



# Labor Market & Economy Report

February 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 February

U.S. employment increased by 151,000 jobs in February, with significant gains in healthcare, financial activities, transportation and warehousing, and social assistance.



### Labor Force Participation Rate

The labor force participation rate (LFPR) fell from 62.6% to 62.4% in February. This is the lowest LFPR since January 2023 and remains below the pre-pandemic rate of 63.3%.



### Unemployment Rate

The unemployment rate increased by 0.1% in February. The percentage of the labor force who is unemployed and actively seeking work is low compared to the median rate of 5.0% observed over the past 20 years.



### January Layoffs

Layoffs declined to 1.6 million in January from 1.7 million in December (revised down from 1.8 million in last month's report). Quits increased to 3.3 million from 3.1 million (revised down from 3.2 million in last month's report). Note that quits and layoffs data lag one month behind other employment data.

# February 2025 Market Trends

A closer look at  
unemployment by industry  
and labor category



Overall Unemployment Rate

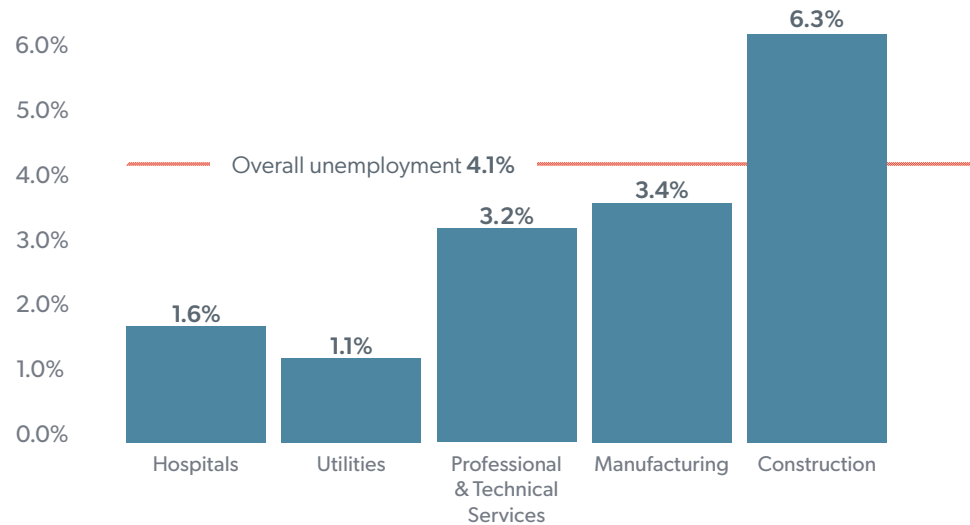


Unemployment Rate for  
Degreed Workers

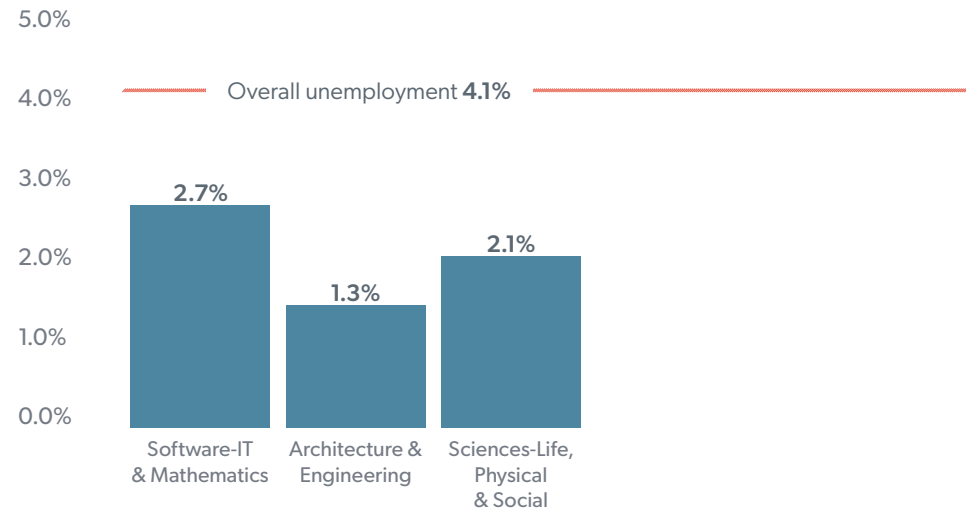


Ratio of unemployed workers  
(Software-IT & Mathematics,  
Architecture & Engineering,  
Sciences) available per job  
opening.

### 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

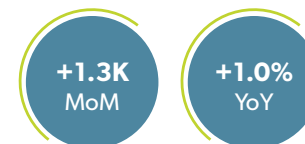
## OVERALL ECONOMY

The U.S. economy added 151,000 jobs in February, falling below expectations again. The labor market appears to remain stable, but job growth has been concentrated in only a handful of sectors while others have seen little change in employment. After revisions, employment in December and January combined is 2,000 lower than previously reported. Many companies are believed to be frozen in a “wait-and-see” state as they wait for clarity regarding trade policies and macroeconomic conditions before making additional investments.



## UTILITIES

GE Vernova plans to invest nearly \$600 million into gas power, grid, nuclear and onshore wind manufacturing in the U.S. over the next two years, creating over 1,500 new factory and engineering jobs. Chevron plans to lay off 15% to 20% of its global workforce, an estimated 8,000 workers. Reuters stated that Chevron is seeking \$3 billion in cost cuts through 2026 by “leveraging technology, asset sales and changing how and where work is performed.” BP introduced its “fundamentally reset strategy,” which will increase oil and gas investment to about \$10 billion each year and reduce clean energy investments by roughly \$5 billion each year as BP aims to be more selective with renewable investments. BP’s strategy follows a January announcement of global job cuts impacting 4,700 employees and 3,000 contractor positions.



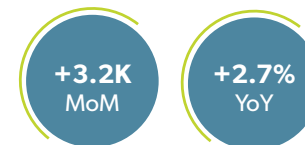
## CONSTRUCTION

While construction spending remains near record highs, the growth rate has slowed considerably. Construction spending increased by 3.3% year-over-year (YOY) in January 2025 (latest data available). This is lower than the 9.8% YOY increase observed in January 2024. In February, changing market conditions and financial difficulties led to the cancellation or delay of several construction projects, including those by Aspen Aerogels, Air Products, FREYR Battery and Intel. Still, several large infrastructure contracts were awarded last month, including a \$1.18 billion contract related to the Hudson Tunnel Project and three \$20 million contracts for the Francis Scott Key Bridge rebuild. Survey results from the Associated Builders and Contractors (ABC) indicate that staffing level expectations remain elevated.



## ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index was 45.6 in January (latest data available), indicating that business conditions at architectural firms were slow in the first month of the year. The AIA added that “the value of newly signed design contracts declined for the eleventh consecutive month as clients remained cautious about committing to new projects during the ongoing economic uncertainty.” Over the last three months, job postings from companies in the architectural, engineering and related services industry have increased by 24%. The jobs in highest demand within the industry have been civil engineers, project management specialists and electrical engineers. Employment in the engineering and drafting services industry has increased by 4.1% over the last year, indicating that there is enough ongoing business to drive worker demand.



MoM = Month over month  
YoY = Year over year

## Industry Trends, continued

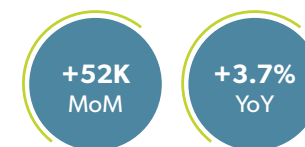
### AEROSPACE & DEFENSE

Aerospace and defense hiring activity was mixed in the first month of 2025. Supply chain issues and workforce shortages are expected to persist in 2025. Honeywell intends to simplify and separate its business into three companies (Automation, Aerospace and Advanced Materials) by the second half of 2026, which the company's CEO said is timed "as Aerospace prepares for unprecedented demand in the years ahead across both commercial and defense markets." Blue Origin plans to layoff about 10% of its workforce (about 1,400 employees), which *Reuters* says comes as the company "aims to cut costs and ramp up rocket launches." Blue Origin's layoffs will impact positions in engineering, R&D, program/project management and other management roles.



### HEALTHCARE

After slightly declining at the end of 2024, healthcare and social assistance job openings increased by just 58,000 in January (latest data available). While the industry's job openings level is down by 21.7% year-over-year, it still has more job openings compared to any other industry. Humana's senior-focused primary care providers, CenterWell and Conviva, plan to add 20 to 30 new centers in 2025 across 11 currently served states and four new metro areas in Georgia, North Carolina and Kansas. Humana did not specify the number of jobs that will be created, but the new primary care centers will likely create jobs for clinical support, medical assistants, nurses and other healthcare workers.



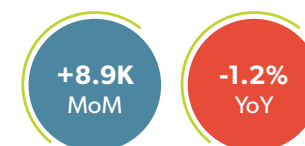
### SCIENTIFIC R&D

Many of the world's largest biopharma companies reported year-over-year growth for Q4 2024. Novo Nordisk expects sales growth to slow in 2025 due to "intensifying competition and continued pricing pressure" in the weight loss and diabetes treatment market. Eli Lilly plans to build four new manufacturing sites, bringing the company's total U.S. CapEx commitments to over \$50 billion since 2020, which it claims to be "the largest pharmaceutical manufacturing investment in U.S. history." Lilly expects the new sites to create over 3,000 jobs for engineers, scientists, lab technicians and operations personnel. Shifting product demand and cost-cutting measures led to additional life sciences layoffs in February. Bristol Myers Squibb, Staar Surgical and Thermo Fisher were among companies who announced job cuts of at least 100 employees.



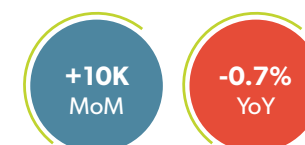
### AUTOMOTIVE

The changing market and economic uncertainty led more automotive suppliers to scale back plans last month, negatively affecting the labor outlook. Suppliers Aspen Aerogels and Ascend Elements both canceled plans that would have expanded manufacturing and created hundreds of jobs, while Lear highlighted intentions to eliminate more jobs on top of the 15,000 jobs it cut in 2024. Contrastingly, Toyota announced its newly expanded battery plant in North Carolina, which plans to add 5,000 jobs, will begin shipments in April. The merger between Honda and Nissan, as mentioned in Actalent's December 2024 report, has been called off due to conflicting expectations. As part of its "turnaround" measures, Nissan plans to close three plants in the next two years, cut shifts in the U.S. and reduce top management positions by 20%.



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

Manufacturing indexes pointed to improving business conditions in February, but analysts are uncertain about whether this trend will last. Tariff uncertainty is pressuring manufacturers to delay capital investments, stockpile inventory, price in potential cost increases and, for some, proactively make supply-chain changes. HP will cut an additional 1,000 to 2,000 jobs as part of its Fiscal 2023 Plan that intends to make the company more digitally enabled and simplify its operating model. Up to 9,000 jobs will now be cut under HP's Fiscal 2023 Plan. KORE Power has canceled plans for a \$1.25 billion battery plant in Arizona, which was expected to create roughly 3,000 manufacturing jobs. Kore Power's reasoning for the cancellation is unclear, but leadership stated the company is not walking away from domestic battery-cell manufacturing.



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YoY = Year over year

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# Wages in the United States

How they've changed

+2.8%



## Consumer Price Index

The consumer price index, a measure of inflation, increased by 2.8% for the 12 months ending February, down from January's reading of 3.0%. This was the first decline since September 2024. "Core" inflation, which excludes the volatile food and energy categories, increased by 3.1%. This is the lowest core inflation rate since early 2021.

+4.0%



## Wage Increases

Average hourly earnings increased by 4.0% for the 12 months ending February, only slightly below the 4.1% increase recorded in January.

+1.2%



## "Real" Earnings

Real average hourly earnings increased by 1.2% between February 2024 and February 2025. In other words, despite average hourly earnings increasing by 4.0% year-over-year, workers may only feel as if they're making about 1.2% more, on average, due to the effects of inflation.

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# References

## Read more about trends in Engineering & Sciences

**UTILITIES:** [GE Vernova to invest almost \\$600 million...](#); [Chevron to lay off up to 20% of global workforce](#); [Growing shareholder value: a reset bp](#); [BP Announces Layoffs, Aims to Cut At Least \\$2B in Costs by 2026](#)

**CONSTRUCTION:** [Construction Outlays Slip in January...](#); [Total Construction Spending: Total Construction in the United States](#); [Aspen Aerogels, Inc. Q4 2024 Earnings Call Transcript](#); [Air Products to Exit Three U.S.-Based Projects](#); [Freyr Battery scraps plans for \\$2.5 billion factory in Coweta County, Georgia official says](#); [Intel delays its Ohio chip factory to 2030](#); [February 2025: Contractors report their latest awards](#); [ABC's Construction Backlog Indicator Increases, Contractors Remain Confident](#)

**ARCHITECTURE & ENGINEERING:** [ABI January 2025: Architecture firm billings remain soft to start the new year](#); [Lightcast Job Posting Analytics](#)

**AEROSPACE & DEFENSE:** [Aerospace Manufacturing and Design: 2025 Forecast](#); [Honeywell Announces Intent to Separate Automation and Aerospace...](#); [Bezos' Blue Origin to layoff about 10% across its space, launch business](#); [Blue Origin to lay off 10% of its workforce](#)

**HEALTHCARE:** [Job openings levels and rates by industry and region, seasonally adjusted](#); [CenterWell Poised for Further Primary Care Expansion in 2025](#)

**SCIENTIFIC R&D:** [Eli Lilly, Novo Nordisk lead revenue boom in the 'always tricky' Q4](#); [Novo sees sales growth slowing this year amid competition, supply issues](#); [Lilly plans to more than double U.S. manufacturing investment since 2020 exceeding \\$50 billion](#); [Lilly expands US manufacturing build-out with \\$50B target](#); [UPDATE: Bristol Myers' cost-savings drive claims another 280 jobs in US](#); [Staar Surgical to lay off 115 people in California](#); [Thermo Fisher continues viral vector withdrawal](#); [lays off 300 employees](#)

**AUTOMOTIVE:** [EV parts supplier halts \\$325M project in Bulloch County, eliminating more than 250 jobs](#); [Battery materials maker cancels Kentucky project, will return DOE grant](#); [Suppliers slash spending, jobs, EV plans as they brace for middling new-vehicle sales](#); [Toyota Powers On New North Carolina Automotive Battery Plant](#); [Nissan to close 3 factories, cut shifts in U.S., in bid to end string of quarterly net losses](#); [Nissan outlines progress of comprehensive turnaround measures](#)

**C&IP:** [February 2025 Manufacturing ISM® Report On Business®](#); [S&P Global US Manufacturing PMI® February 2025](#); [HP to Trim Up to 2,000 More Jobs in Expanded Cost-Cutting Push](#); [HP Inc. and Subsidiaries Form 10-Q \(page 14\)](#); [KORE Power March 2024 press release](#); [Kore Power has a new plan after canceling \\$1.2B battery plant in Arizona](#)

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### 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 more than 4,500 clients across the U.S., Canada, Asia and Europe, Actalent serves many of the Fortune 500.

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