



Labor Market & Economy Report

August 2025

Sharp insights for well-rounded people.

Actalent's monthly Labor Market and Economy Report connects important dots between data and trends in engineering and sciences. The report corresponds with the monthly release of the U.S. Bureau of Labor Statistics Employment Situation, though lends further insight into specific employment trends in engineering and sciences. Specifically, readers can expect to learn about:

- + Job growth in engineering and sciences by industry
- + Unemployment trends in engineering and sciences labor categories and industries
- + Labor force participation
- + Job quits and layoffs
- + Engineering and sciences employment trends by industry
- + Wages
- + Other important news stories impacting the labor market overall and engineering and sciences specifically



Jobs Gained in August

U.S. employment increased by just 22,000 jobs in August. Employment has shown little change since April.



Labor Force Participation Rate

The labor force participation rate (LFPR) increased slightly from 62.2% in July to 62.3% in August. The LFPR is down by 0.4 percentage points year-over-year, indicating that a smaller share of the population is employed or looking for work.



Unemployment Rate

The unemployment rate increased from 4.3% in July to 4.3% in August. Unemployment rates close to 4.0% indicate that there is a small pool of unemployed talent actively seeking work.



July Layoffs

Layoffs held steady at 1.8 million between June and July, after June's figure was revised up from 1.6 million. Quits were also unchanged at 3.2 million after June's figure was revised up from 3.1 million. Note that quits and layoffs data lag one month behind other employment data.

August 2025 Market Trends

A closer look at
unemployment by industry
and labor category



Overall unemployment rate

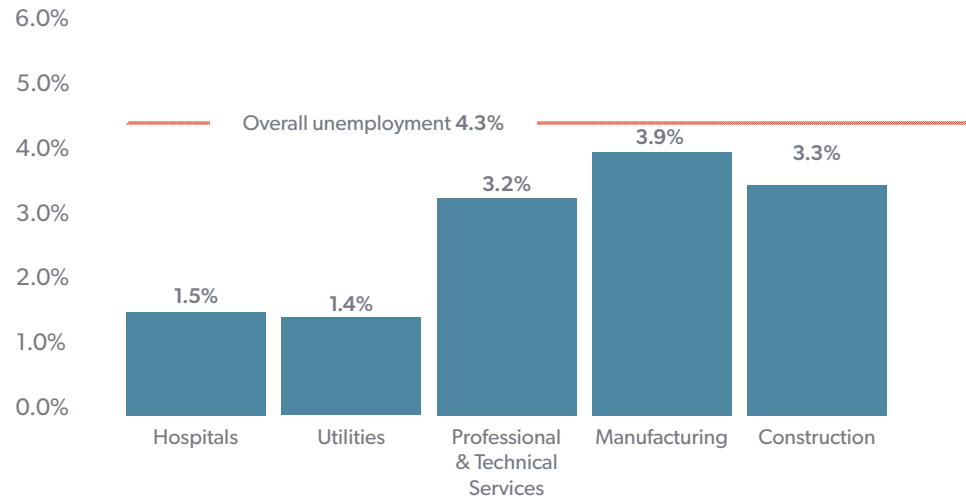


Unemployment rate for
degreed workers

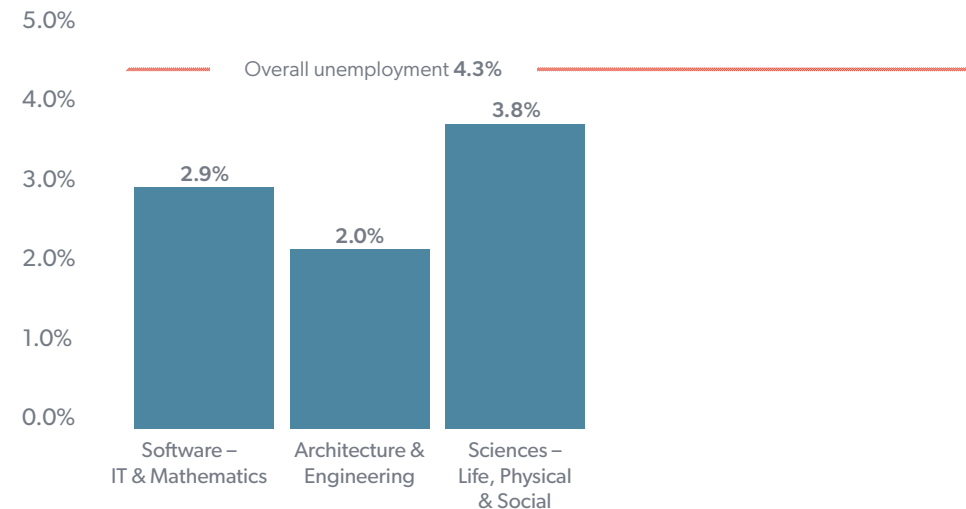


Ratio of unemployed workers
(Software-IT& Mathematics,
Architecture & Engineering, Sciences)
available per job opening

■ Unemployment rates by industry



■ Unemployment rates by labor category



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labor category or industry.

Industry Trends

OVERALL ECONOMY

The U.S. economy added 22,000 jobs in August. According to the U.S. Bureau of Labor Statistics, job gains in the healthcare industry were partially offset by declines in federal government and in mining, quarrying and oil and gas extraction. After revisions, employment in June and July combined is now 21,000 lower than previously reported. Despite slower hiring conditions, the unemployment rates for engineering and sciences occupation groups, as well as the industries that hire them, remain below the national average, indicating that there is not a growing surplus of talent for many STEM skill sets.

+22K
MoM

+0.9%
YoY

UTILITIES

Silicon Ranch is partnering with Central Electric Power Cooperative to build a solar farm to power Meta's first data center in South Carolina. Meta will receive renewable energy credits associated with the facility energy. About 600 Tennessee Valley Authority (TVA) employees have accepted voluntary buyouts as part of a cost reduction initiative aimed at driving efficiencies and cost savings while the agency undertakes one of the largest capital investments in its history. TVA has also been under a hiring freeze since January, in line with a broader federal pause. BP increased its expected layoffs from 4,700 to 6,200 jobs as part of its "reset" strategy, which aims to reduce and reallocate capital expenditure toward higher-growth areas, such as oil and gas.

-800
MoM

+1.0%
YoY

CONSTRUCTION

Total nonresidential construction spending fell by 0.2% month-over-month (MoM) and 1.1% year-over year (YoY) in July (latest data available). Even spending from the manufacturing sector, which accounted for a large share of total spending in 2024, declined by 6.6% YoY. At the same time, the number of construction job openings increased to 306,000 in July, the highest level in over a year, while quits declined and layoffs increased. Labor shortages and economic headwinds may help explain the decline in spending and the rise in job openings. A recent survey by the Associated General Contractors of America (AGC) found that 45% of firms reported project delays due to worker shortages. Additionally, both the AGC and Associated Builders and Contractors reported that many firms have postponed or canceled projects because of tariffs.

-7K
MoM

+0.7%
YoY

ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index has registered below 50 for 31 out of the last 34 months, signaling a prolonged decline in billings at most architectural firms. Although inquiries into new work have increased, the value of newly signed design contracts fell again in July (latest data available), highlighting the ongoing struggle among firms to convert inquiries into contracts for new work. Over the last three months (June to August 2025), job postings in the architectural, engineering and related services industry have declined by 3%, although postings still increased for certain job titles, including civil engineers (+4%), surveyors (+3%), industrial engineers (+10%) and architects (+8%).

-1.6K
MoM

+2.7%
YoY

MoM = Month over month
YoY = Year over year

Industry Trends, continued

AEROSPACE & DEFENSE

In its second-quarter earnings presentation, Embraer pledged to invest \$500 million over five years to expand facilities in Florida and Texas, and another \$500 million to build a new U.S. assembly line, which would create 2,500 jobs if the U.S. government selects its KC-390 military transport aircraft. Embraer also advocated for the aviation and aerospace industry to return to zero-tariff rules. According to Barron's, the commercial space sector is benefiting from growing global defense spending. Firefly Aerospace raised \$868 million in an upsized IPO on August 7, and tech companies like HEO, Impulse Space and True Anomaly have raised significant venture capital this year.



HEALTHCARE

In August, Oracle Health launched an AI-powered EHR, while Highmark Health announced a collaboration with Abridge to integrate AI into clinical documentation, prior authorization and other healthcare tools. Over time, AI may reduce documentation burdens and worker burnout, but it could also reshape workflows and require greater tech proficiency from staff. Sycamore Partners completed its acquisition of Walgreens Boots Alliance, Inc. (WBA), splitting Walgreens, The Boots Group, Shields Health Solutions, CareCentrix and VillageMD into private standalone companies. WBA previously stated the move could support its financial turnaround amid an evolving and more competitive industry landscape.



SCIENTIFIC R&D

As part of its \$55 billion investment in U.S. manufacturing, Johnson & Johnson signed a 10-year, \$2 billion agreement to operate a facility at CDMO FUJIFILM's new biopharmaceutical site in Holly Springs, North Carolina, creating approximately 120 new jobs. AbbVie will invest \$195 million to expand active pharmaceutical ingredient (API) manufacturing in North Chicago, as part of its \$10 billion commitment in the U.S. over the next decade, although estimated job creation has not yet been disclosed. CSL will separate its vaccine business, CSL Seqirus, into a standalone company and simplify its business, including a net headcount reduction of up to 15%. The HHS is terminating 22 mRNA vaccine projects totaling nearly \$500 million, affecting contracts with CSL Seqirus, Emory University, Moderna and Pfizer, among others.



AUTOMOTIVE

The software-defined vehicle (SDV) market is expected to grow significantly over the next decade, but automakers' progress has varied due to high upfront costs, software bugs, competition from China and the need to build software-focused cultures. Ford introduced its Universal EV Platform and Production System, two new integrated approaches designed to improve the efficiency and ergonomics of building affordable, electric SDVs. The first vehicle built using Ford's new system will support nearly 4,000 jobs at the Louisville Assembly Plant and BlueOval Battery Park Michigan. Hyundai Motor Group will invest an additional \$5 billion in the U.S. from 2025 to 2028 to increase steel manufacturing, expand auto production capacity and establish a robotics hub, creating roughly 25,000 new direct U.S. jobs.



C&IP *Manufacturing of Durable Goods, Technology, Chemicals, Food Products, etc.*

In what many analysts see as a move to avoid semiconductor tariffs, Apple increased its U.S. investment to \$600 billion, which it says will create 20,000 new direct jobs. Bloomberg's Brooke Sutherland noted that reshoring conversations often spotlight high-dollar announcements from large manufacturers because they are more likely to have the means to adapt to tariffs. In contrast, small and mid-sized firms, which comprise most of the industrial economy, often struggle to expand domestic production as quickly. Meta Platforms has frozen hiring in its AI division, describing the freeze as "basic organizational planning" after several months of hiring AI researchers and engineers. John Deere confirmed layoffs impacting 238 workers across Illinois and Iowa due to decreased demand for its agricultural equipment.



MoM = Month over month
YoY = Year over year

Wages in the United States

How they've changed

+2.9%



Consumer Price Index

The consumer price index, a measure of inflation, increased by 2.9% for the 12 months ending August, slightly above the 2.7% increase recorded in July. The CPI has now increased for four consecutive months.

+3.7%



Wage Increases

Average hourly earnings increased by 3.7% for the 12 months ending August, slightly below the 3.9% increase recorded in July.

+0.7%



"Real" Earnings

Real average hourly earnings increased by 0.7% between August 2024 and August 2025. In other words, despite average hourly earnings increasing by 3.7% year-over-year, workers may only feel as if they're making about 0.7% more, on average, due to inflation.

References

Read more about trends in Engineering & Sciences

UTILITIES: [Silicon Ranch, Central Electric partner with Meta to bring 100 MW of solar online in Orangeburg County](#); [TVA sheds 600 employees in voluntary buyout to reduce costs](#); [TVA 10-Q, p. 53](#); [BP layoffs expand by 32% as energy giant shifts focus to traditional oil](#); [Growing shareholder value: a reset bp](#)

CONSTRUCTION: [Monthly Construction Spending, July 2025](#); [Job Openings and Labor Turnover – July 2025](#); [ABC: Construction Quit Rate Plummets to 9-Year Low](#); [Construction Spending Edges Down By 0.1 Percent In July...](#); [ABC: Nonresidential Construction Spending Falls Sharply in July](#); [Construction Workforce Shortages Are Leading Cause Of Project Delays...](#)

ARCHITECTURE & ENGINEERING: [ABI July 2025: Business at architecture firms remains soft](#); [Lightcast Job Posting Analytics](#)

AEROSPACE & DEFENSE: [Embraer Results 2Q25](#); [Embraer Pledges \\$1 Billion US Investment to Blunt Tariff Fallout](#); [Firefly Aerospace Launches IPO Above Expectations](#); [Space upstart Firefly raises \\$868 million in its IPO](#)

HEALTHCARE: [Oracle Ushers in New Era of AI-Driven Electronic Health Records](#); [Highmark Health, Abridge Announce Collaboration to Deploy AI Technologies Across an Entire Payer-Provider Ecosystem](#); [Gist Weekly: August 15, 2025](#); [Sycamore Partners Completes Acquisition of Walgreens Boots Alliance](#); [Walgreens Boots Alliance Enters into Definitive Agreement to Be Acquired by Sycamore Partners](#)

SCIENTIFIC R&D: [Johnson & Johnson Continues U.S. Investment with \\$2 Billion Commitment to Enable Manufacturing at State-Of-The-Art North Carolina Facility](#); [AbbVie Announces \\$195 Million Investment to Expand Active Pharmaceutical Ingredient Manufacturing in the U.S.](#); [CSL FY25 Results](#); [HHS Winds Down mRNA Vaccine Development Under BARDA](#)

AUTOMOTIVE: [Software-defined vehicles are evolving from hype into reality](#); [These automakers lead the race to debut software-defined vehicles](#); [Automakers chart new paths back toward software-defined future after going astray](#); [Ford's \\$5B Bet on America: Innovation Meets Efficiency in New EV Platform, Assembly Process and Midsize Truck](#); [Hyundai Motor Group Increases U.S. Investment to \\$26 Billion to Accelerate Growth and Innovation](#)

C&IP: [Apple's \\$600 Billion Commitment to Boost U.S. Manufacturing](#); [Apple: Another \\$100 Billion Looks to Be Enough to Avoid Tariffs](#); [Industrial Takeovers Top \\$200 Billion Even as Tariffs Chill Investment](#); [Meta Freezes AI Hiring After Blockbuster Spending Spree](#); **BREAKING:** [John Deere Confirms 238 Layoffs Across 3 Plants](#)

About Actalent

Actalent is a global leader in engineering and sciences services and talent solutions. We help visionary companies advance their engineering and science initiatives through access to specialized experts who drive scale, innovation and speed to market. With a network of almost 30,000 consultants and 6,100 clients across the U.S., Canada, Asia and Europe, Actalent serves many of the Fortune 500. We are proud to be an Engineering News-Record (ENR) Top 500 Design Firm for our engineering design services and a ClearlyRated Best of Staffing® winner for both client and talent service.

7301 Parkway Drive S., Hanover, MD 21076

actalentservices.com | ©2025 Actalent, Inc. All rights reserved.

