



UKG WORKFORCE ACTIVITY REPORT

February 2025

ABOUT THIS REPORT:

The UKG Workforce Activity Report analyzes trends in shift work at U.S. businesses through a weekly sample of more than 6.2 million workers. The report delivers insights and observations about the state of the U.S. labor market for chief executive officers, chief financial officers, chief operating officers, chief human resources officers, and other business leaders that require a time sensitive understanding of changes in labor trends and economic momentum.



Executive Summary

Analysis, trends, and outlook

OBSERVATION 1

UKG analysis of Anthropic Economic Index data and UKG pay data show that earnings growth declined in two of the top four industries exposed to AI and expanded in the other two. Earnings in frontline industries, which have lower AI exposure, grew.

OBSERVATION 2

While layoffs among the Federal workforce are just now factoring into BLS employment data, UKG data on public sector show healthy working activity at the state and local level. UKG data also show some regions had positive net hiring for public sector roles.

OBSERVATION 3

Healthcare working-activity gains are concentrated in subsectors with less price sensitivity: Hospitals and nursing, and residential care facilities.

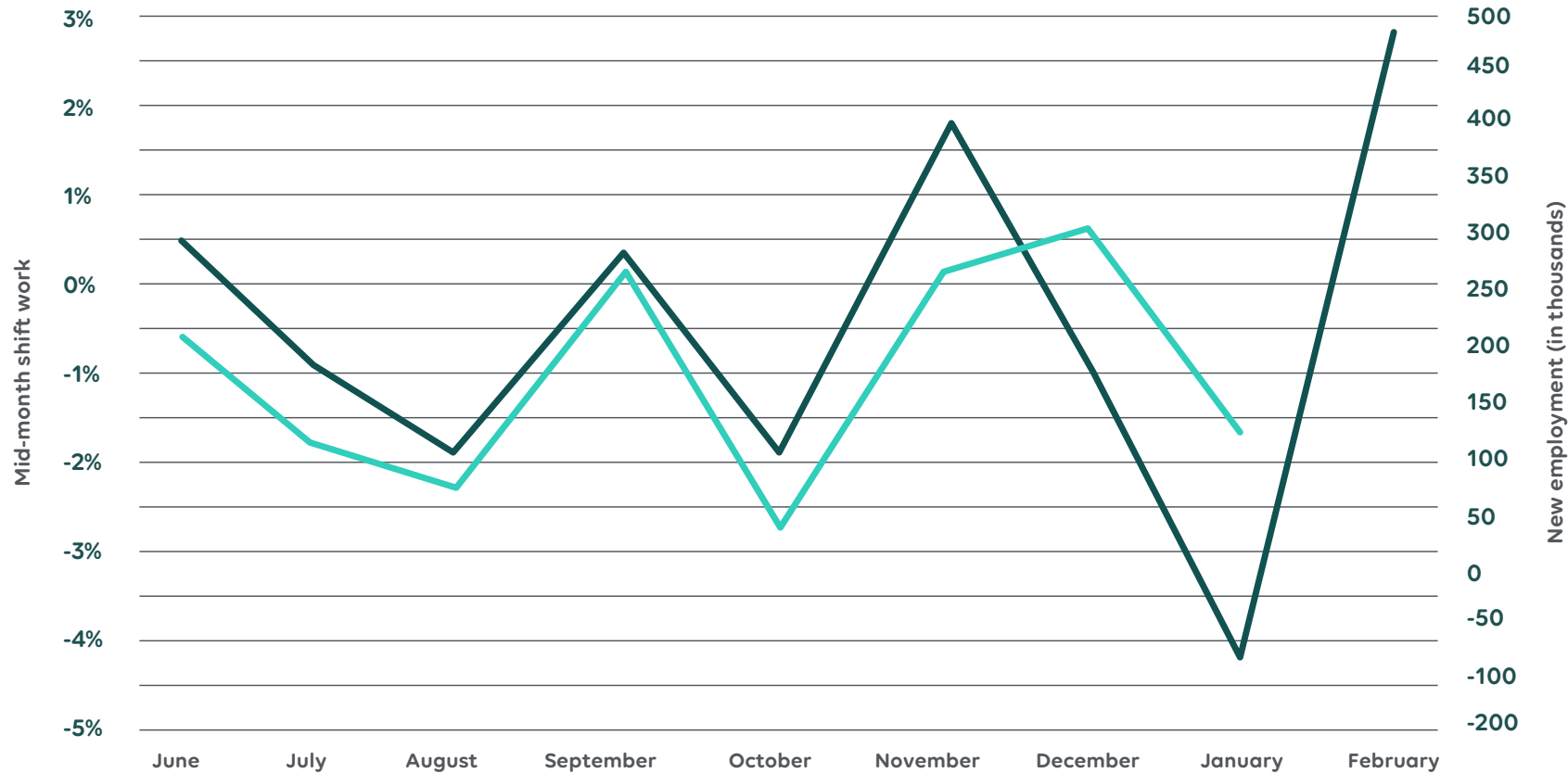
OBSERVATION 4

Construction activity faces increasingly severe headwinds due to persistently high interest rates and new tariffs on construction materials.

Workforce Activity and the B.L.S. Employment Situation Report: Shift work provides early directional insight into job creation



Shift work snapback suggests solid jobs report



Exclusive UKG Analysis: Despite the prevalence of flu, norovirus, and other illnesses, data analysis by UKG does not show a material increase in sick time utilization among U.S. employees.

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

By The Numbers

February 2025



Mid-month shift growth

0.4%	September
-1.9%	October
1.8%	November
-1.0%	December
-4.2%	January
2.8%	February



Shift growth by company size

9.5%	<100
3.2%	101-500
3.8%	501-1,000
2.6%	1,001-2,500
4.6%	2,501-5,000
-2.0%	>5,000



Shift growth by industry¹

2.3%	Healthcare
1.5%	Manufacturing
16.0%	Energy
0.0%	Life Sciences
3.9%	Public Sector
-16.0%	Higher Ed.
2.7%	Retail, Food Service, & Hospitality
3.6%	Services & Distribution
4.6%	Financial Services

“February’s reading marks the highest growth in working activity of the past six months. After a record-breaking holiday travel season and an unseasonably disruptive early 2025, working activity has reverted to its normal level. However, souring consumer sentiment and continually declining hiring rates do not bode well for future growth.”

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



Monthly trends

1.5%	February 2020
0.2%	February 2021
6.6%	February 2022
-0.5%	February 2023
0.5%	February 2024
2.8%	February 2025

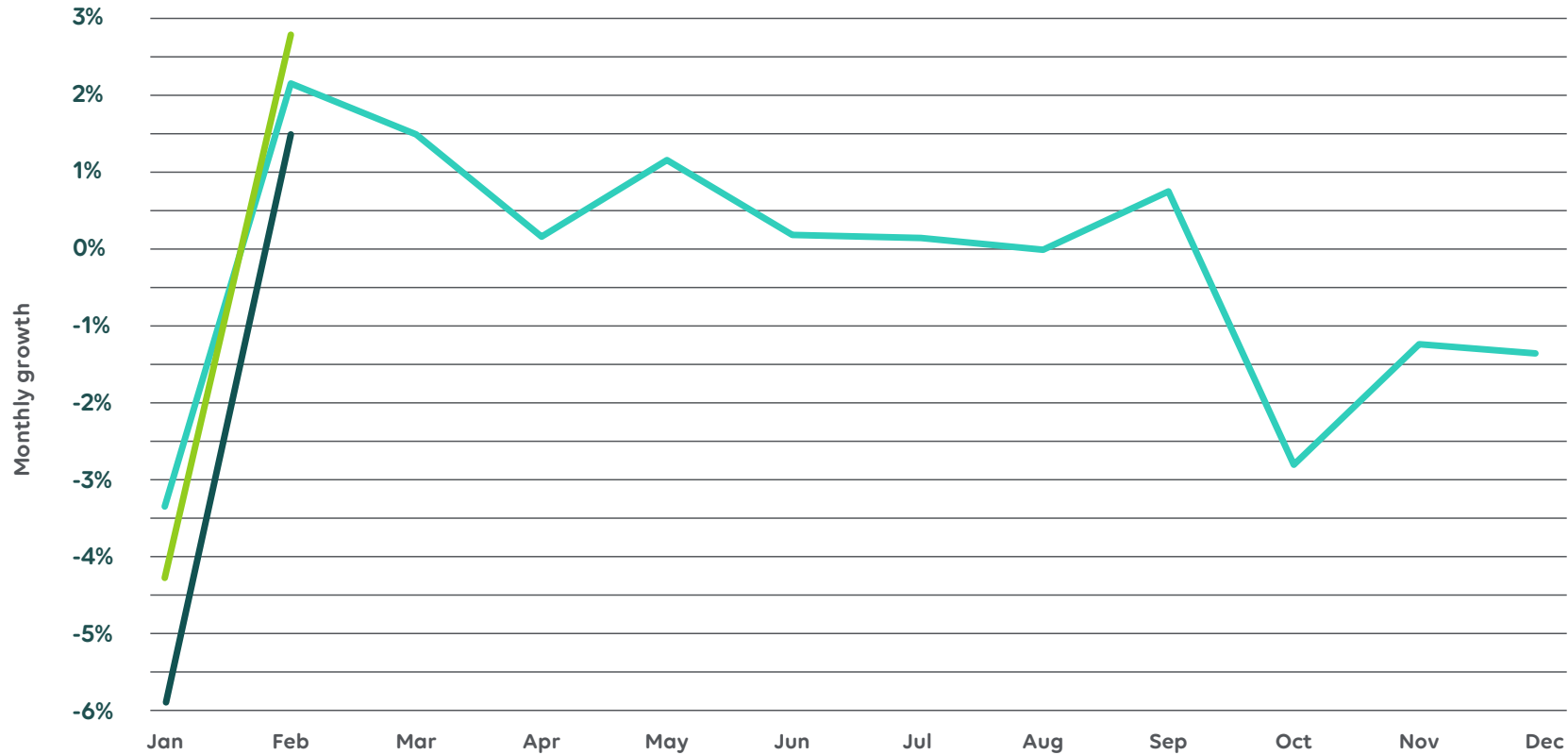


Regional outlook

4.6%	Southeast
3.4%	West
0.9%	Midwest
0.6%	Northeast



Manufacturing (Traditional) Outlook



● Industry 2025 ● Industry 2024 ● National 2025

C-Suite Considerations

- Lagging behind national average and 2024 industry pace
- Uncertainty around tariffs, potential supply chain disruptions
- Aging workforce and retirements continue to hobble US goods-producing workforce



Life Sciences Outlook



● Industry 2025 ● Industry 2024 ● National 2025

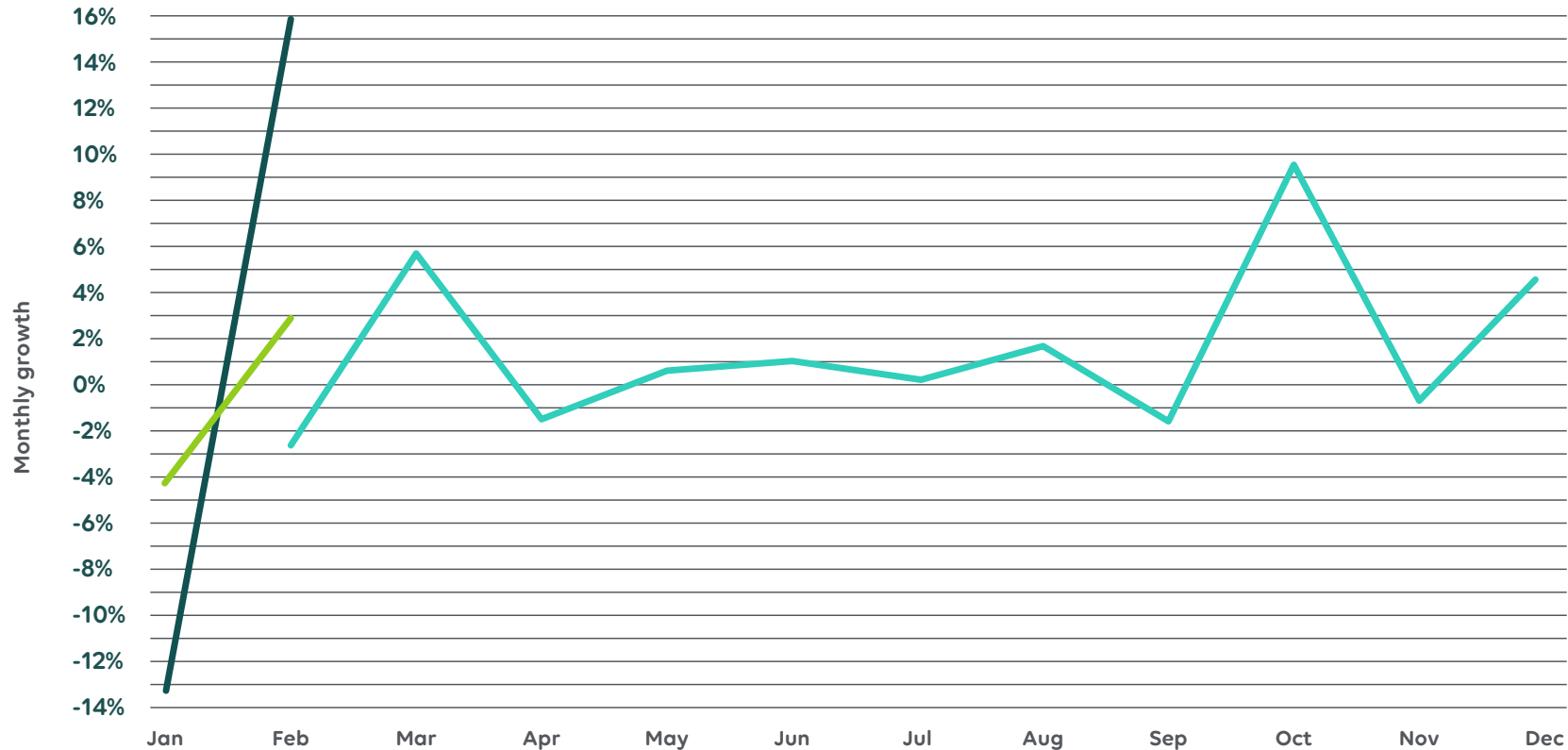
C-Suite Considerations

- On average, outperforming 2025 national pace
- Take caution to prevent regulatory uncertainty from creating workforce uncertainty
- Ensure flexible talent strategies to meet changing landscape

Data prior to January 2024 unavailable for publication at this time.



Energy Production Outlook



● Industry 2025 ● Industry 2024 ● National 2025

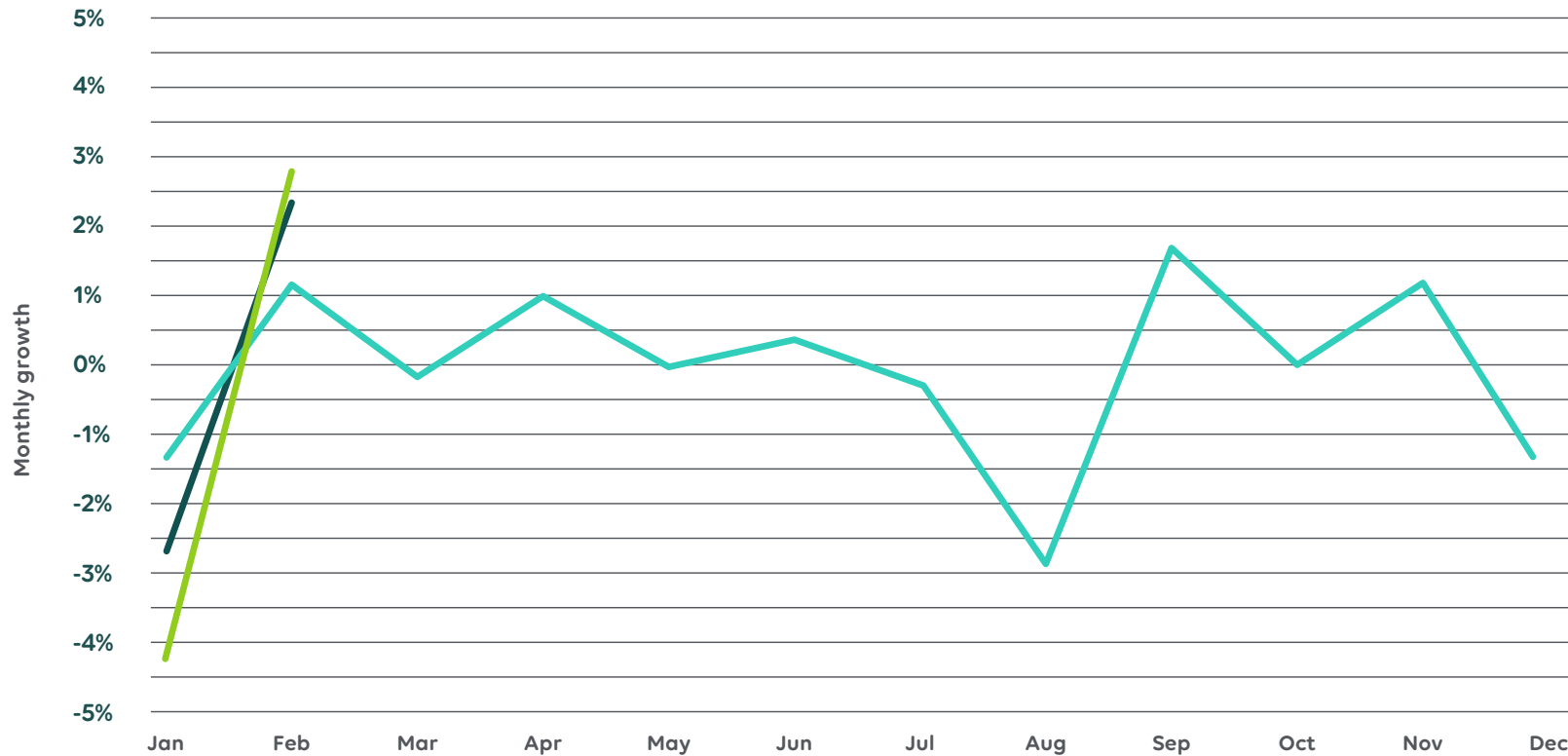
C-Suite Considerations

- Prone to larger activity swings, explore strategies to avoid shift work whiplash
- Shift work should keep pace with changes to domestic energy production
- Amid labor shortages, retention will be vital in 2025 to keep pace with demand

Data prior to January 2024 unavailable for publication at this time.



Healthcare Outlook



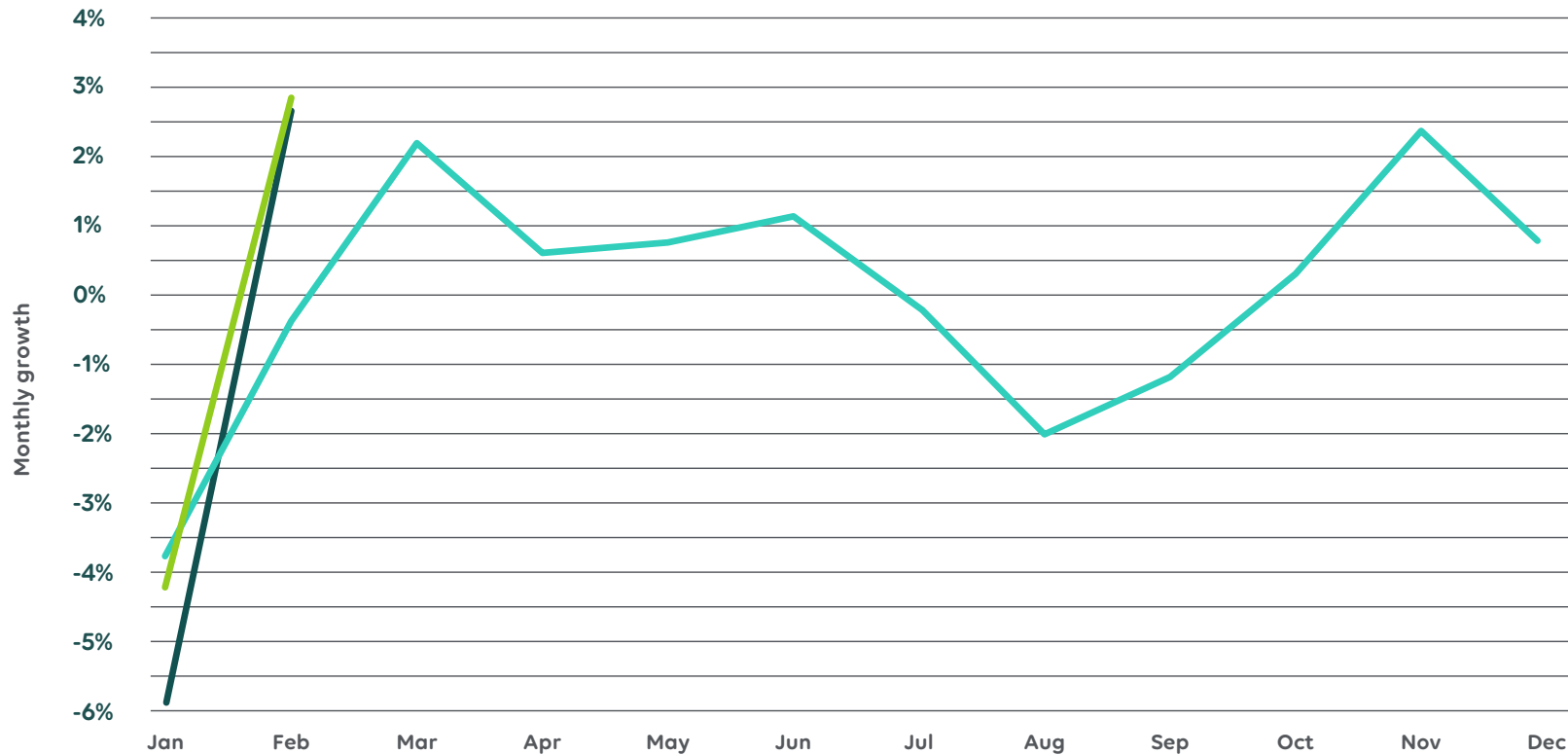
● Industry 2025 ● Industry 2024 ● National 2025

C-Suite Considerations

- Nursing school graduates to be key to breaking pandemic-induced burnout cycle
- Use of AI to accommodate scheduling, support work-life balance critical to '25 recruitment, retention
- Increased hospitalizations related to flu will continue to impact staffing strategies



Retail, Food Service, and Hospitality Outlook



● Industry 2025 ● Industry 2024 ● National 2025

C-Suite Considerations

- Sector is performing within expectations based on historical data
- Ensure uncertainty around tariffs on business outlook does not create workforce uncertainty
- Sector is mostly likely to experience immigration-related workforce disruptions



Services and Distribution Outlook



● Industry 2025 ● Industry 2024 ● National 2025

C-Suite Considerations

- Flexible workforces required to respond to potential disruptions created by tariffs
- Tariffs may create unexpected supply chain disruptions that reduce productivity, negatively impact labor budget ROI



Financial Services Outlook



● Industry 2025 ● Industry 2024 ● National 2025

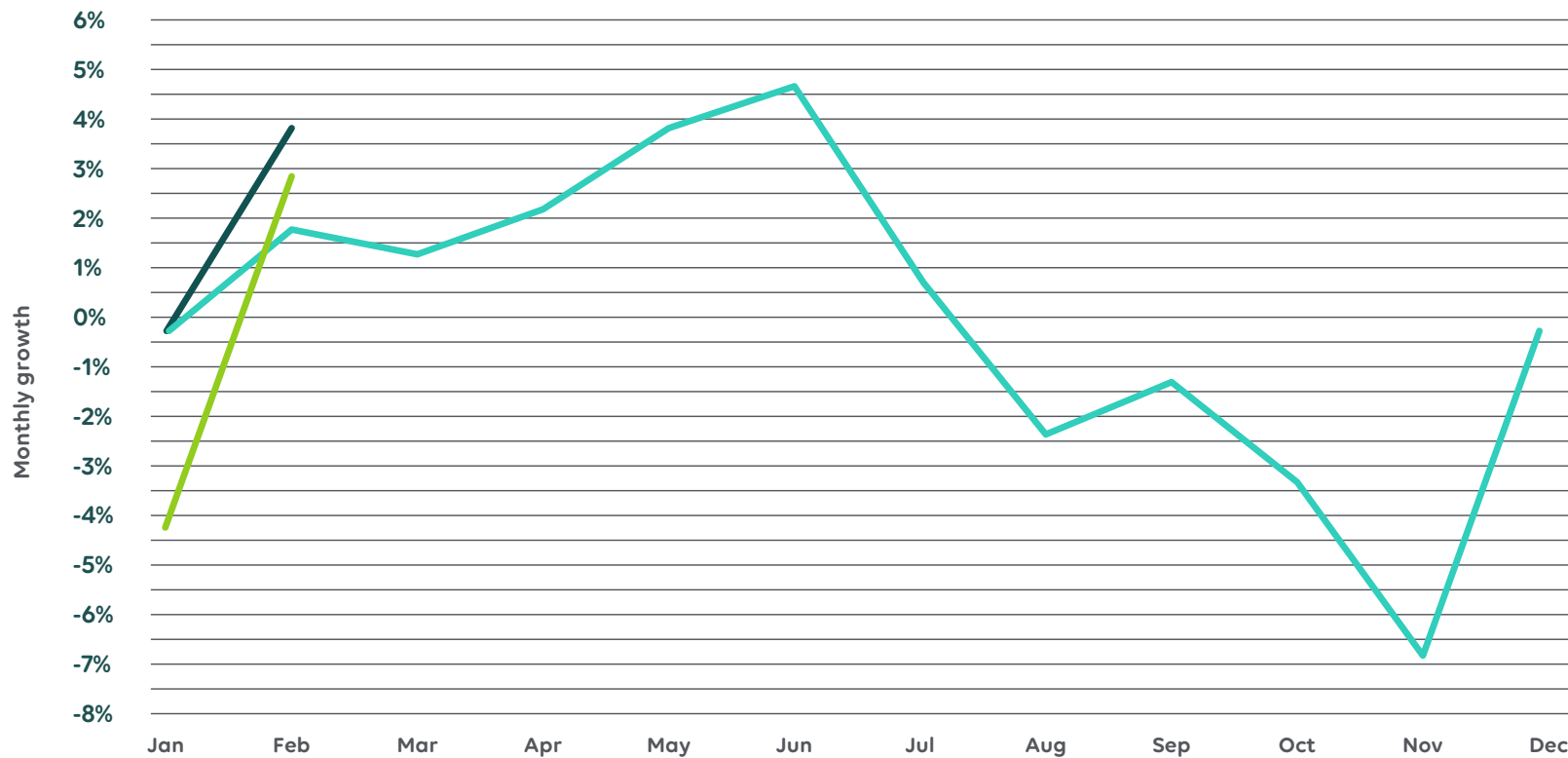
C-Suite Considerations

- Despite high industry AI penetration (8.2%), median weekly earnings continue to grow (2.6%)
- Analysis based on data from both Anthropic and UKG
- Findings suggest early AI utilization freeing up employees to focus on more productive tasks

Data prior to January 2024 unavailable for publication at this time.



Public Sector Outlook



● Industry 2025 ● Industry 2024 ● National 2025

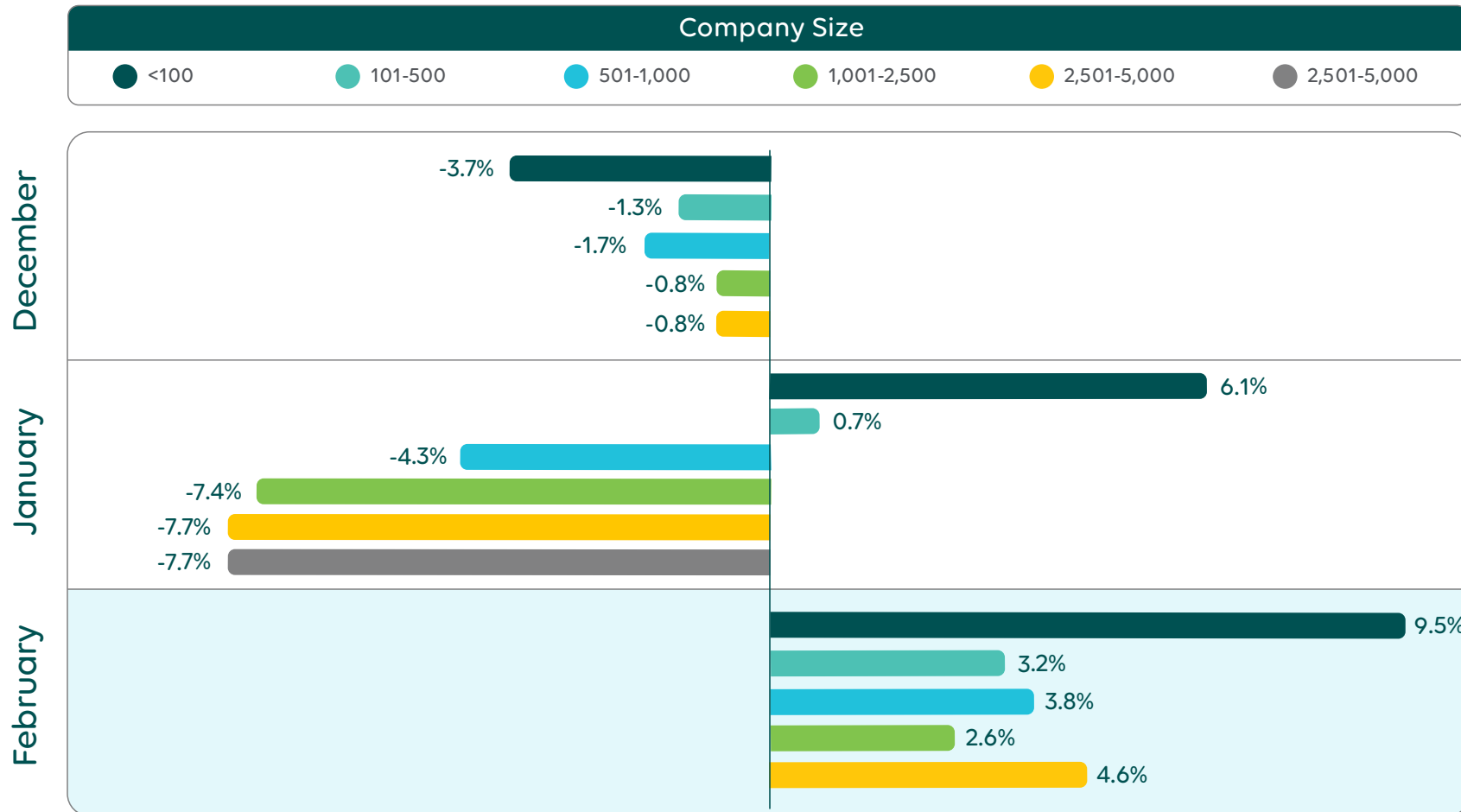
Leadership Considerations

- Cities with large pockets of federal employees will see influx of new talent for frontline, corporate roles
- Private sector firms should consider types of newly available talent that would benefit their workforce
- State and local governments, a persistent jobs-gainer from last year, are still hiring

The Big Picture for Smaller Businesses



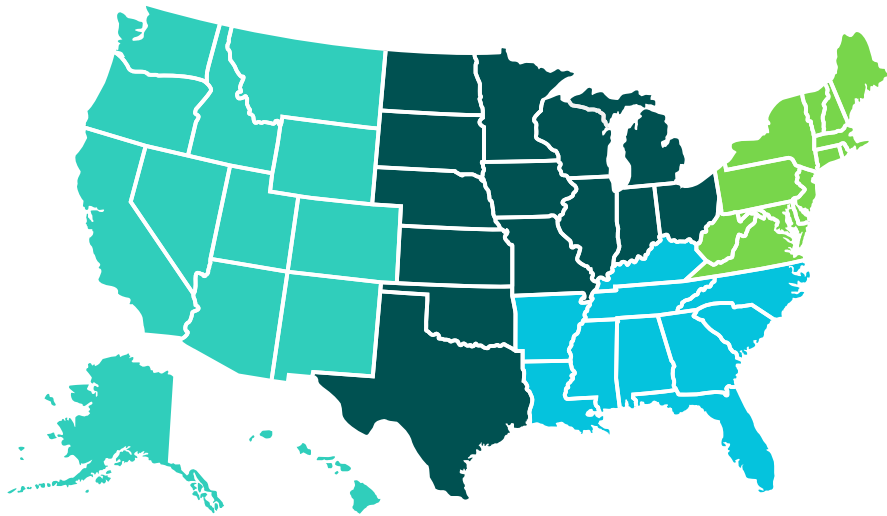
Examining smaller business vs. larger business performance



For the second straight month, smaller businesses outperformed larger businesses, with the impacts of various economic headwinds, such as concerns about tariffs and immigration, having yet to be felt in this sector.

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.



Regional activity will continue to be heavily influenced by weather events.

● Northeast

DEC: -1.0%
JAN: -4.9%
FEB: -4.9%

● Southeast

DEC: -0.4%
JAN: -2.9%
FEB: 4.6%

● Midwest

DEC: -2.4%
JAN: -6.2%
FEB: 3.4%

● West

DEC: -0.3%
JAN: -1.1%
FEB: 0.6%

Upcoming Reports



April 1: UKG Workforce Activity Report, March



April 29: UKG Workforce Activity Report, April



June 3: UKG Workforce Activity Report, May



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

UKG owns 49% market share of the entire North American workforce management solutions market, which provides an unprecedented opportunity to gain timely insights into the performance of the U.S. economy, based on actual aggregated and anonymized shift work activity. This report examines trends from more than 6.2 million U.S. employees in the UKG Ready solution.

“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.



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.

¹Historical data published prior to February 2025 may have changed due to adjustments in UKG industry classifications. Historical data using legacy classifications remains accurate.

© 2025 UKG Inc. All rights reserved. For a full list of UKG trademarks, please visit ukg.com/trademarks. All other trademarks, if any, are property of their respective owners. All specifications are subject to change.



For more information please contact:
media@ukg.com

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