

UKG



UKG WORKFORCE ACTIVITY REPORT

December 2024





Are cracks emerging in the labor market?

January will be a pivotal month to determine potential concern for December weakness.

By analyzing weekly employee shift work trends across ~6.2 million active U.S. employees, this index provides directional insight into the health of the frontline working economy.

See historical weekly reports at [UKG.com/WorkforceActivityReport.](https://www.ukg.com/workforceactivityreport)



-1.0% decline minimally negative compared to prior years

Executive summary

December 2024

December decline isn't unexpected, but this year's source is unclear



Mid-month shift growth

-0.8%	July
-1.8%	August
0.4%	September
-1.9%	October
1.8%	November
-1.0%	December



Shift growth by company size

-3.7%	<100
-1.3%	101-500
-1.7%	501-1,000
-0.8%	1,001-2,500
-0.8%	2,501-5,000



Monthly trends

-0.5%	December 2020
-1.7%	December 2021
-2.9%	December 2022
-2.0%	December 2023
-1.0%	December 2024



Regional outlook

-0.4%	Southeast
-0.3%	West
-2.4%	Midwest
-1.0%	Northeast



Shift growth by industry¹

-1.4%	Healthcare
-1.3%	Manufacturing
0.4%	Retail, food service, & hospitality
0.8%	Services & distribution
-2.2%	Public sector



The UKG point of view

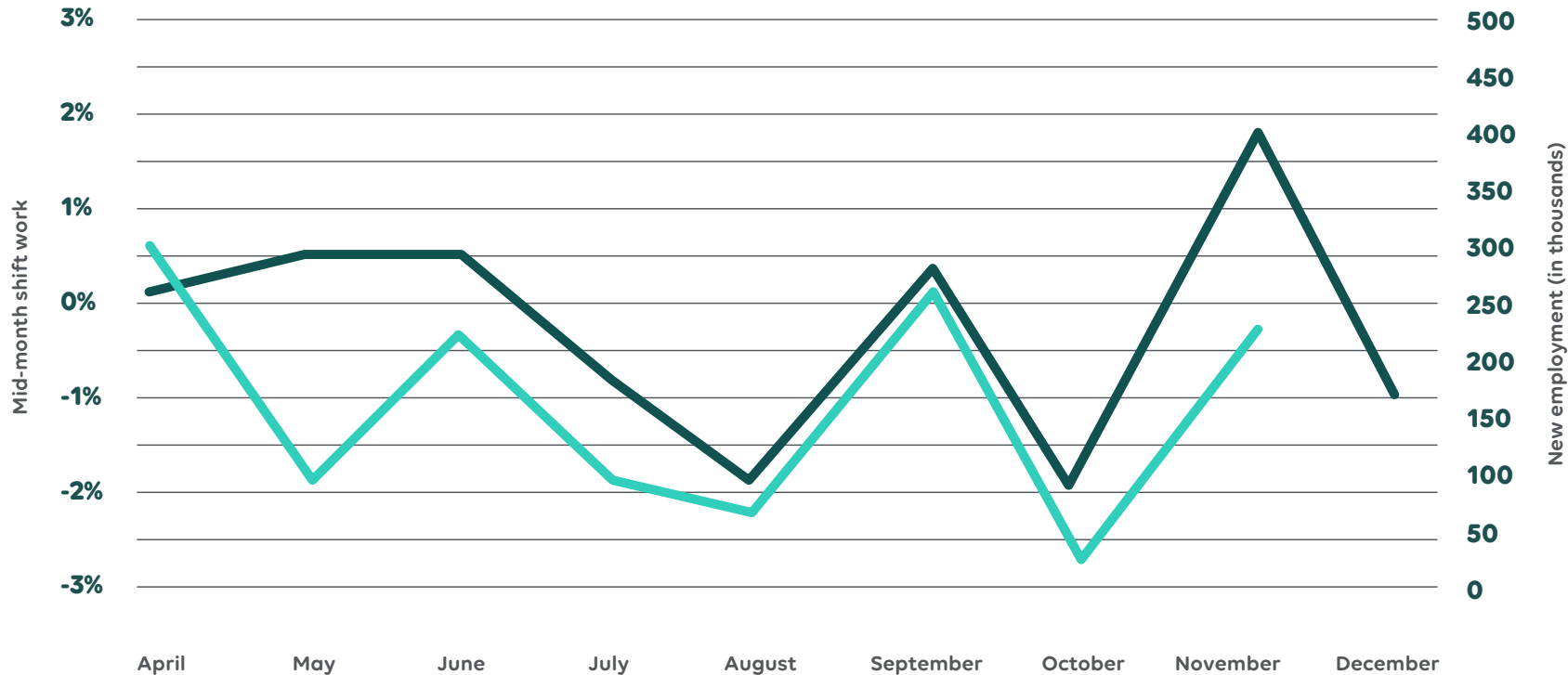
"While working losses in December are expected based on seasonal trends, we'll need to keep a close eye on January to determine whether we should be worried about deeper labor market weakness. Our data is beginning to indicate some cracks in what has been historically strong employment growth. We'll learn a more about what type of year 2025 may be for the labor market over the next month."

Eddie Hearn, Ph.D.
Lead Labor Economist, UKG

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



Workforce activity
decreased -1.0%



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.

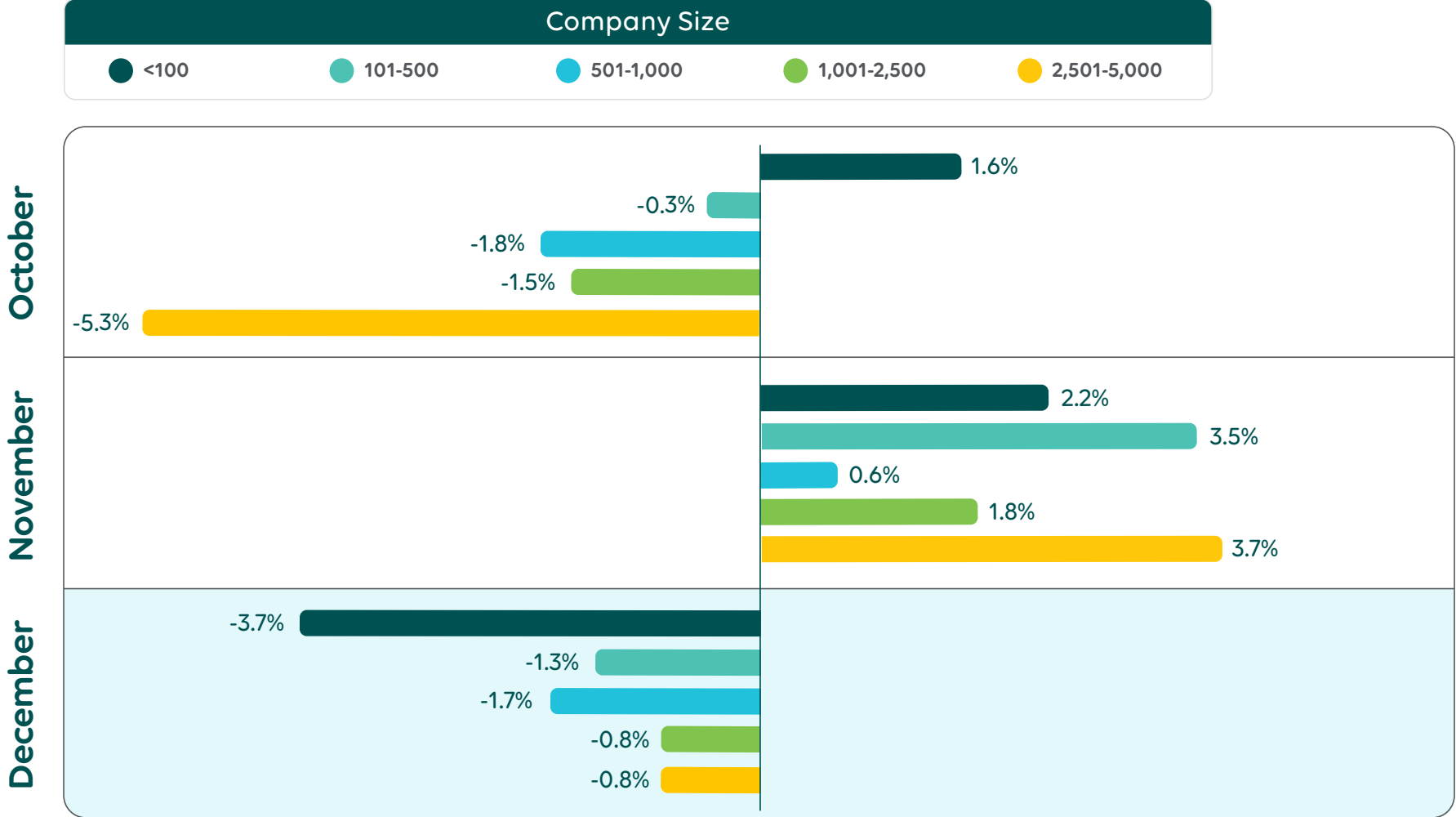
- UKG Shifts Worked
- BLS New Employment (in thousands)

Shift recovery: Company size

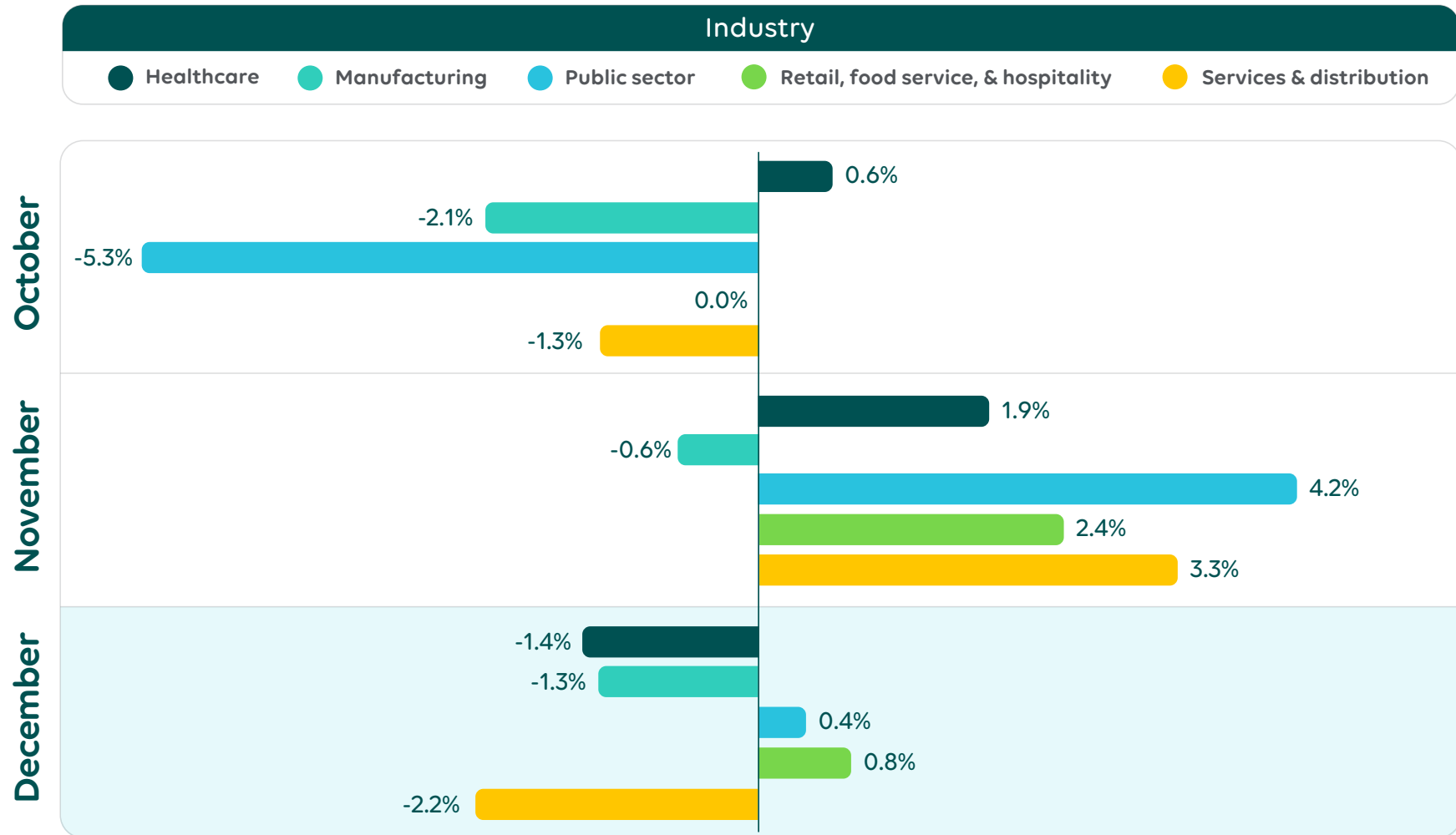
Businesses of all size segments experienced declines



As the holidays end, seasonally expected slowdowns in workforce activity could mask deeper weakening in early 2025.



Shift recovery: Industry

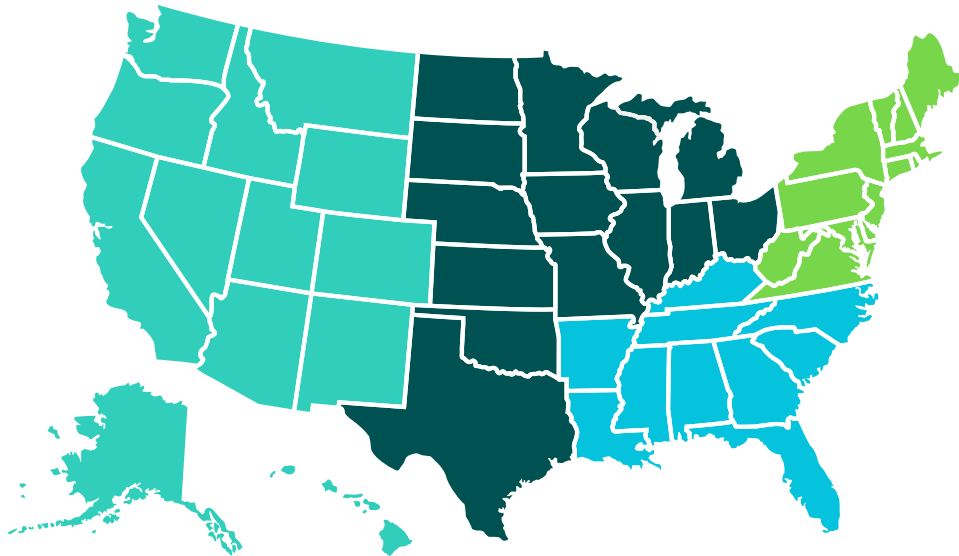


While declines are expected, healthcare's dip is concerning

Healthcare has posted strong growth throughout 2024, which makes December's dip somewhat unexpected. Healthcare, leisure/hospitality, and government were the three sectors that consistently posted positive employment gains in BLS data in 2024.

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.



Steady growth nation-wide as the holiday season takes hold.

● Northeast

Oct: 0.0%
Nov: 0.9%
Dec: -1.0%

● Southeast

Oct: -3.7%
Nov: 0.9%
Dec: -0.4%

● Midwest

Oct: -1.0%
Nov: 4.3%
Dec: -2.4%

● West

Oct: -1.4%
Nov: 0.9%
Dec: -0.3%

Upcoming Reports



February 4: UKG Workforce Activity Report, January



March 4: UKG Workforce Activity Report, February



April 1: UKG Workforce Activity Report, March



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 emailing media@ukg.com.



Methodology

The Workforce Activity Report by UKG is an index that measures week-by-week metrics including employee shifts worked and pay statements from 4.5 million employees across more than 40,000 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 occasionally omitted because various seasonal breaks create large fluctuations in workforce activity, which are predicted and expected.

²In July 2024, UKG updated its methodology, which may have resulted in minor variations in data. While all data prior to July 2024 remains valid and accurate, please consult reports published from August 2024 and forward for the most up-to-date view of workforce activity.

For more information please contact:

media@ukg.com

For the latest data reports, visit:

UKG.com/WorkforceActivityReport



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