



UKG WORKFORCE ACTIVITY REPORT

December 2023



Workforce activity slows — as expected — in December

December drop on par with past years

By analyzing weekly employee shift work trends across 35,000 U.S. businesses and 4.3 million employees, this index provides directional insight into the health of the frontline working economy.

See all historical weekly reports at UKG.com/WorkforceActivityReport.



Shift work
decreased 2.0%
in December

Executive summary

December 2023



Mid-month shift growth

| | |
|-------|-----------|
| -0.7% | July |
| -0.8% | August |
| 0.1% | September |
| -0.2% | October |
| 0.4% | November |
| -2.0% | December |



Shift growth by company size

| | |
|-------|-------------|
| -1.8% | <100 |
| -2.1% | 101-500 |
| -1.9% | 501-1,000 |
| -2.3% | 1,001-2,500 |
| -1.9% | 2,501-5,000 |
| -3.4% | >5,000 |



Workforce Recovery Index

| | |
|-------|-----------|
| 98.4 | July |
| 99.2 | August |
| 100.6 | September |
| 100.6 | October |
| 100.7 | November |
| 101.8 | December |



Shift growth by industry¹

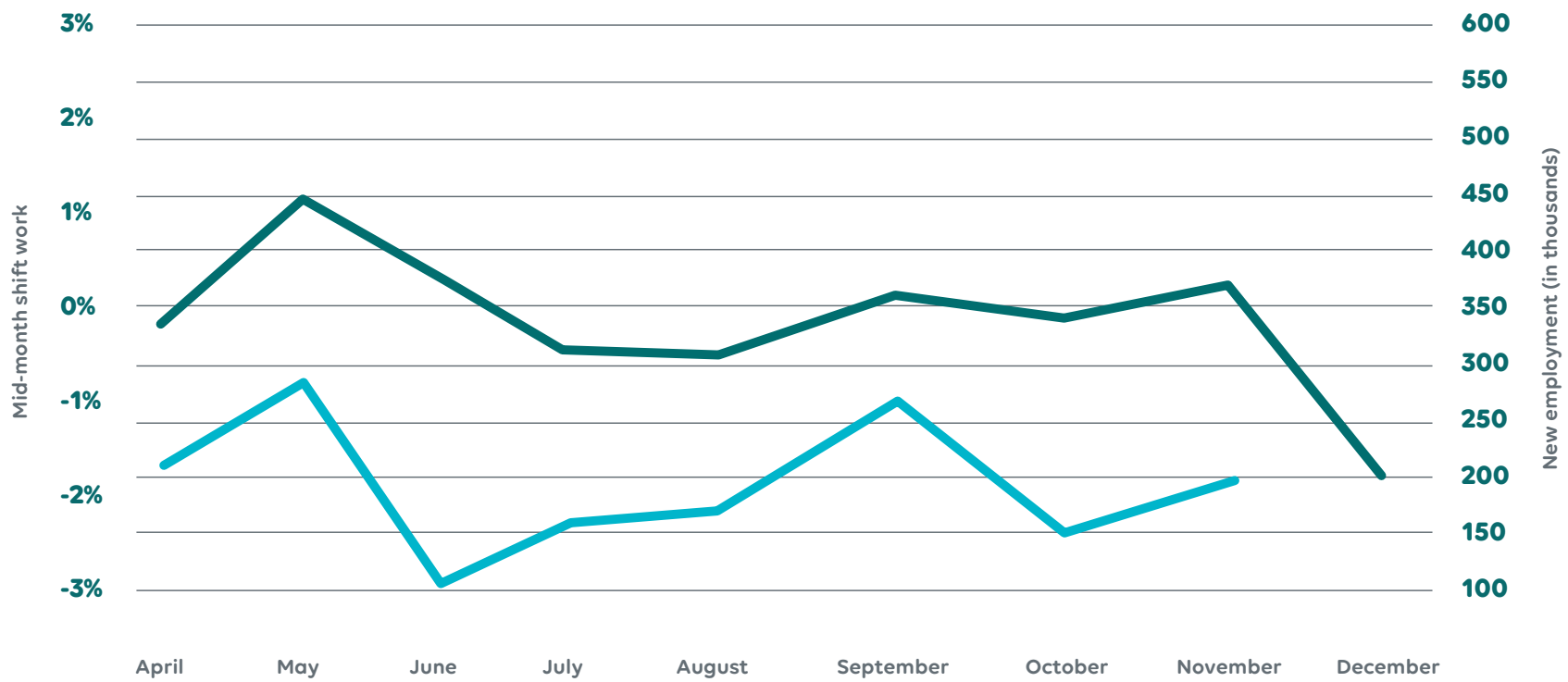
| | |
|-------|-------------------------------------|
| -1.2% | Healthcare |
| -1.9% | Manufacturing |
| -3.6% | Public Sector |
| -1.0% | Retail, food service, & hospitality |
| -2.0% | Services & distribution |



Holidays show expected declines in December shift work

Workforce activity declined 2.0% in December, but there were no big surprises, given the holidays have historically slowed shift work. From an industry perspective, UKG data shows it's been a "jolly season" for the retail, hospitality, and food service sector, which had strong months in November and December. All in all, it remains a "Goldilocks" labor market — not too hot, not too cold, but just right — heading into 2024.

Workforce activity and job creation: Tracking shift levels during the mid-month week



- UKG Shifts Worked
- BLS New Employment (in thousands)



Workforce activity decreased 2.0% in December

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.

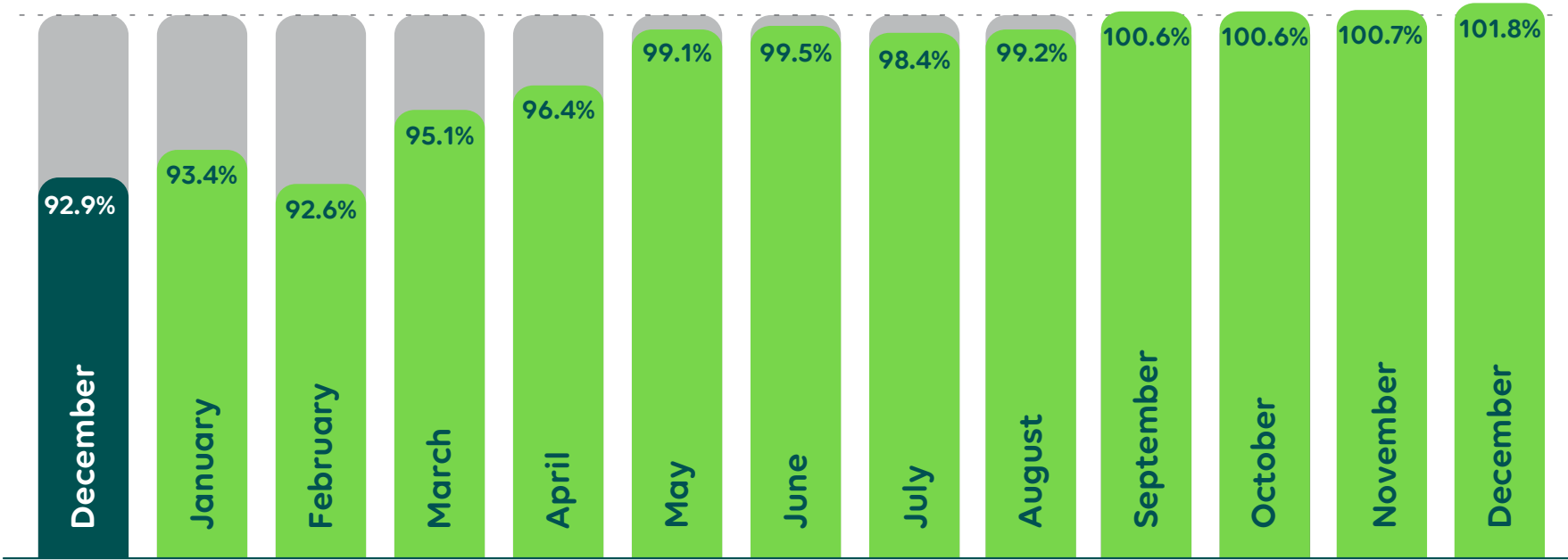


The UKG Workforce Recovery Index for December is 101.8



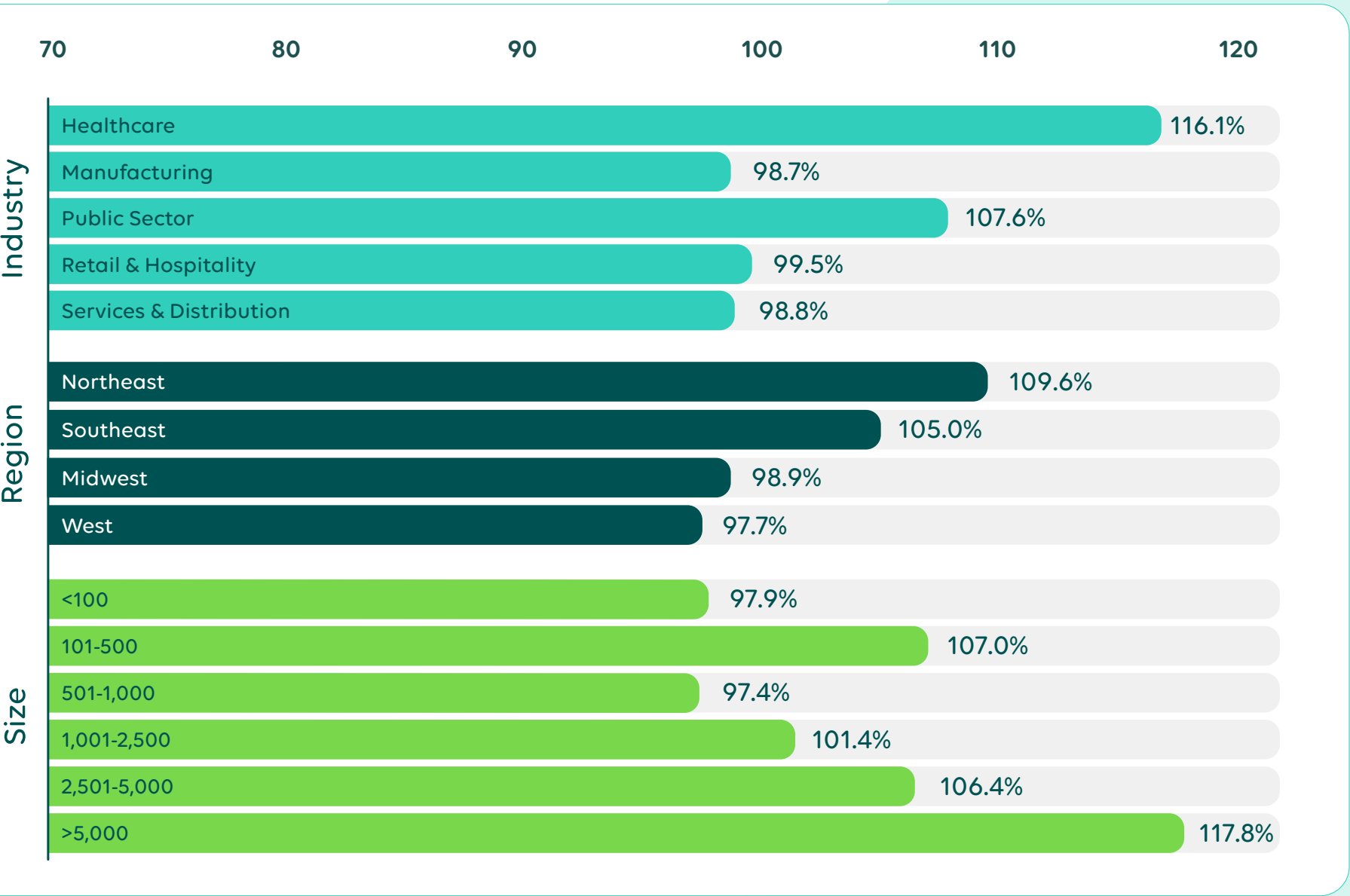
UKG Workforce Recovery Index

● 2022 ● 2023



The UKG Workforce Recovery Index is a rolling 12-month scale 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 and provides a directional indicator for anticipated changes in the labor participation rate.

UKG Workforce Recovery Index



After three steady months, the UKG Workforce Recovery Index increased in December

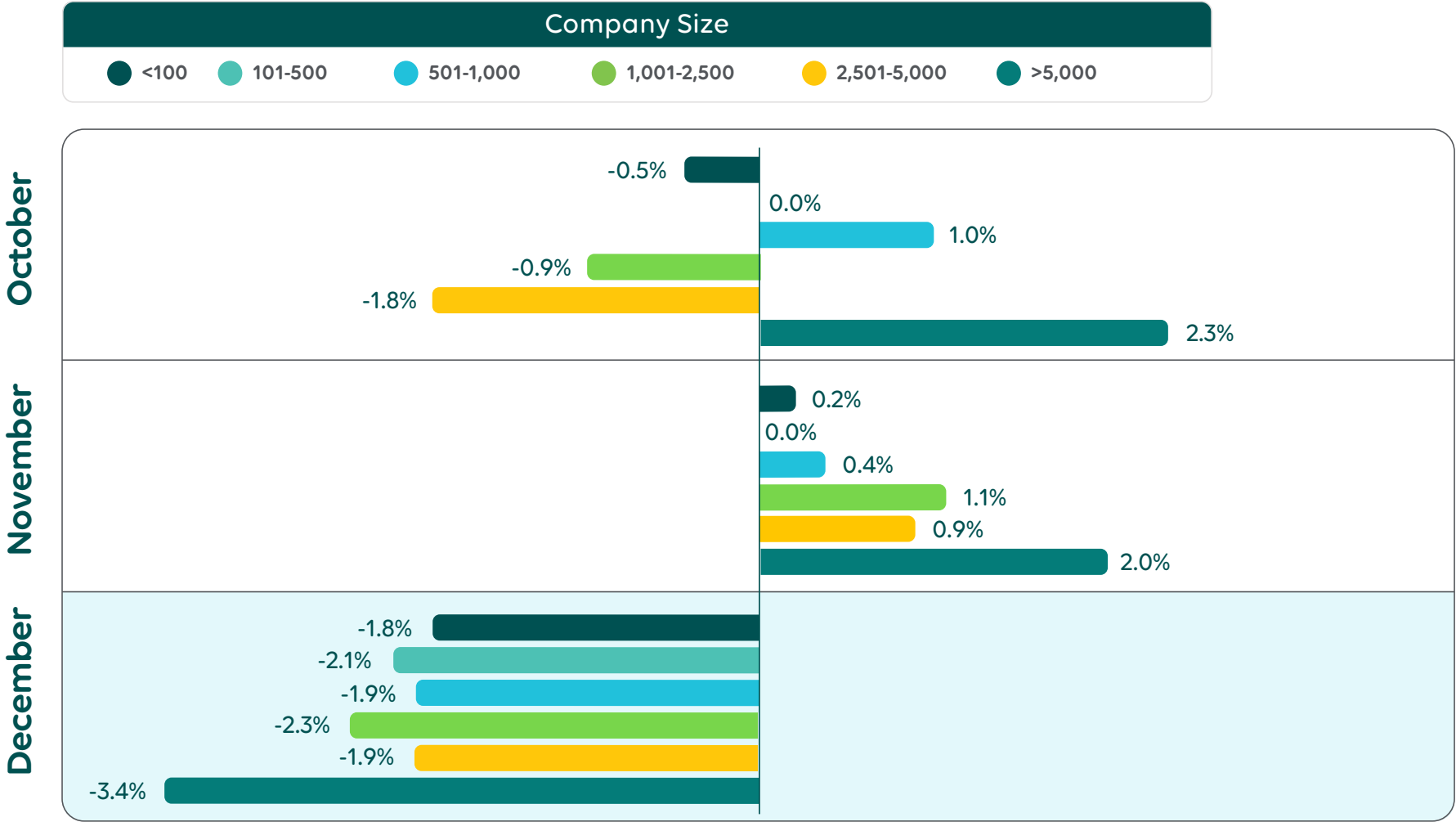
Examining the Workforce Recovery Index scale across industries, regions, or business size can provide a more detailed look at the often unequal distribution of economic momentum. The index is the level of workforce activity relative to the same month one year ago and provides a directional indicator for anticipated changes in the labor participation rate.

Shift recovery: Company size

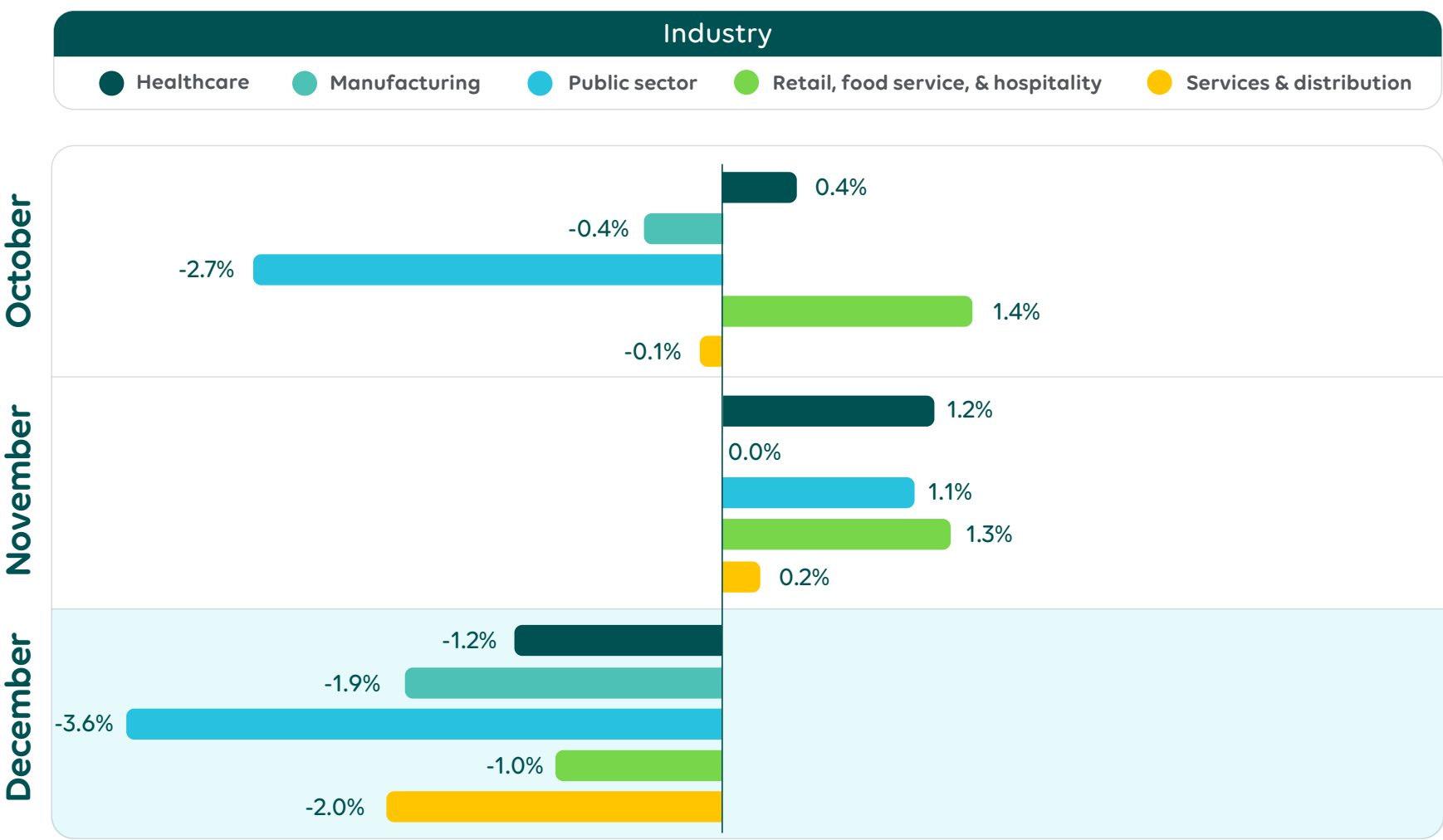
Largest companies had largest drop in December shift work



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



Shift recovery: Industry

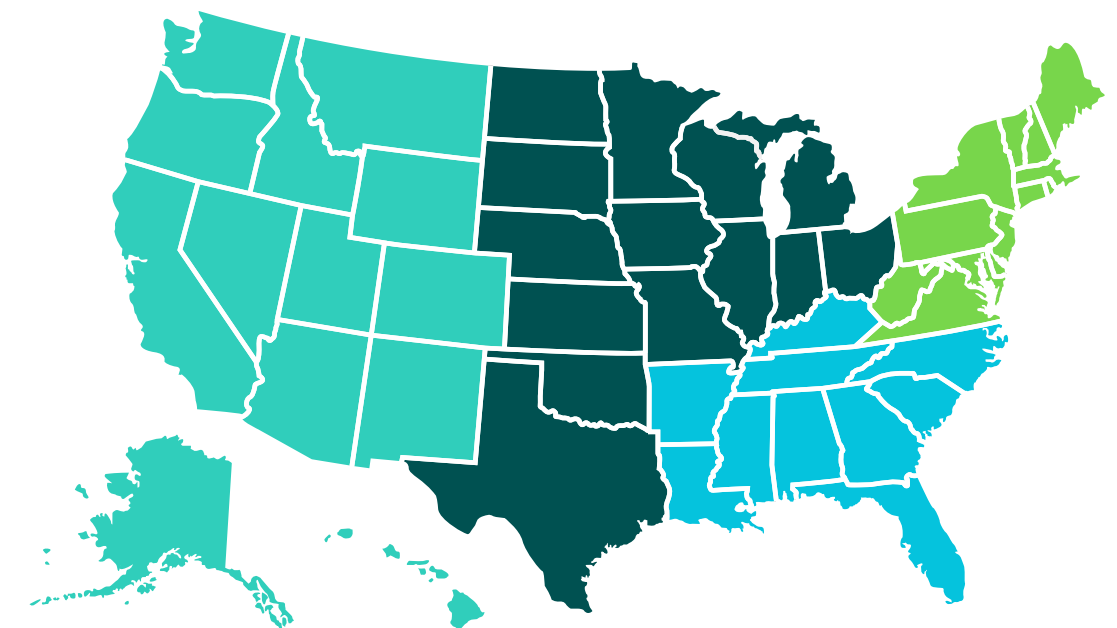


Retail, hospitality, & food service saw lowest Dec. decline among sectors

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

Shift recovery: U.S. landscape

While the COVID-19 pandemic created regional inconsistencies in workforce activity from 2020-2022, large variations in regional changes today can often be attributed to localized events such as extreme weather emergencies.



| ● Northeast | ● Southeast | ● Midwest | ● West |
|-----------------|-----------------|-----------------|-----------------|
| October: 0.4% | October: -0.5% | October: -0.8% | October: 0.4% |
| November: 1.1% | November: 0.7% | November: 0.9% | November: -0.7% |
| December: -2.2% | December: -1.7% | December: -1.8% | December: -2.6% |

Upcoming Reports



Jan. 5: Employment Situation Report



Jan. 11: Consumer Price Index, Real Earnings Report



Jan. 30: Job Openings and Labor Turnover Survey



Register to attend our monthly labor market briefing at 10:00 a.m. ET each month on the Tuesday prior to the BLS employment report publication by visiting UKG.com/WorkforceActivityReport.



Methodology

The Workforce Activity Report by UKG is an index that measures week-by-week metrics including employee shifts worked and pay statements from 4.3 million employees across more than 35,000 U.S. businesses.

“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.

¹Public Sector data, which includes K-12 education, is adjusted out of the report from June-September annually.

For more information
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