



UKG WORKFORCE ACTIVITY REPORT



By analyzing weekly employee shift trends at 35,000 U.S. businesses with a combined 3.3 million employees, this index tracks the ongoing recovery of the U.S. workforce.

The state of the frontline workforce

Shift Data Informs Pace of National Recovery



Using high-frequency workplace data to track the health of the labor economy

By analyzing weekly employee shift work trends across 35,000 U.S. businesses and 3.3 million employees, this index provides directional insight into the health of the frontline working economy. See all historical weekly reports at **[UKG.com/WorkforceActivityReport](https://www.ukg.com/workforce-activity-report)**.

Early summer acceleration in workforce activity hit a seasonal slowdown, with shifts dropping 2.4% between mid-July and mid-August. While this is largely due to summertime vacations, this also seems to reflect the regional toll of the COVID-19 delta variant. The UKG Workforce Recovery Scale currently sits at 84.7 out of 100.

August 2021

Mid-month shift growth

0.2%	November
1.9%	December
-3.0%	January
0.2%	February
2.6%	March
-0.3%	April
0.1%	May
2.0%	June
1.1%	July
-2.4%	August

Workforce Recovery Scale

87.1	November
84.3	December
84.9	January
86.6	February
85.5	March
85.9	April
85.3	May
86.7	June
86.3	July
84.7	August

Shift growth by company size

-2.4%	<100
-2.2%	101-500
-2.4%	501-1,000
-2.9%	1,001-2,500
-0.2%	2,501-5,000
-3.0%	>5,000

Shift growth by industry

-1.6%	Retail, hospitality & food service
-1.7%	Manufacturing
-3.4%	Services & distribution
-3.4%	Healthcare

Shift growth by region

-1.2%	Northeast
-2.4%	West
-2.5%	Midwest
-3.7%	Southeast

The UKG
Workforce
Recovery Scale
stands at
84.7

“Employee vacations and scaled-back, summertime business operations make August a historically difficult month to situate within the larger employment landscape. This year was no different: The seasonal slowdown led to a national decline in shift work in August, with the largest decline occurring in the Southeast — a hotspot of the delta variant.”

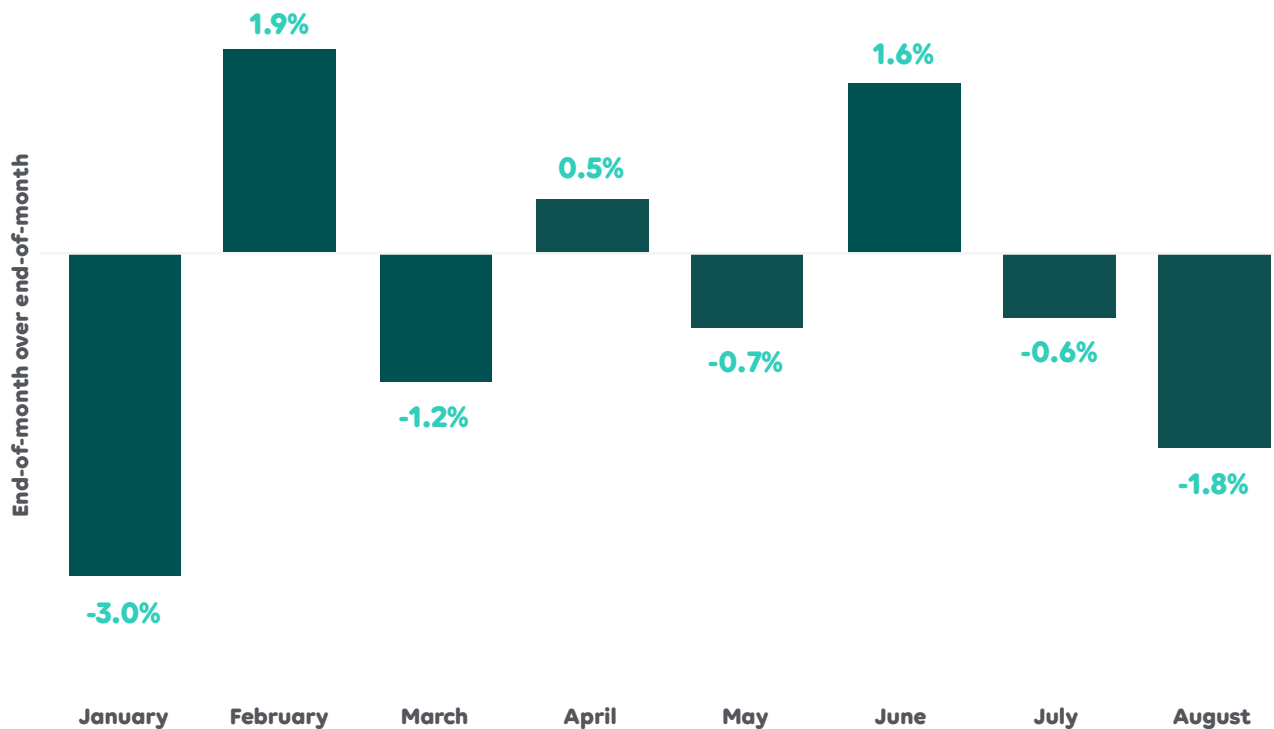
Dave Gilbertson
Vice president, UKG

Shifts worked

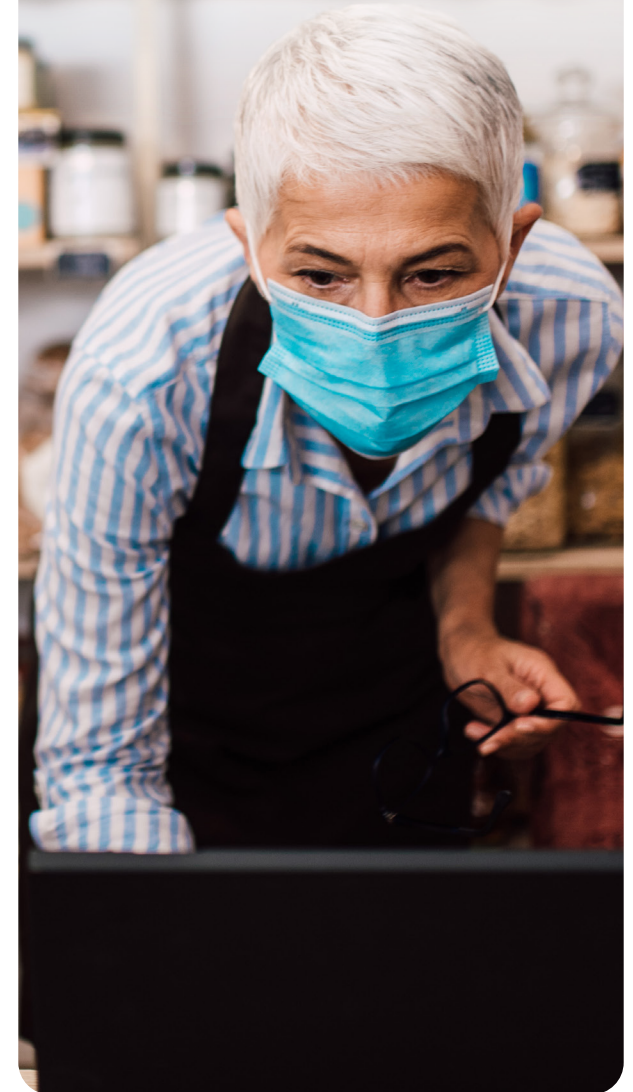
Shift growth as measure of workplace recovery

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.

August — a traditionally difficult month to predict and gauge — continued be hindered by anticipated seasonal slowdowns as well as an upswing in COVID-19 cases.



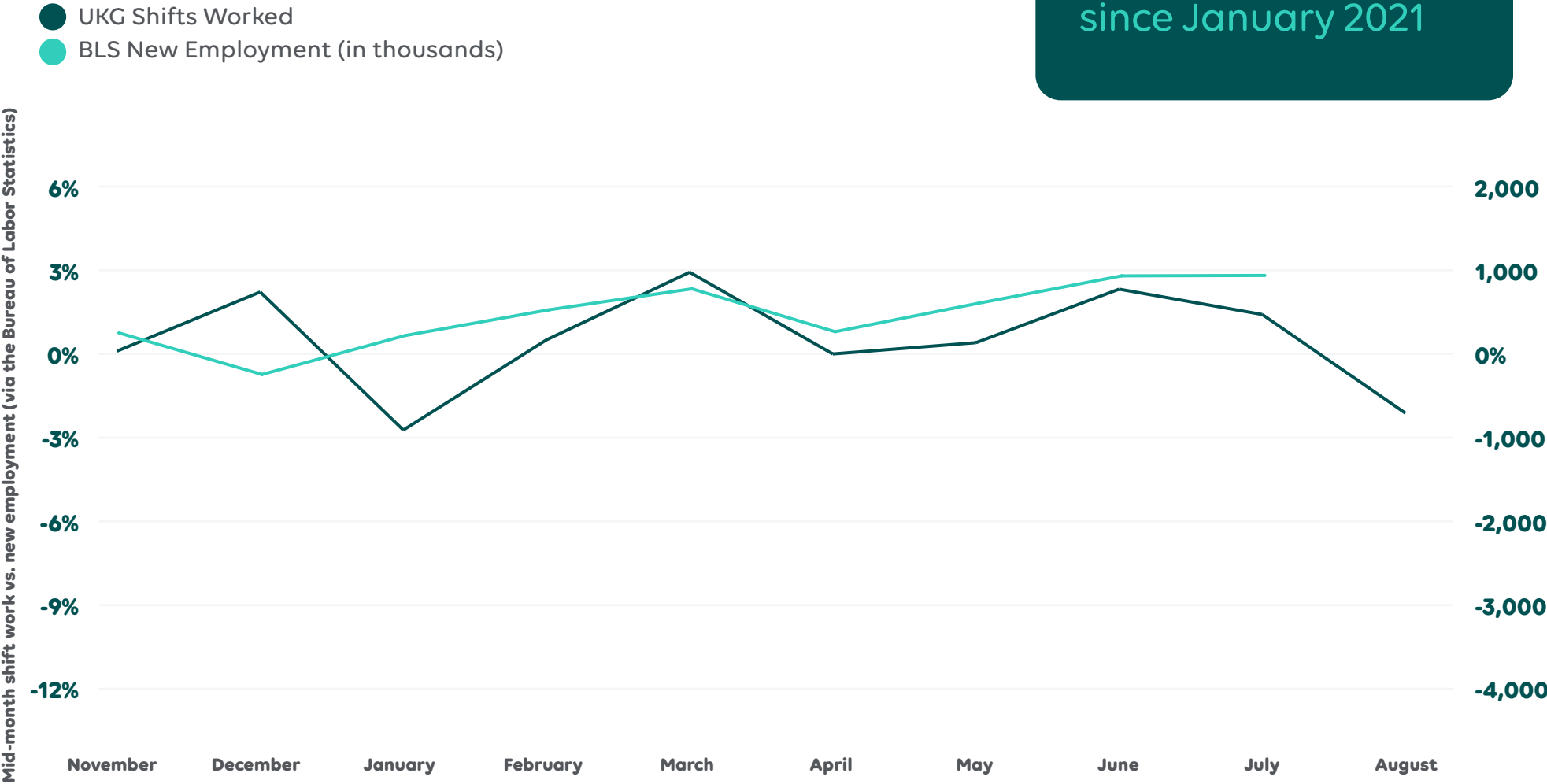
End-of-month
shift volume in
August fell 1.8%



Shift recovery: Mid-month data aligns with changes in U.S. employment

Throughout the national economic recovery, high-frequency UKG shift data has closely correlated each month with the new employment gains reported by the U.S. Department of Labor — providing an indication of the direction of jobs recovery.

Shift volume contracted between mid-July and mid-August (-2.4%) in the largest mid-month loss of shift work since January 2021



Have expiring federal benefits created workforce activity growth?

UKG data showed that states ending additional federal unemployment benefits grew workforce activity among hourly employees by a fraction of the rate of growth seen in states that continued the additional benefit.

CHANGE IN SHIFT WORK COMPARED TO MAY

States that ended benefit	States continuing benefit
July: 2.2%	July: 4.1%
August: -0.4%	August: 1.7%

Additionally, when comparing states that ended the benefit against those continuing the benefit, there is no meaningful difference in the percentage that saw a growth in workforce activity.

PERCENTAGE OF STATES WHERE SHIFT WORK INCREASED COMPARED TO MAY

States that ended benefit	States continuing benefit
July: 81.0%	July: 80.8%
August: 52.4%	August: 57.7%

There were 21 states that ended additional federal unemployment benefits in June. Most gave ~30 days of notice to recipients, which was intended to begin spurring additional movement towards becoming employed. UKG continues to evaluate the shift work evidence as it compares to pre-announcement levels.

Commentary from Dave Gilbertson, vice president, UKG

“The common assumption is that people would have become more open to a new job after extra federal pandemic-related benefits expired, if the benefits were what was holding them back. Our data indicates that these extra benefits were likely not the primary reason preventing people from accepting a new job.

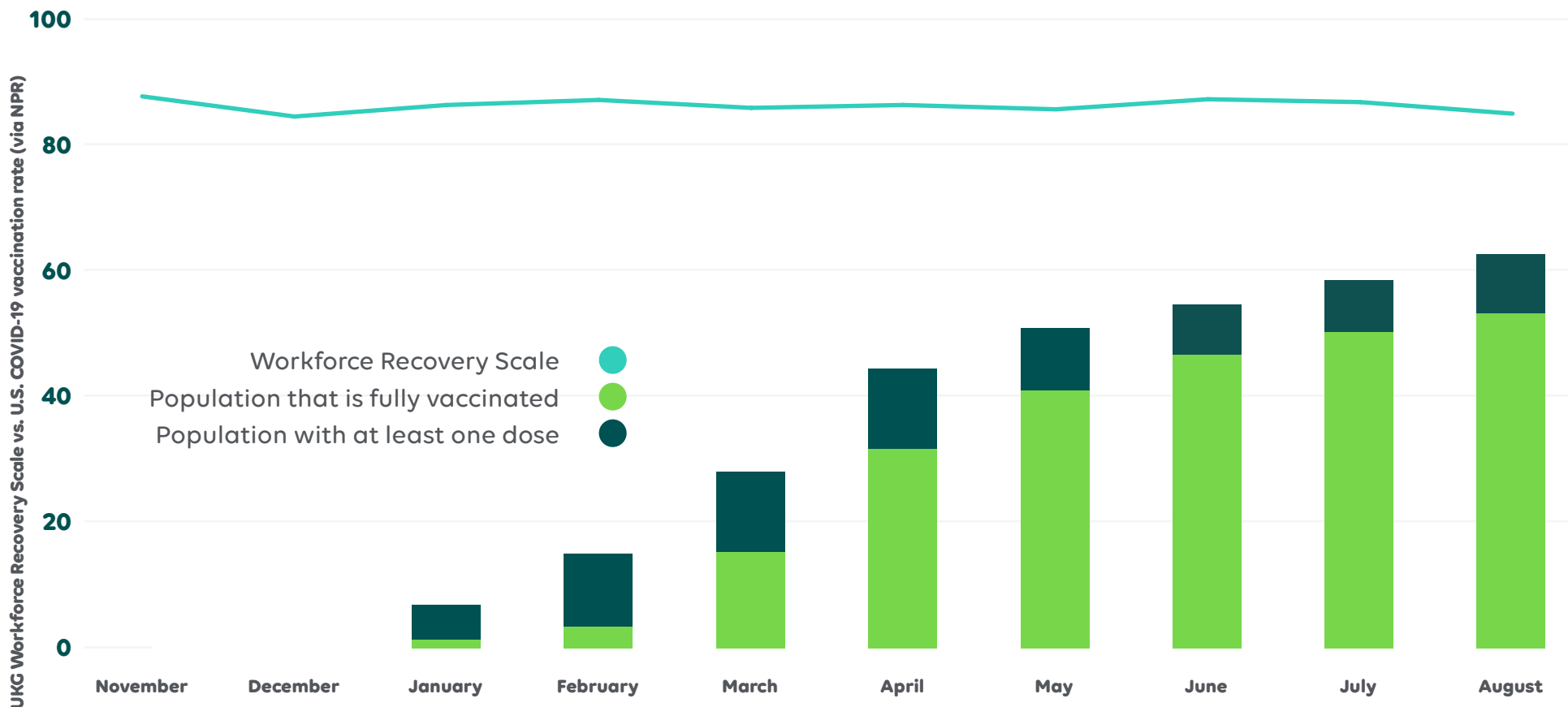
The states that removed the extra benefits tend to be states that did not pose as many restrictions last year, and as a result, did not see the same level of overall unemployment increases as other states with more comprehensive economic guidelines. Texas and Florida are two good examples. This positions them to show signs of a more normal economic environment today.”

Shift recovery: Tracking work activity alongside vaccination rates

The UKG Workforce Recovery Scale is an indexed measure of end-of-month shift work activity across the U.S. The Workforce Recovery Scale does not track the economic recovery from COVID-19; it is a metric benchmarking the shift-based workplace activity today against pre-pandemic activity to provide an alternative and complementary view into the national employment situation.

The national economic recovery is dependent on a variety of factors — including an increasing rate of COVID-19 vaccinations. The combination of vaccination rates and the Workforce Recovery Scale provides a multidimensional view of stability indicators that can empower organizations to begin planning for future post-pandemic operations.

The UKG
Workforce
Recovery Scale
currently sits
at **84.7**

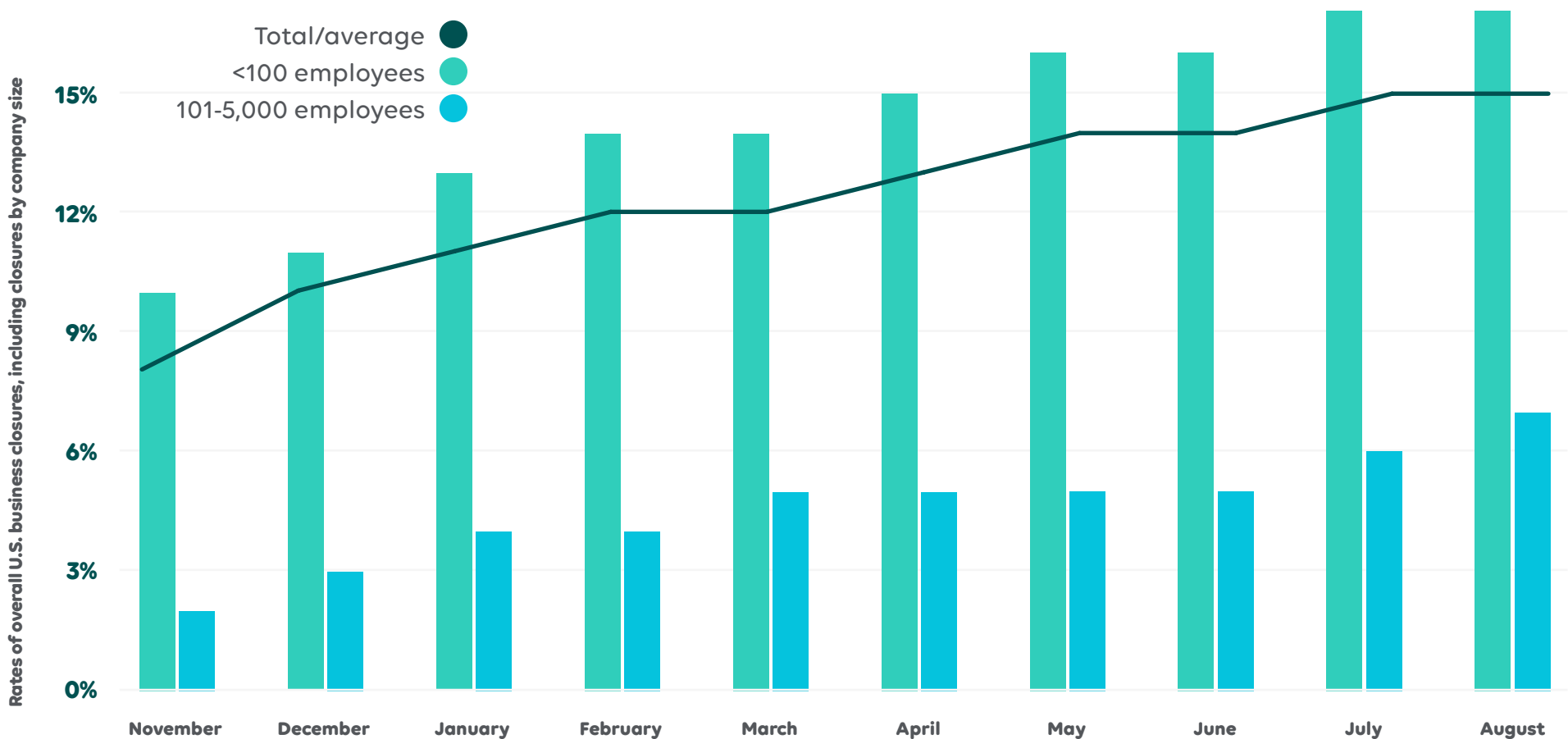


Shift recovery: Volume of business closures across company sizes

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.

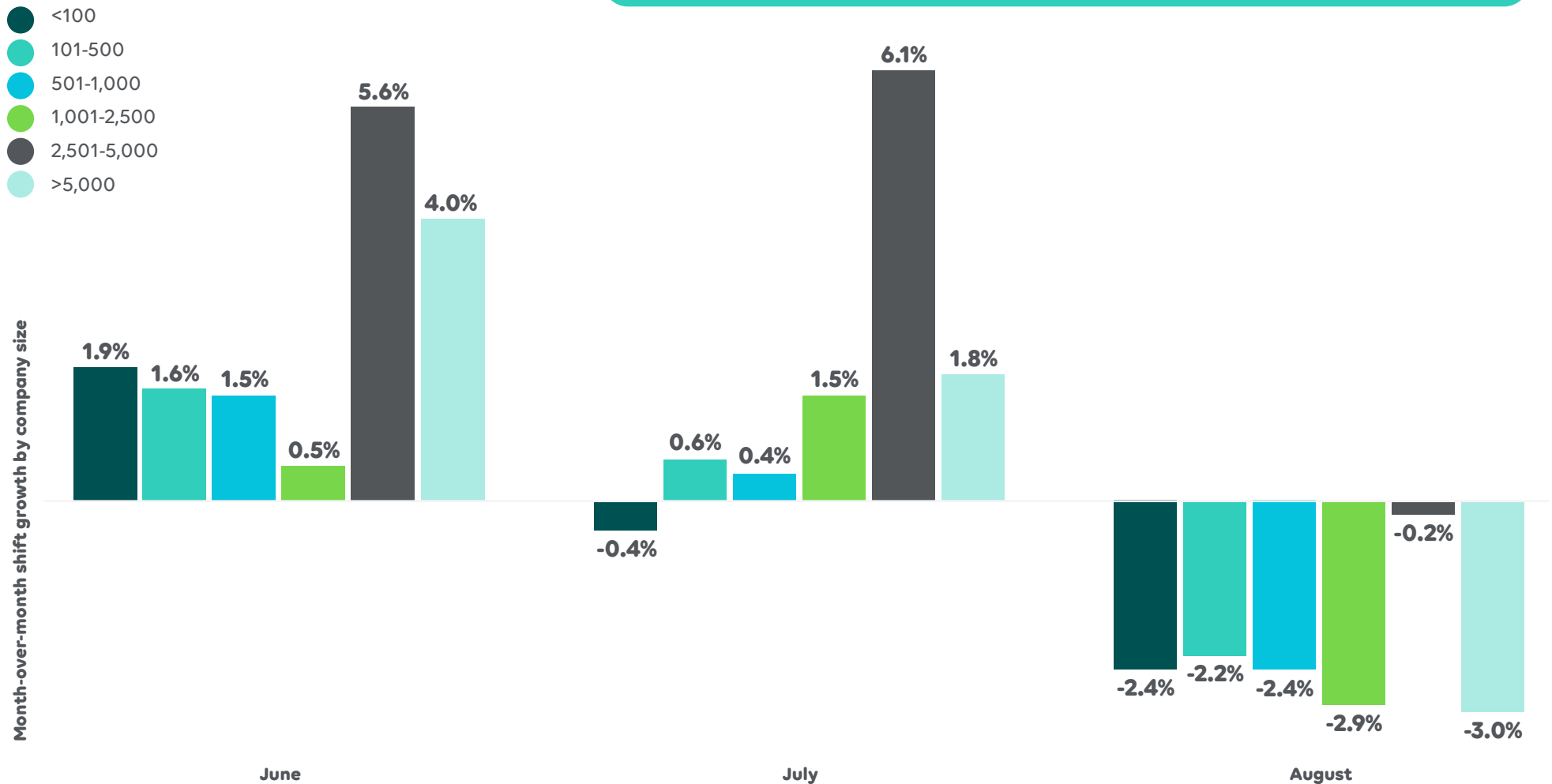
Across the U.S., 15% of all businesses — and 17% of small businesses — remain indefinitely closed



Shift recovery: Company size

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

While companies across size segments saw a decline in shift work from mid-July to mid-August, larger companies with 2,501–5,000 employees saw the least disruption in workforce activity

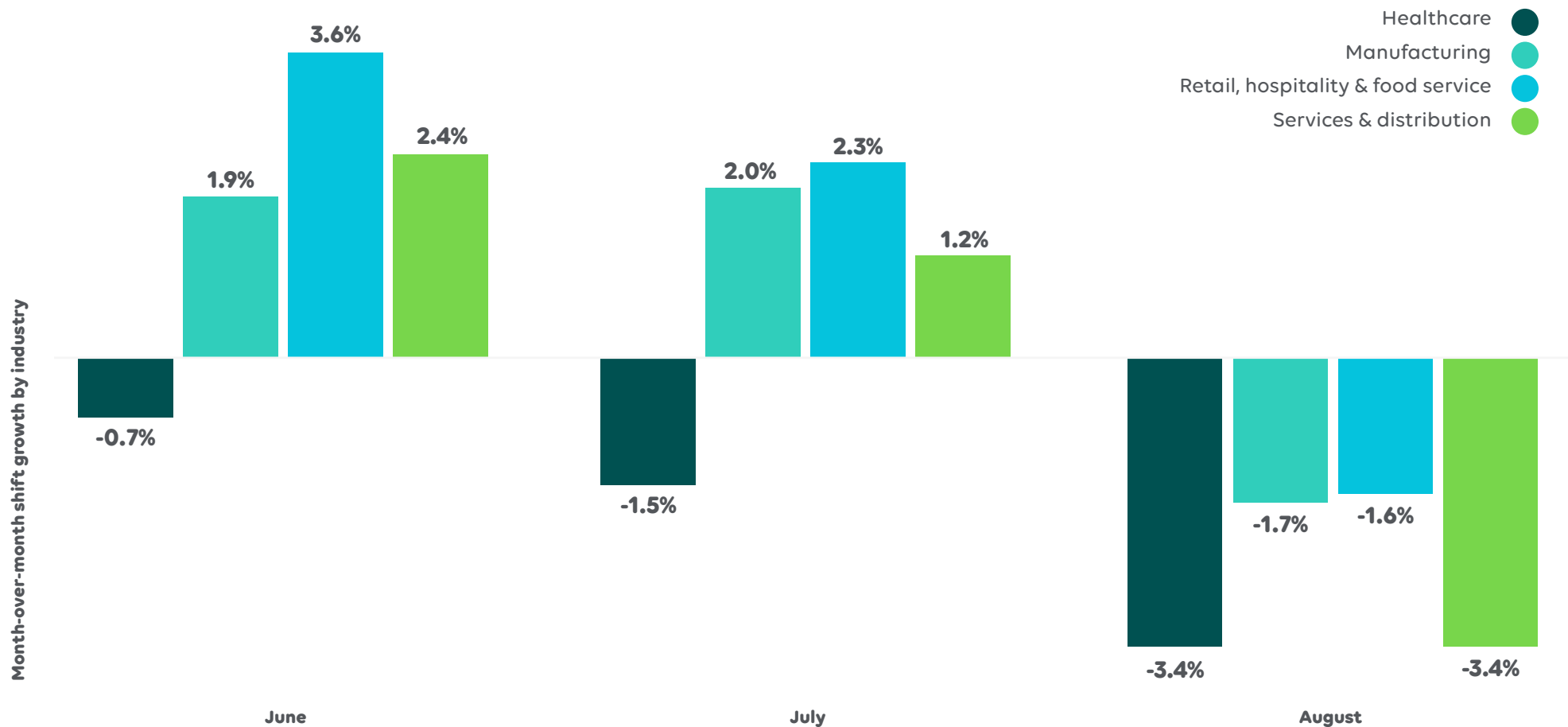


Shift recovery: Industry

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

Note: As public and private educational institutions enter summer break, UKG will resume public reporting of public sector, education, and non-profit shift data in October.

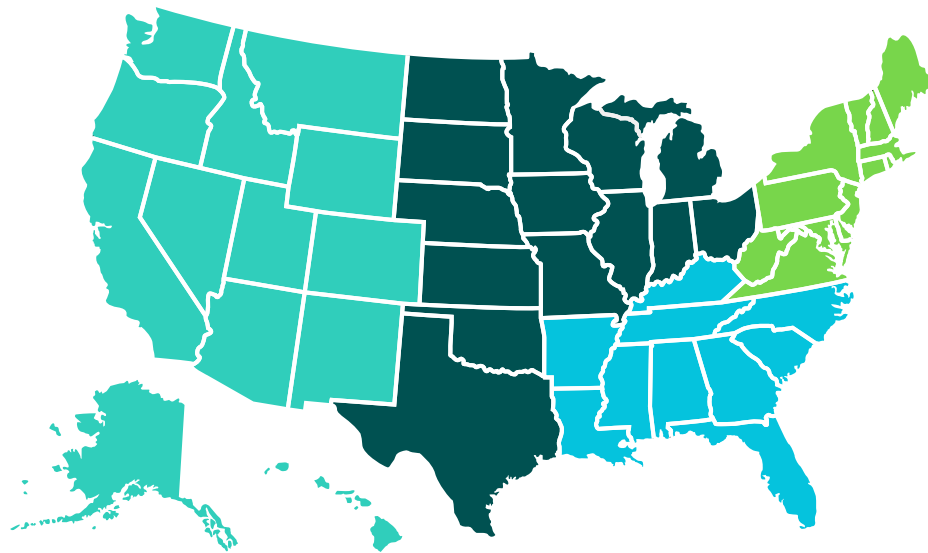
The skilled worker shortage continues to hinder meaningful labor recovery in healthcare, manufacturing, and services & distribution



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.



● Northeast	3.9% June	2.3% July	-1.2% August
● Southeast	1.9% June	-1.0% July	-3.7% August
● Midwest	1.2% June	-0.3% July	-2.5% August
● West	1.2% June	3.2% July	-2.4% August

The 7-day COVID-19 case rate exceeds 250 per 100,000 residents in **24 states**. (via CDC)

Of those with the highest case rates, **9 states** fall in the Southeast region.

The Southeast lost the greatest volume of shifts, dropping **3.7%** between mid-July and mid-August.

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 3.3 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 in May 2021, UKG updated its shift growth methodology to reflect mid-month over mid-month changes, unless otherwise stated; it had previously reflected end-of-month over end-of-month changes unless otherwise stated.

For the latest data reports visit:
[UKG.com/WorkforceActivityReport](https://www.ukg.com/WorkforceActivityReport)

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