By analyzing weekly employee shift trends at 35,000 U.S. businesses with a combined 3.9 million employees, this index tracks the ongoing recovery of the U.S. workforce.
Sick Leaves Decline as Omicron-related Illnesses Abate

Monthly punch volume grows across all industries, sectors, geographies

By analyzing weekly employee shift work trends across 35,000 U.S. businesses and 3.9 million employees, this index provides directional insight into the health of the frontline working economy. See all historical weekly reports at UKG.com/WorkforceActivityReport.

Through the week ending February 13, workforce activity levels experienced a strong snapback of 6.6% growth compared to the same period in January. This is the largest monthly increase since Spring 2020, but should be attributed to a weak mid-January period created by the omicron surge and associated sick leaves rather than a significant acceleration in hiring. Relative to mid-December, shift work levels are up 1.4%.
Executive Summary

February 2022

Mid-month shift growth
0.1% May
2.0% June
1.1% July
-2.4% August
-0.1% September
0.1% October
1.4% November
-1.7% December
-5.1% January
6.6% February

Workforce Recovery Scale
112.5 May
105.0 June
101.4 July
100.1 August
97.5 September
98.2 October
100.5 November
99.5 December
96.3 January
103.6 February

Shift growth by company size
5.9% <100
5.9% 101-500
6.4% 501-1,000
7.9% 1,001-2,500
10.5% 2,501-5,000
6.2% >5,000

Shift growth by industry
11.3% Public sector & non-profit
6.8% Services & distribution
6.5% Manufacturing
5.1% Retail, hospitality & food service
3.6% Healthcare

Shift growth by region
7.8% Northeast
6.5% Midwest
6.5% West
6.0% Southeast

"Much of February's growth can be attributed to a strong snapback from the weak mid-January period created by the omicron surge. Still, looking at the longer-term trend, it’s very clear that people are increasingly coming off the sidelines to rejoin the workforce."

Dave Gilbertson
Vice president, UKG
Shifts worked

Shift growth as measure of workplace recovery

This data reflects end-of-month over end-of-month shift growth as measured by time punches, collected via time clock, mobile, and web-based devices.

While end-of-month shift volume declined 2.6%, the immediate prior week grew 1.4%, reinforcing the expectation of healthy job growth.

End-of-month shift volume decreased -2.6% in February
Workforce activity and job creation:
Tracking shift levels during the mid-month week

High-frequency UKG shift data correlates each month with new employment gains reported by the U.S. Department of Labor — providing an indication of the direction of jobs recovery. The UKG data often comes into even closer alignment following ensuing Department of Labor revisions.

**Workforce activity is up 1.4% from mid-December to mid-February**
The UKG Workforce Recovery Scale — enhanced with an updated methodology in February 2022 — is a rolling 12-month index that measures workforce activity levels at U.S. businesses. The index is the level of workforce activity relative to the same month one year ago.

The UKG Workforce Recovery Scale for February is 103.6
UKG Workforce Recovery Scale

Examining the Workforce Recovery Index across industries, regions, or business size can provide a more detailed look at the often unequal distribution of economic momentum.

Workforce activity continues to strengthen across industries, regions, and business sizes.
Shift recovery: Volume of business closures across company sizes

Shift work volume is a helpful high-frequency metric to measure not only the activity of hourly and frontline employees, but also the health of the businesses that employ them. By tracking businesses that have registered zero shifts, this metric can indicate rate of indefinite business closures. When broken down by company size, there is a clear differential of ongoing business stability between smaller organizations with less than 100 employees and larger organizations with more than 100 employees.

The ongoing rate of business closures, in tandem with the rate of job creation, will be a key factor in understanding the total impact of the COVID-19 pandemic.

After two years, 20% of all businesses that were open pre-pandemic, including 23% of small businesses, are closed.
**Shift recovery: Company size**

This data reflects month-over-month shift growth by company size as measured by time punches.

All business sizes benefited from the strong rebound following an omicron-weakened January.
Shift recovery: Industry

This data reflects month-over-month shift growth by industry as measured by time punches.

All industries enjoyed strong growth, balancing a weak January.

- Healthcare
- Manufacturing
- Retail, hospitality & food service
- Services & distribution
- Public sector & non-profit

<table>
<thead>
<tr>
<th>Industry</th>
<th>November</th>
<th>December</th>
<th>January</th>
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</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>-1.0%</td>
<td>-4.5%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-2.4%</td>
<td>-5.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Retail, hospitality &amp; food service</td>
<td>-2.7%</td>
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<td>6.8%</td>
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<tr>
<td>Public sector &amp; non-profit</td>
<td>-7.2%</td>
<td></td>
<td>11.3%</td>
</tr>
</tbody>
</table>
Shift recovery: U.S. landscape
The workplace recovery continues to be highly regionalized and localized.

This data reflects month-over-month shift growth by region and state as measured by time punches.

43.4% of fully vaccinated population have received at least one booster shot

CDC: 70+% of Americans in counties where Covid poses low/medium threat to hospitals

March data to show if relaxed masking guidance impacts workforce activity
Methodology

The Workforce Activity Report by UKG (Ultimate Kronos Group) is an index that measures week-by-week metrics including employee shifts worked and pay statements from 3.9 million employees across more than 35,000 UKG customers.

“Shifts worked” is a total derived from aggregated employee time and attendance data and reflects the number of times that employees — especially those who are paid hourly or must be physically present at a workplace to perform their jobs — “clock in” and “clock out” via a time clock, mobile app, computer, or other device at the beginning and end of each shift.

Beginning February 2022, UKG updated its indexing methodology to reflect a rolling 12 month index. Previous reporting on the impact of unemployment benefits on workforce activity can be found in the July–September 2021 reports.

For the latest data reports visit: UKG.com/WorkforceActivityReport

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