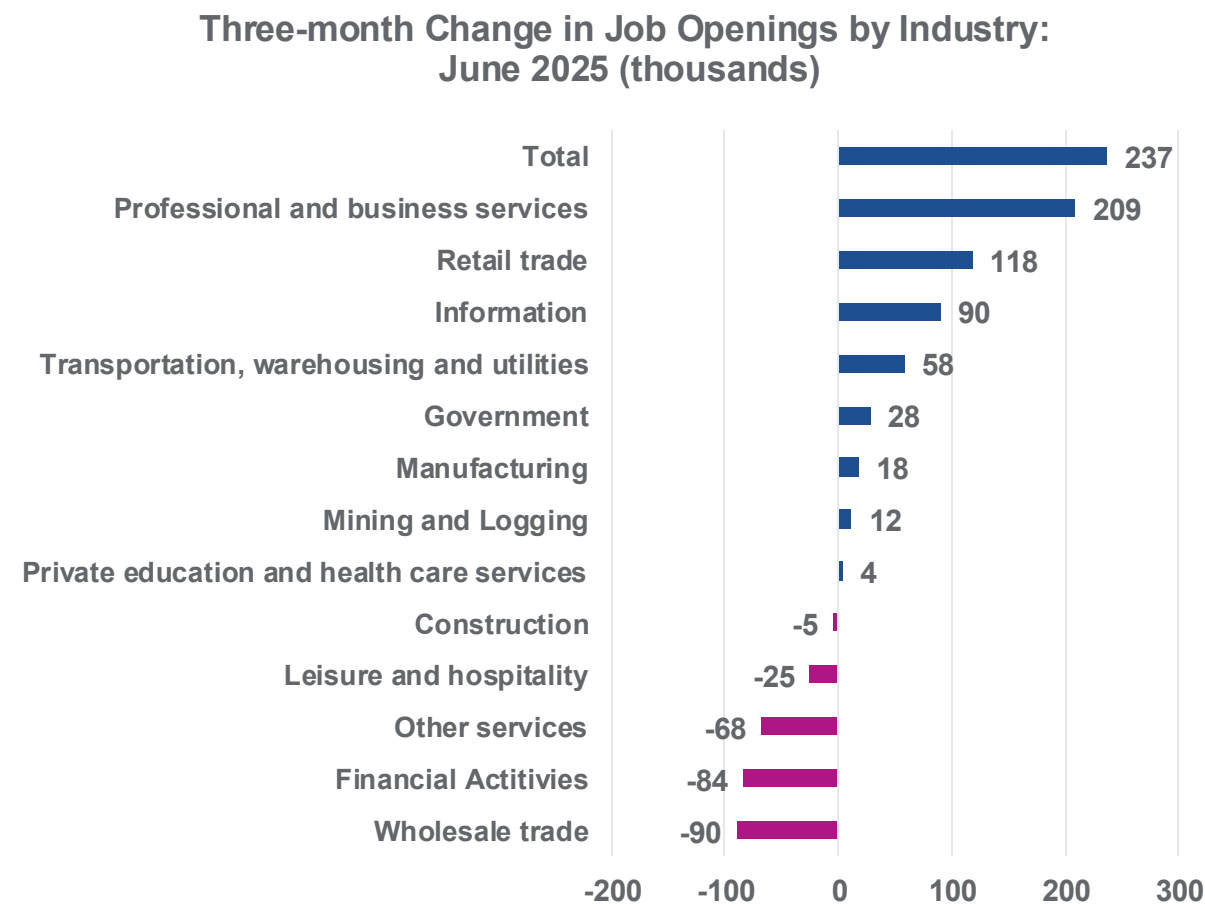
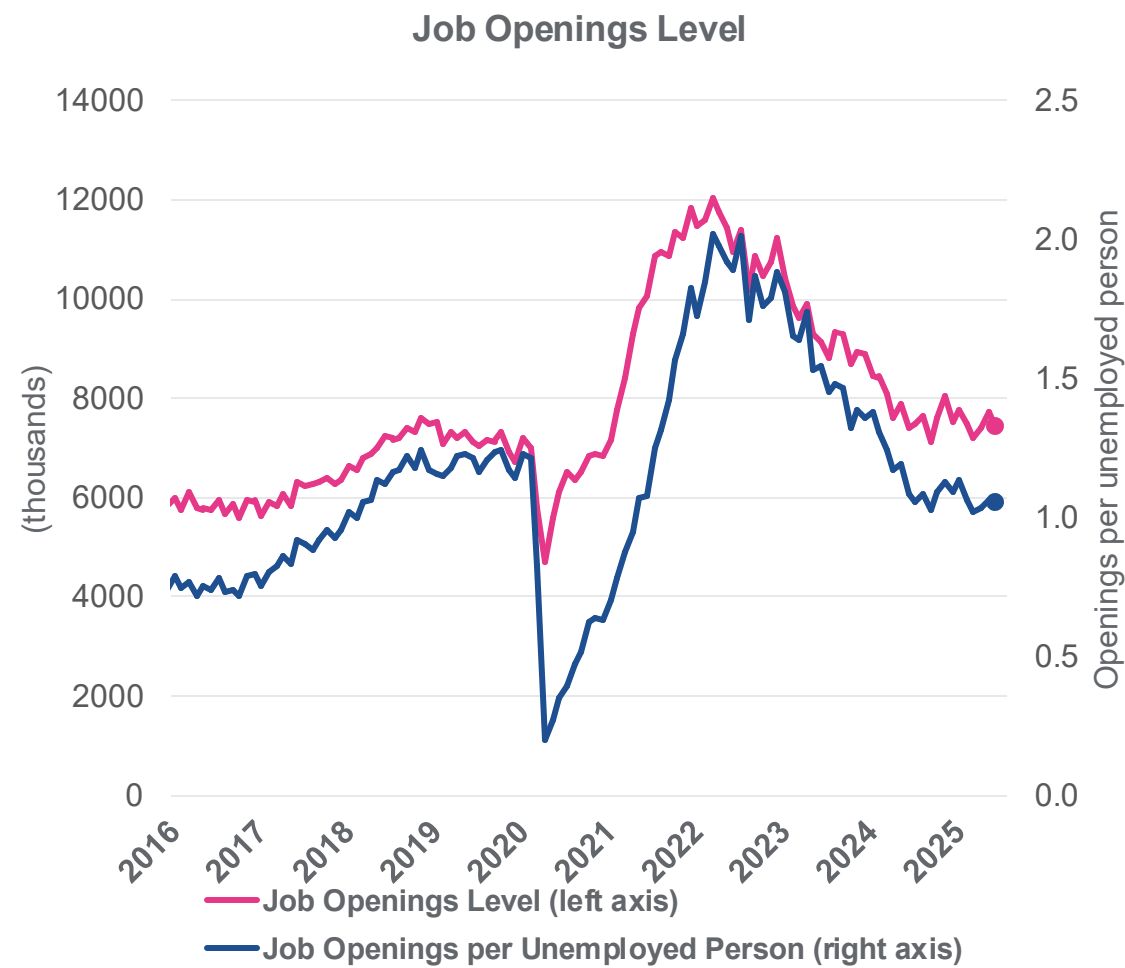
Key Takeaways:

- **While job openings have been on the decline since 2021, the decline has stabilized** with many industries adding job openings over the past quarter
- **The number of job openings still exceed the number of unemployed people in most states**, with an average of 1.1 job openings per unemployed person nationally
- **Churn in the labor market continues to slow**, with quits declining over the past quarter in most major industries
- Quits are lowest on the east coast with the three lowest quits rates in D.C., New York and Pennsylvania
- **Hiring continues to slow across most major industries** with the steepest year-over-year decline in professional and business services
- Hiring is slowest in D.C., likely in part due to federal employment cuts



Declining trend in job openings has leveled over past quarter

— Job openings increased across several major industries this quarter

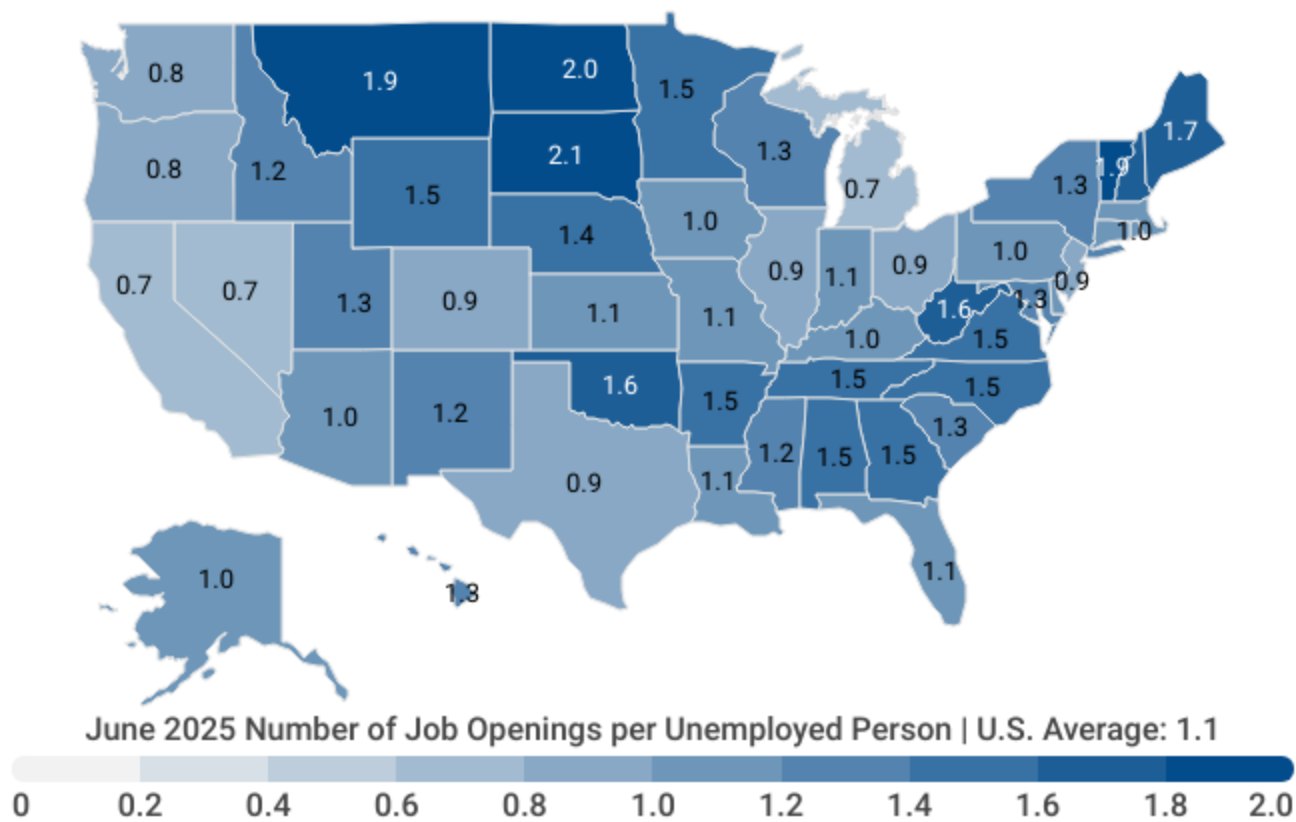


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Job openings still exceed unemployed people in most states

— Many states in the western U.S. have fewer job openings than unemployed people



Highest Job Openings per Unemployed: June 2025	Ratio
1. South Dakota	2.1
2. North Dakota	2.0
3. Montana	1.9

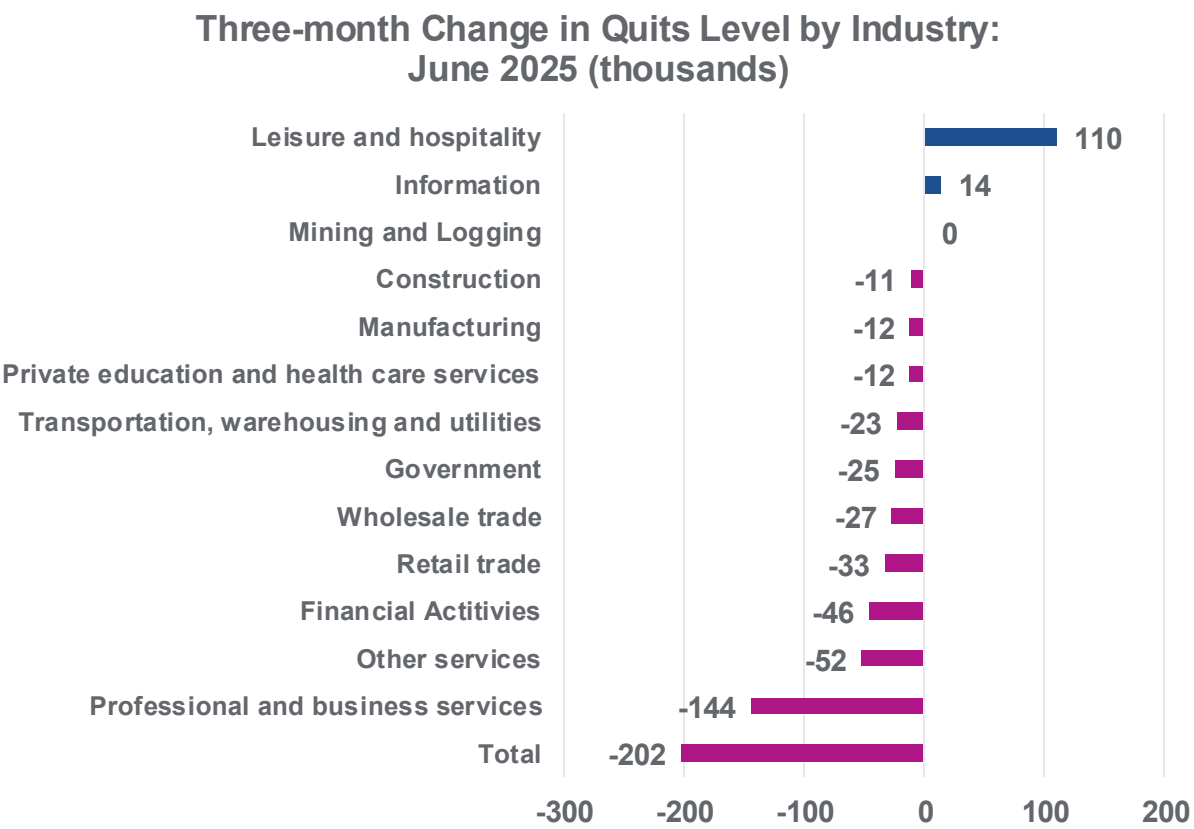
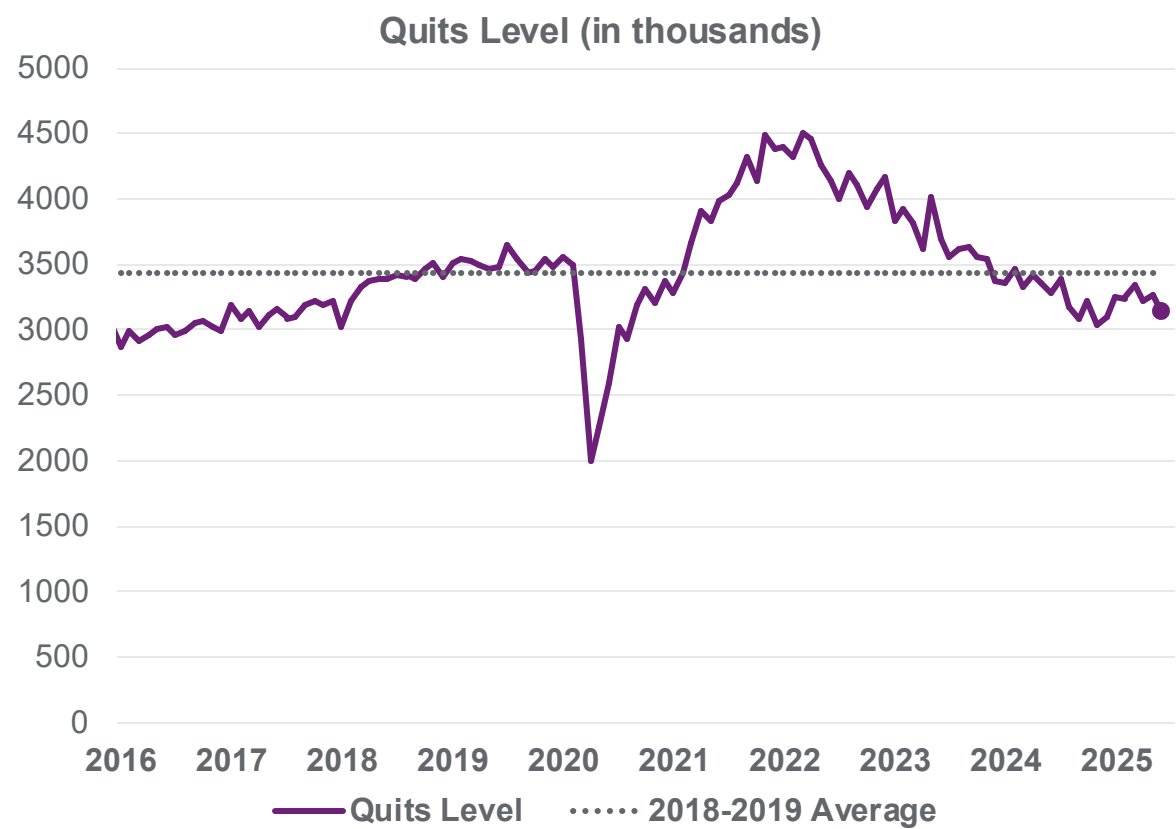
Lowest Job Openings per Unemployed: June 2025	Ratio
1. California	0.7
2. Michigan	0.7
3. Nevada	0.7

Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Quits remain below the pre-pandemic level

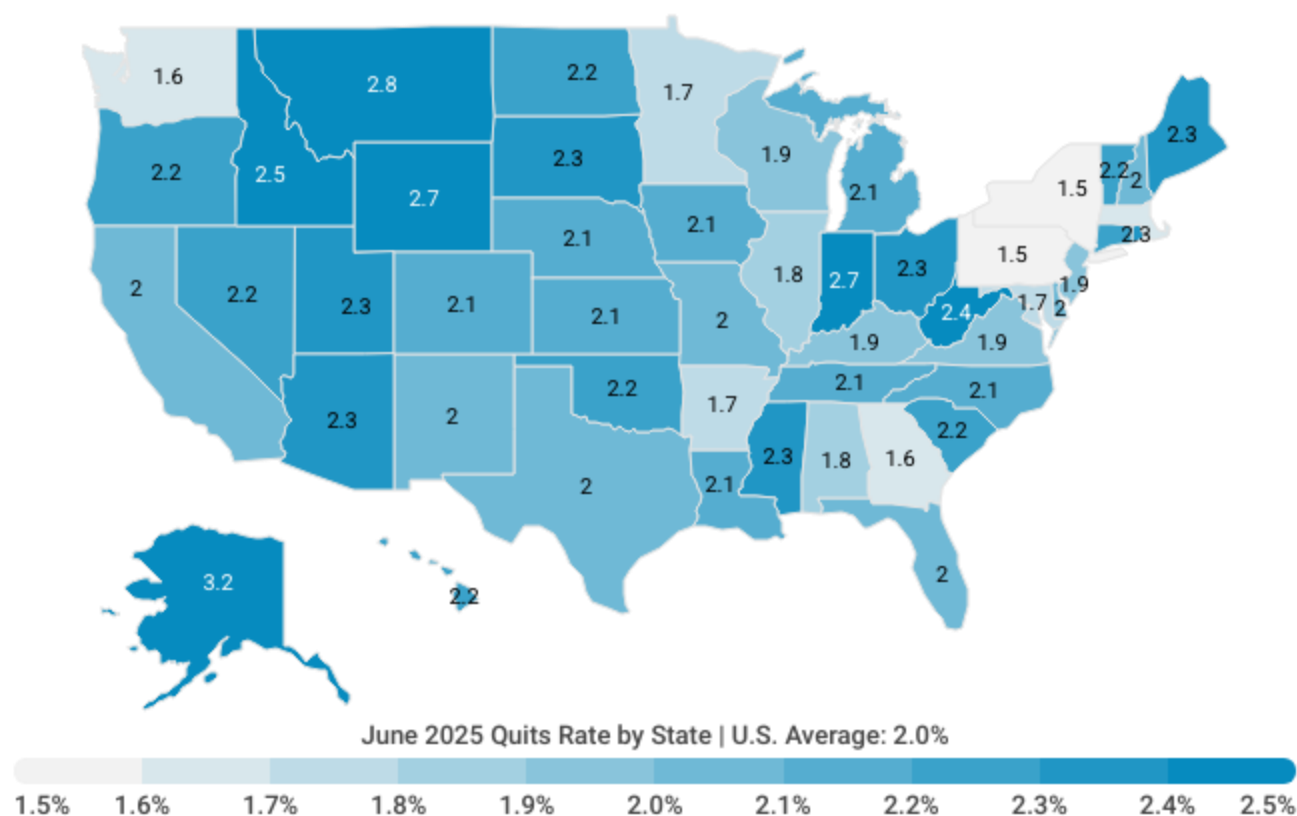
— Sharpest decline in quits in the professional and business services industry over past quarter



Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Fewer quits signal workers are weary of the job market



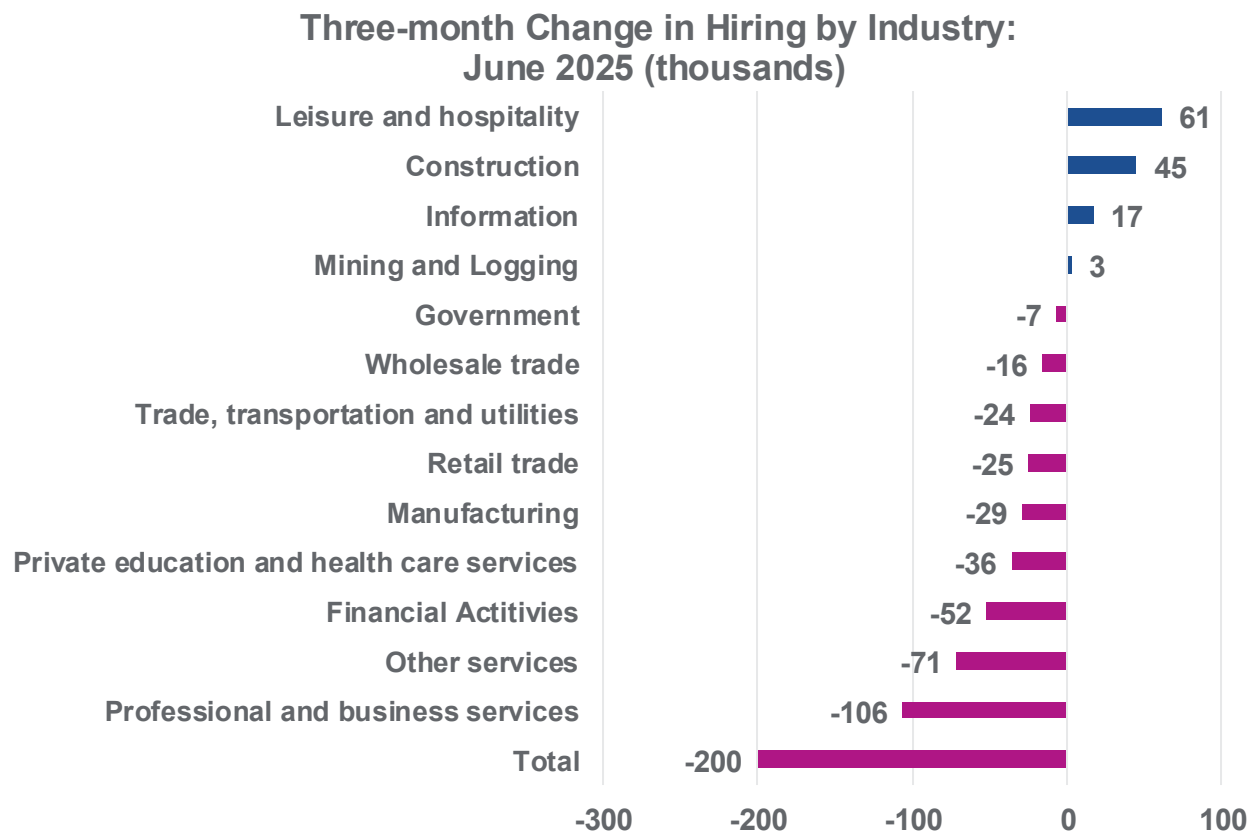
Highest Quits Rate: June 2025	Rate
1. Alaska	3.2
2. Montana	2.8
3. Wyoming	2.7
Lowest Quits Rate: June 2025	Rate
1. D.C.	1.3
2. New York	1.5
3. Pennsylvania	1.5

Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Slow hiring environment as employers remain cautious

— Hiring continues to decline across most major industries

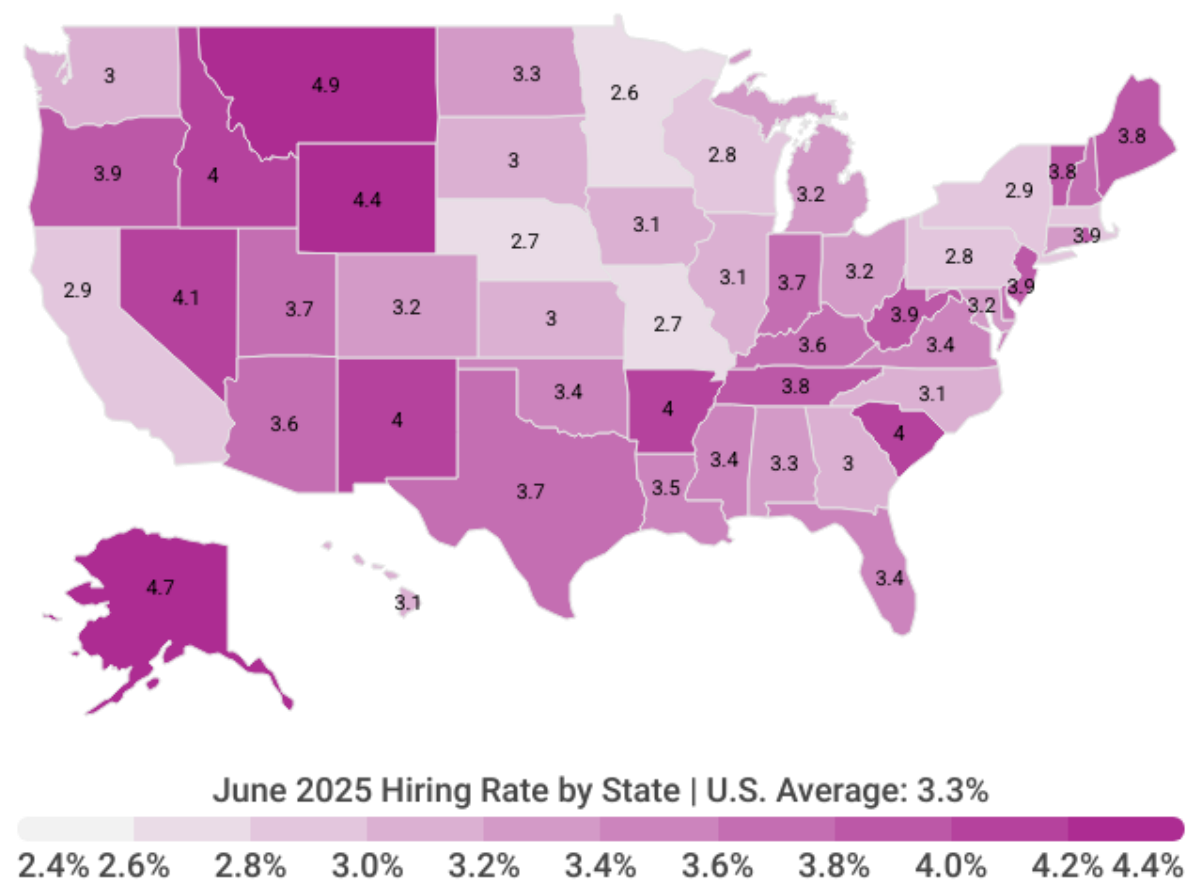


Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Hiring remains low across the country

— Lowest hiring rate in D.C.



Highest Hiring Rate: June 2025	Rate
1. Montana	4.9
2. Alaska	4.7
3. Wyoming	4.4

Lowest Hiring Rate: June 2025	Rate
1. D.C.	2.2
2. Minnesota	2.6
3. Missouri	2.7

Source: Bureau of Labor Statistics and Experian Economic Strategy Group



Unemployment Claims, Surveys and Anecdotes

This section includes additional data on unemployment claims, as well as survey and anecdotal data from the Federal Reserve Bank of New York and the Beige Book. Private-sector data from *Gusto* is also included in this section.



UI claims, survey and anecdote key takeaways

- **Anecdotes continue to show a cooling labor market.** Labor demand has slowed as employers remain cautious of hiring in an uncertain economic environment and labor supply has slowed due to stricter immigration policy and lower labor force participation
- **Initial unemployment claims** – which tracks when someone first files for unemployment benefits after losing their job – **have risen modestly over the past several months.**
Continued claims – which tracks when someone continues to file to receive unemployment benefits – **have risen more significantly** as people are finding themselves unemployed for longer
- **BA+ degree-holders currently have highest expectations of losing their job**, which could in part be due to potential AI job displacement. Although they still have the highest expectations of being able to find a new job out of the education groups, those expectations are on the decline
- **While the lowest income group saw significant wage gains coming out of the pandemic, they now have the weakest wage growth once again**



Anecdotes show lower labor supply and demand across the country



Surveys found that **hiring sentiment remained positive and job openings grew**. Contacts reported increases in hiring, particularly in tourism and hospitality, but **mostly for part-time and hourly workers rather than salaried, full-time workers**.

— Minneapolis



Employers across many industries and geographies **reported instituting a hiring freeze and using attrition to reduce headcounts**. **Critical positions, however, were still being filled**, and firms generally reported no problems hiring in recent weeks except for very specialized roles.

— San Francisco



Several other manufacturers indicated that they were **hiring only for replacement, some had cancelled plans to add staff due to low demand, and a few had instituted layoffs**.

— Chicago



Staffing contacts said that job creation had slowed owing to increased caution in the face of economic uncertainty. Employers reportedly became **more selective about workers' qualifications** and did not face substantial hiring difficulties.

— Boston



Some other industries dependent on workers in the skilled trades continued to see **high attrition and low labor supply, particularly amid a decline in immigrant labor**.... Although layoffs remained limited in the region, some businesses reported **postponing both hiring and layoff decisions until uncertainty resolves**.

— New York



Overall, our staffing contacts reported a decline in demand—attributed to very low employee turnover rates and relatively few businesses looking to expand.

— Philadelphia



Some contacts shared that they had **lost their immigrant workforce due to fears of incarceration and deportation and it was restraining business activity**. For example, a construction company reported that the lack of workers was slowing project completion.

— St. Louis



Labor markets remained relatively unchanged over the reporting period, with **most firms holding headcount flat**. **Contacts continued to describe a reluctance to hire given economic uncertainty and softening demand**.

— Atlanta

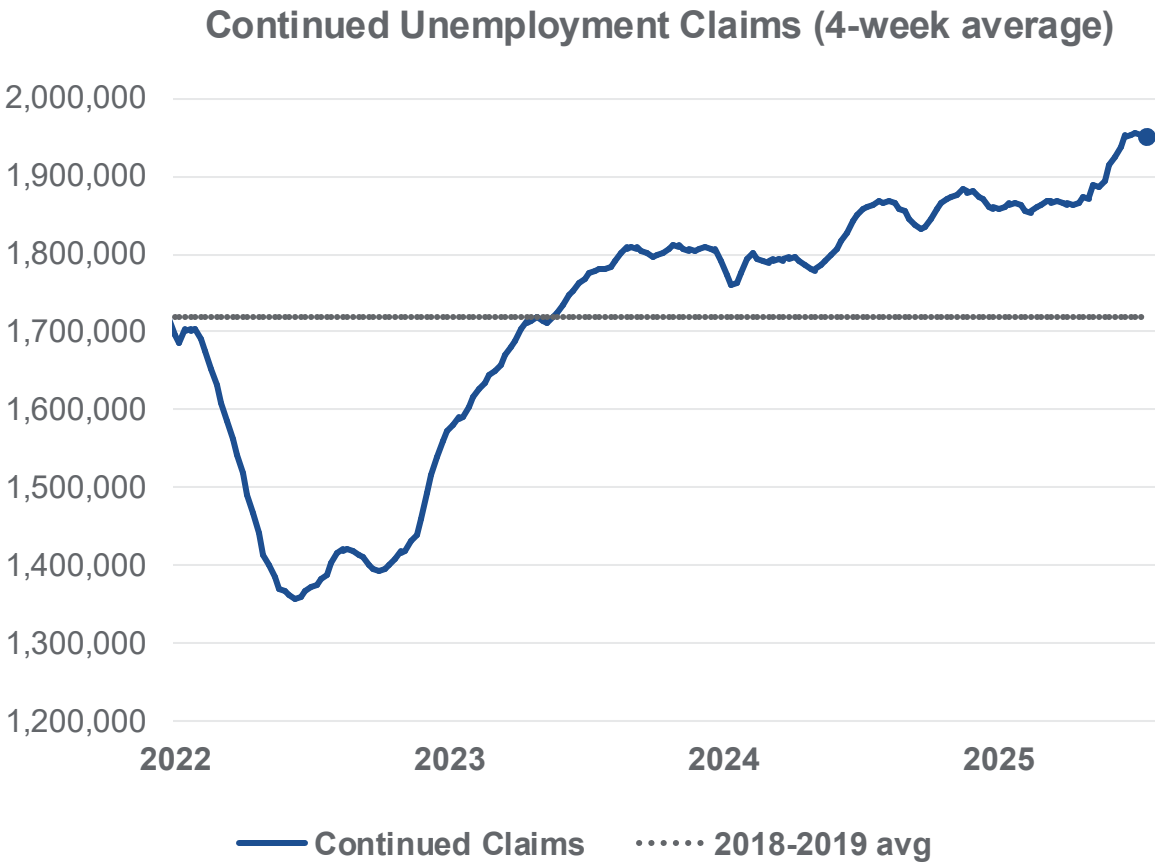
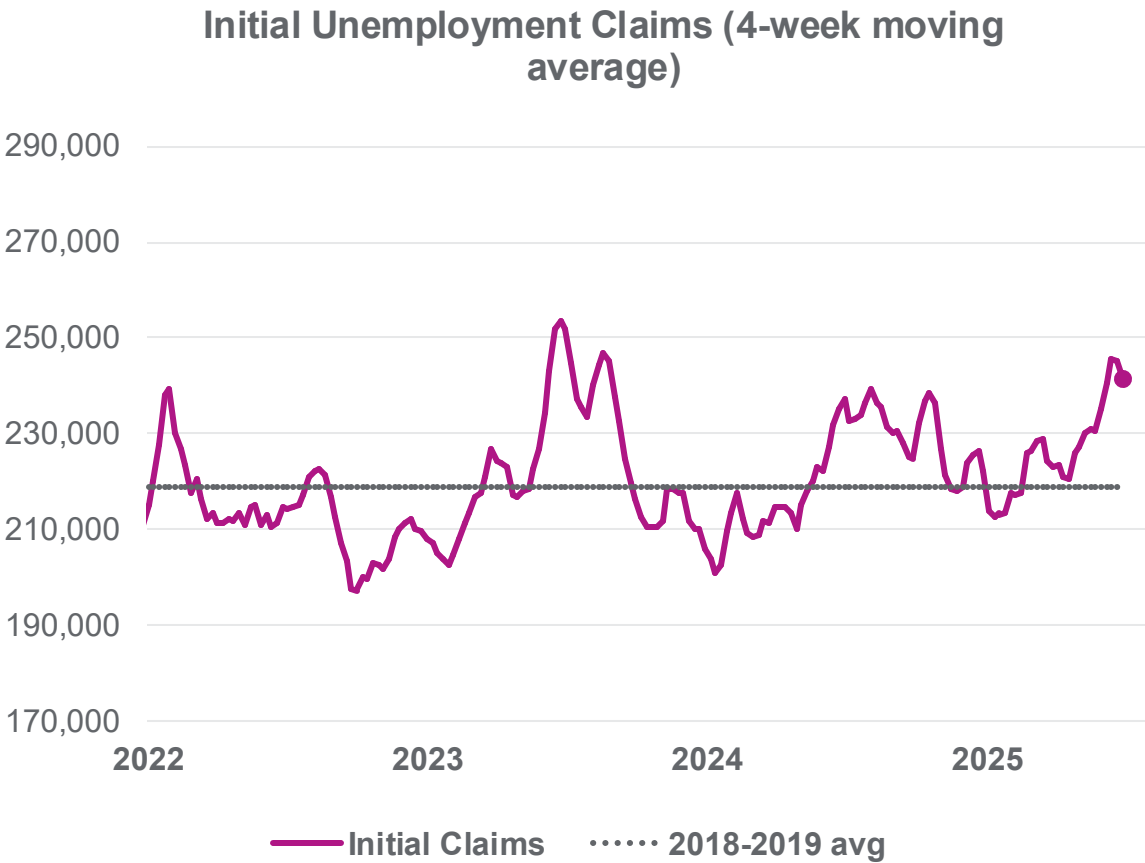


Some contacts **reported layoffs due to federal government spending cuts**, although others cited weak demand.

— Dallas

Initial unemployment benefit claims are on the rise

— Continued claims also continue to increase, indicating longer unemployment durations

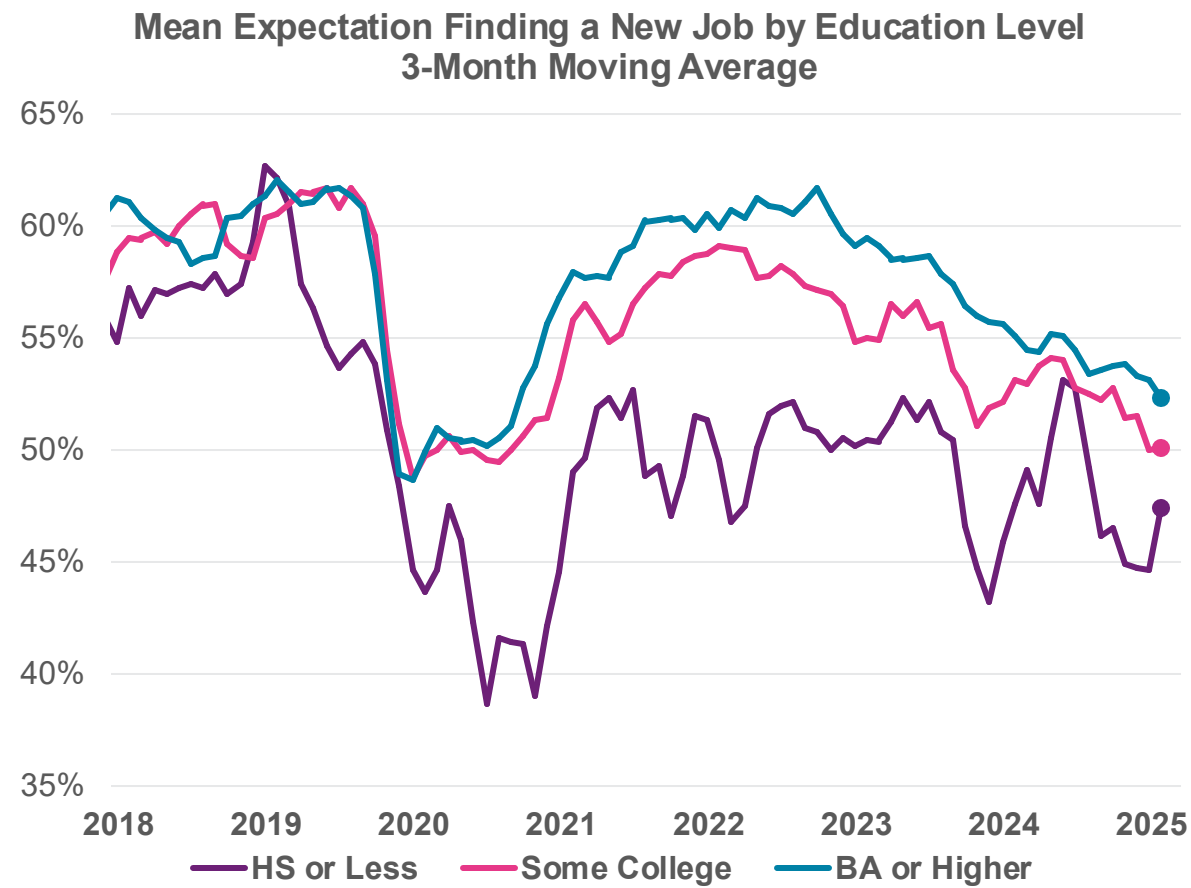
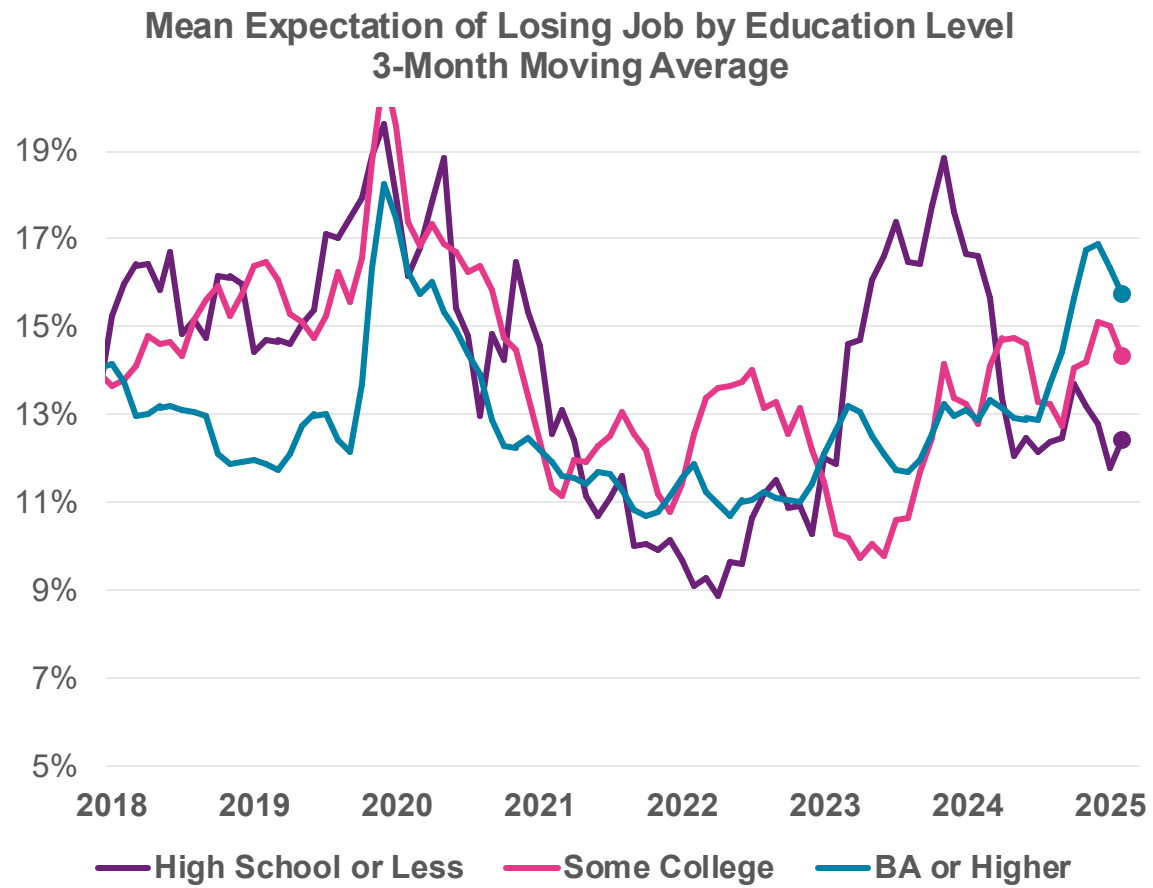


Source: Department of Labor and Experian Economic Strategy Group



BA+ degree-holders have highest expectations of losing their job

— Job-finding expectations on the decline for college-educated

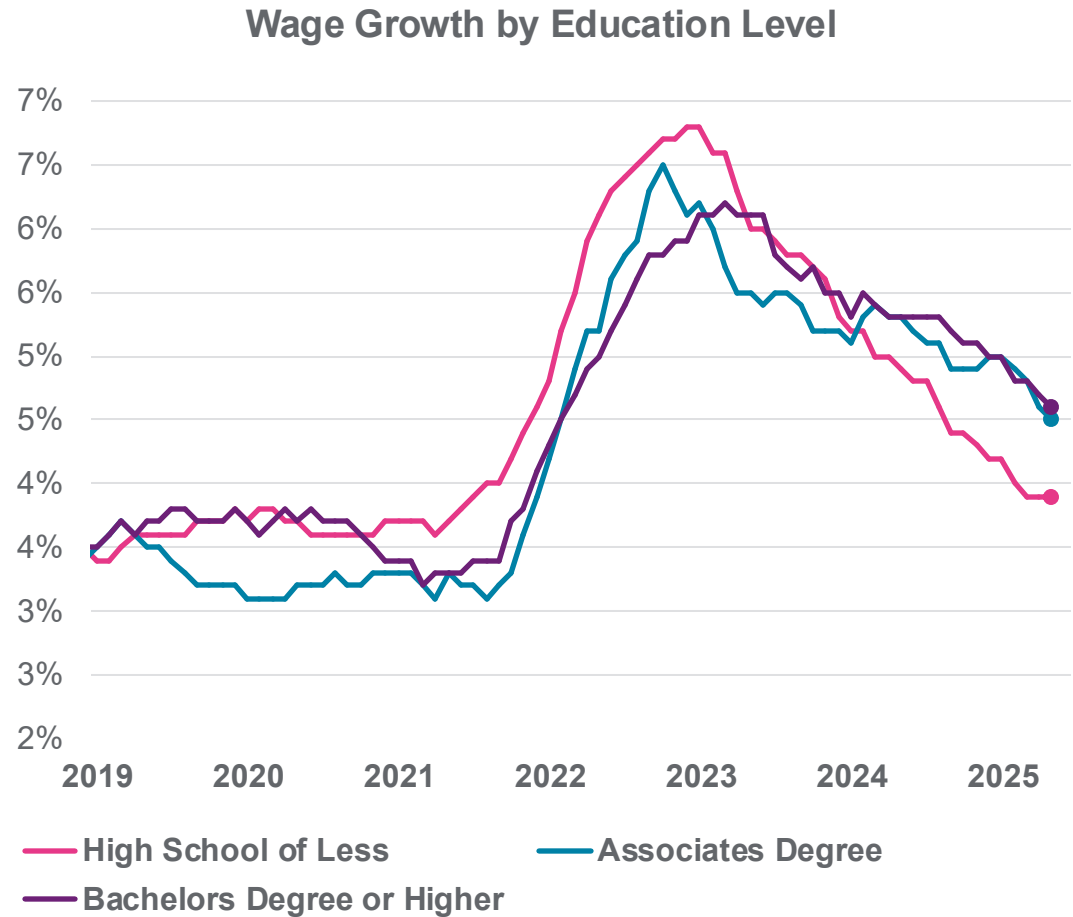
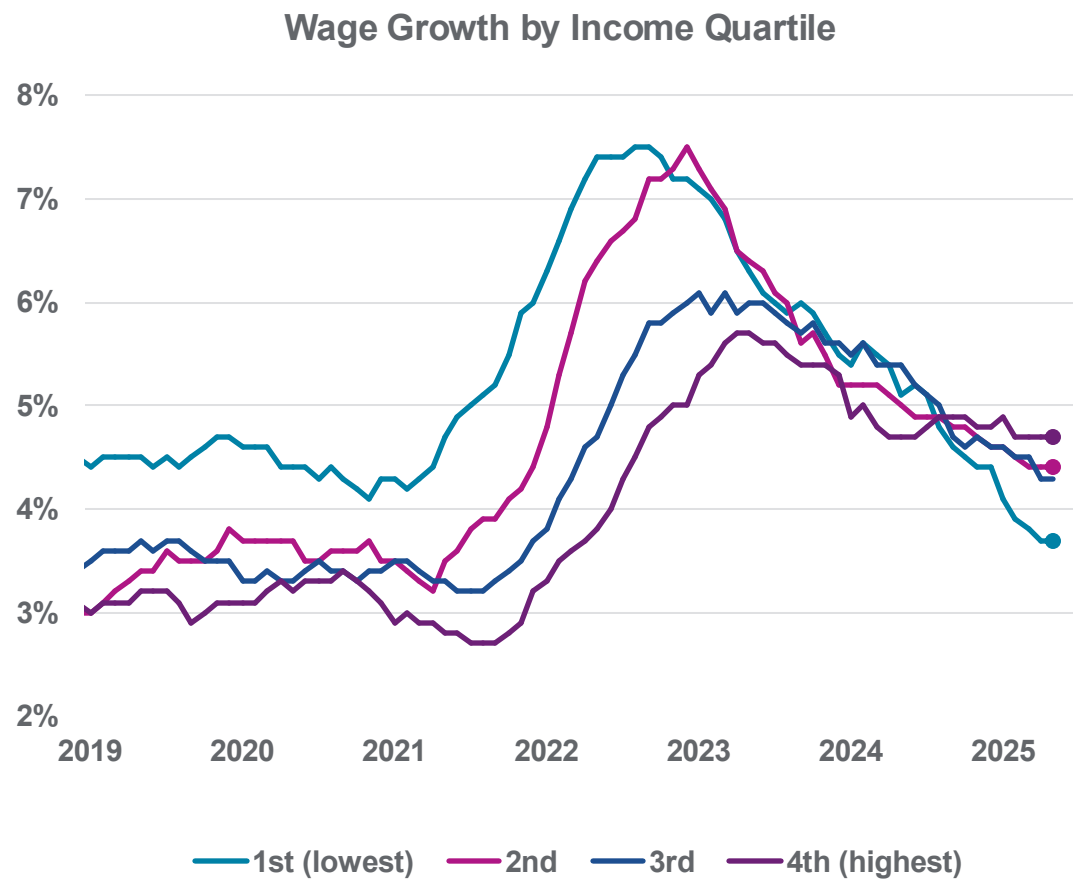


Source: Federal Reserve Bank of New York and Experian Economic Strategy Group



Steepest decline in wage growth for lowest-income group

— Wage growth flat over the last couple of months for least-educated group while the decline continues for more-educated groups

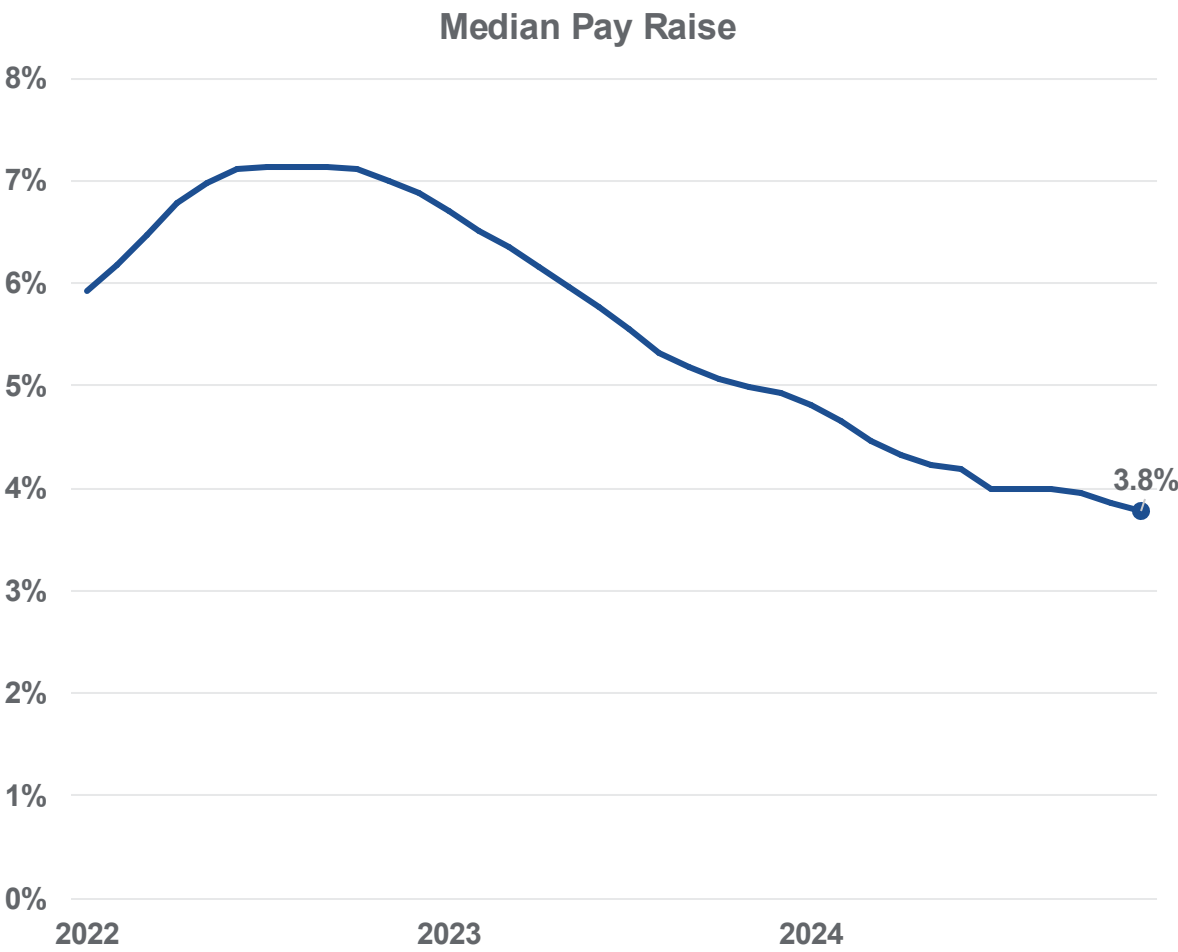


Source: Federal Reserve Bank of Atlanta and Experian Economic Strategy Group



New hire wage growth seems to be rebounding

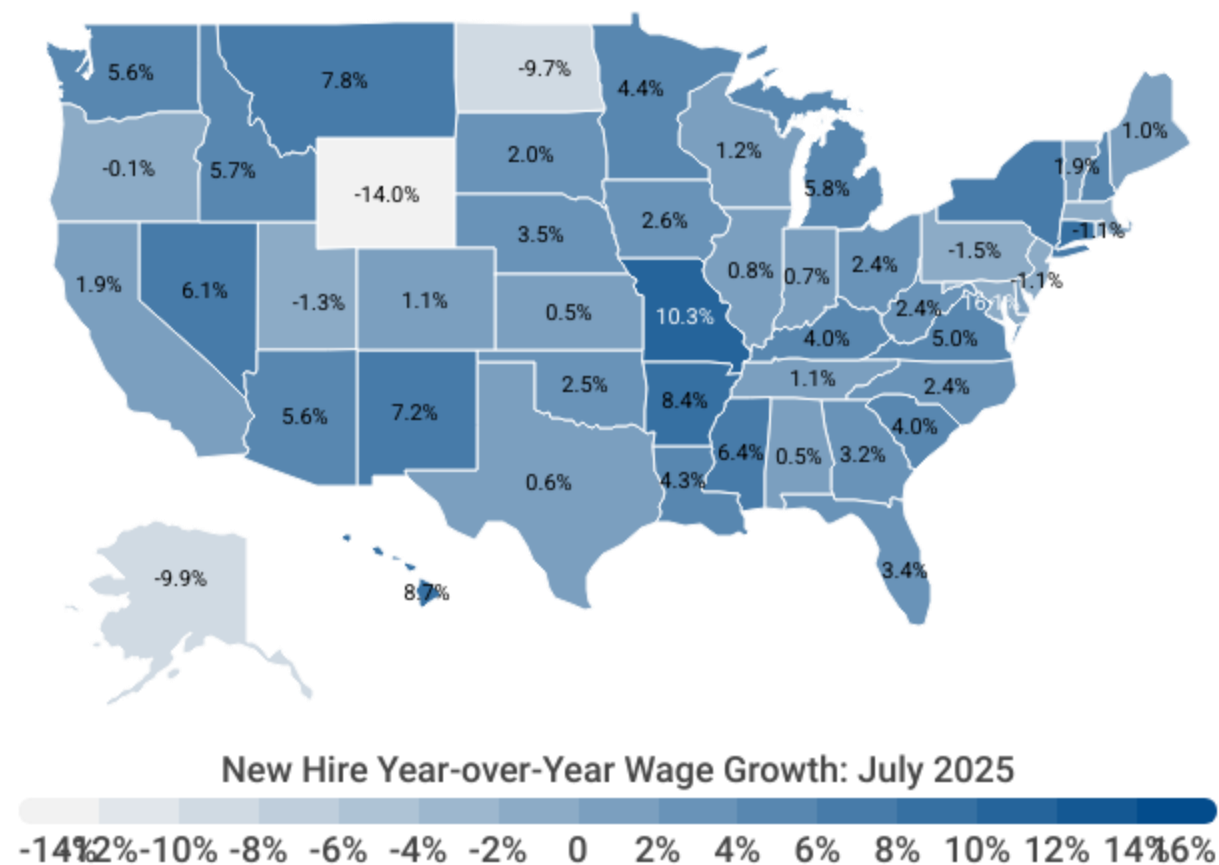
Pay raise amounts are on the decline



Source: Gusto and Experian Economic Strategy Group



Pockets of higher wage growth for new hires spread around the country



Highest New Hire Wage Growth: July 2025	YoY % Change
1. D.C.	16.1%
2. Missouri	10.3%
3. Connecticut	9.0%

Lowest New Hire Wage Growth: July 2025	YoY % Change
1. Wyoming	-14.0%
2. Alaska	-9.9%
3. North Dakota	-9.7%

Source: Gusto and Experian Economic Strategy Group





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