



Labor Market & Economy Report

June 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 June

U.S. employment increased by 147,000 jobs in June, led by state government and health care.



Labor Force Participation Rate

The labor force participation rate (LFPR) declined from 62.4% to 62.3% in June. The LFPR has yet to recover to its pre-pandemic rate of 63.3%.



Unemployment Rate

The unemployment rate declined from 4.2% to 4.1% in June. Although the unemployment rate is higher than in recent years, it remains below the median rate of 5.0% observed over the past 20 years.



May Layoffs

Layoffs declined to 1.6 million in May from 1.8 million in April. Quits increased slightly from 3.2 million to 3.3 million. Note that quits and layoffs data lag one month behind other employment data.

June 2025 Market Trends

A closer look at
unemployment by industry
and labor category



Overall unemployment rate

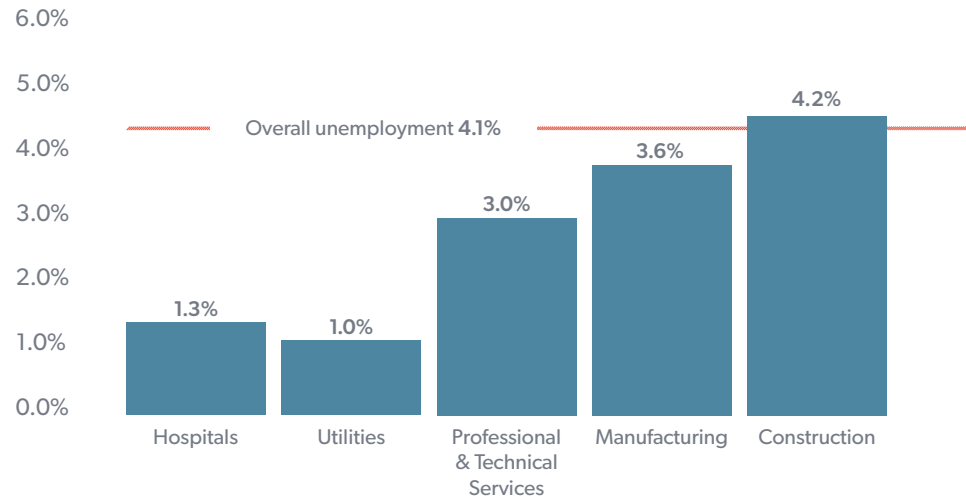


Unemployment rate for
degreed workers

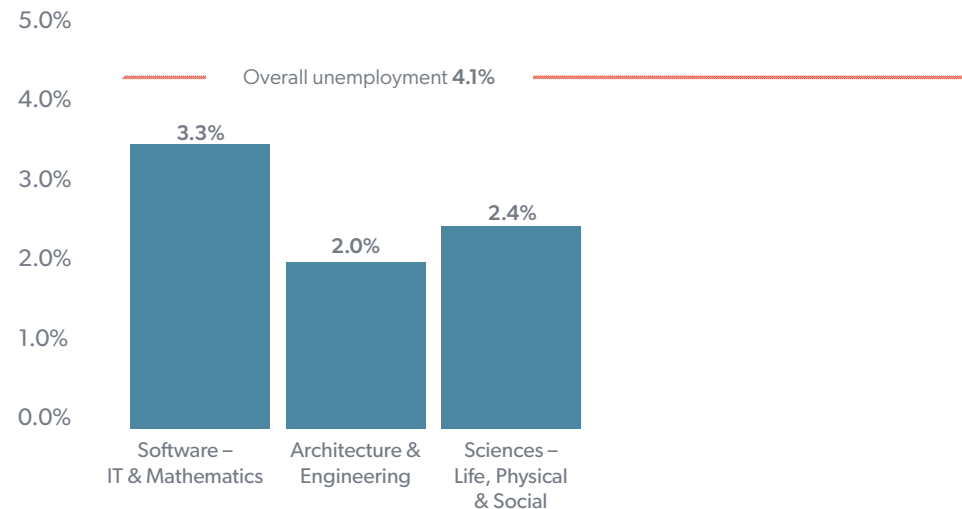


Ratio of unemployed workers
(Software-IT & Mathematics,
Architecture & Engineering, Sciences)
available per job opening

■ 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 147,000 jobs in June, with job growth led by state government and health care. Federal government employment continued to decline, while key industries such as construction and manufacturing experienced little change. After revisions, employment in April and May combined is 16,000 higher than previously reported. In the first half of 2025, employment growth has averaged 130,000 new jobs per month, down from an average of 164,000 during the same period in 2024. The labor market so far this year has been marked by heightened uncertainty, which has complicated decision-making and contributed to slower hiring across many companies.

+147K
MoM

+1.1%
YoY

UTILITIES

Deloitte's report, "U.S. Energy and Chemicals Workforce: Transforming for a Resilient Future," projects a 4.1% increase in direct U.S. Energy and Chemicals (E&C) employment by 2033, with 60% of the E&C workforce (or 1.2 million workers) needing upskilling. Deloitte's report discusses how growing macroeconomic uncertainty, rising cost pressures, accelerating digital breakthroughs and a shifting business landscape are impacting the E&C workforce. Extreme heat in June caused power outages in Ohio, New York and Pennsylvania, emphasizing the need for grid hardening. Chevron will lay off 200 employees in Texas by July 15 as part of a broader effort to cut up to 20% of its global workforce by the end of 2026 in order to cut costs and simplify its business.

+600
MoM

+1.2%
YoY

CONSTRUCTION

Elevated policy uncertainty is believed to be stalling construction projects and dampening labor demand. As of May 2025 (latest data available), construction spending is down 3.5% year-over-year, the steepest yearly drop since February 2019. Construction job openings are down by 130,000 year-over-year. Construction input costs increased in May, and further increases are expected in June, driven by the 50% tariffs on steel and aluminum that took effect on June 4. Still, several large contracts were awarded in June. Turner Construction was selected as the overall site manager for the One Beverly Hills project, which is expected to create more than 2,500 jobs. A joint venture led by AECOM Hunt and Turner was selected to serve as construction manager for the first phase of the Kay Bailey Hutchison Convention Center project.

+15K
MoM

+1.5%
YoY

ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index increased from 43.2 in April to 47.2 in May (latest data available). Although business conditions remain slow at many architectural firms, the increase in the ABI indicates that fewer firms experienced a decline in billings in May. Environmental and waste management firms such as Veolia Environnement SA and Clean Harbors Inc. have recently expanded capacity in anticipation of increased demand driven by the reshoring of manufacturing and life sciences operations. As industrial waste streams become more complex and capital requirements for treatment facilities increase, more companies are expected to outsource hazardous waste treatment.

+2.7K
MoM

+2.6%
YoY

MoM = Month over month
YoY = Year over year

Industry Trends, continued

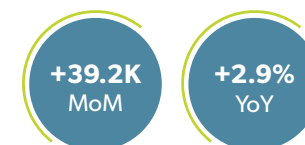
AEROSPACE & DEFENSE

The Paris Air Show, the world's largest aerospace event, took place in June and spotlighted trends such as defense spending, sustainability, innovation and high commercial aircraft demand. A record 45% of the show focused on defense and security, reflecting growing defense spending amid global tensions. Manufacturers discussed investments in sustainable aviation fuel (SAF) and other sustainable technologies. Dassault Systèmes highlighted how digital tools are transforming defense strategies, manufacturing, supply chains and sustainability efforts. Despite backlogs exceeding 5,000 for Boeing and 8,000 for Airbus, Airbus reported a 40% drop in missing parts on its final assembly line since the start of the year, signaling supply chain improvements.



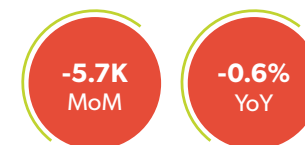
HEALTHCARE

Capital expansion remains a key theme in the healthcare sector, with new facilities increasing demand for talent. In June, construction began on the Vandalia Health Mon Harrison Neighborhood Hospital in Bridgeport, WV, which will offer emergency care, inpatient services, advanced imaging and on-site pharmacy and lab services. Roper St. Francis Healthcare broke ground on a \$1.2 billion hospital campus in North Charleston, SC, and Duke Health broke ground on a new facility that will add services at its existing Cary, NC location. Meanwhile, Providence announced plans to cut 600 jobs amid a restructuring due to external economic conditions, ongoing financial pressures and regulatory changes.



SCIENTIFIC R&D

Analysts at the investment bank Jefferies reported that May biotech funding was down 57% year-over-year (YoY) as political and economic uncertainty exacerbated declines in biotech activity and investment. As a result of these ongoing funding challenges, the number of interventional clinical trials registered in the U.S. has declined by 25% YoY, according to an expert from Novotech. WARN notices revealed several biotech layoffs in June, including reductions at Genentech, Vertex Pharmaceuticals and BioNTech. The FDA has launched Elsa, a secure AI tool currently being used by the agency to accelerate processes such as clinical protocol reviews and scientific evaluations. An HHS spokesperson said the FDA has emphasized that AI is "a tool support – not replace – human expertise."



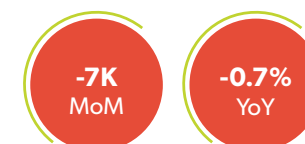
AUTOMOTIVE

Automakers continue to reconsider their production strategies amid evolving tariff policies and slower-than-expected electric vehicle (EV) demand. GM will invest \$4 billion over the next two years in its Orion Assembly in Michigan, Fairfax Assembly in Kansas, and Spring Hill Manufacturing in Tennessee, supporting U.S. jobs as it ramps production of gas-powered vehicles and plans for future EVs. Slowing EV demand has "fundamentally changed" the electric drivetrain market over the last 18 months, affecting suppliers who made major electrification investments in recent years. Automotive News reports that many automakers' decisions to bring software development in-house for software-defined vehicles has changed how suppliers define the value they bring to their customers.



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

Manufacturing employment has experienced little change in the first half of 2025 amid tariff uncertainty and other macroeconomic headwinds that have slowed hiring plans. Google has offered voluntary buyouts across several teams, including the central engineering units, which CNBC notes comes as its finance chief prioritizes cost cuts "as Google expands its spending on artificial intelligence infrastructure in 2025." Amazon's CEO announced expectations for a smaller future corporate workforce due to efficiency gains in AI. An analyst cited by Reuters stated that software development in particular is currently being enhanced by AI, which has led to a "pronounced slowdown in hiring." Meanwhile, John Deere plans to invest nearly \$20 billion in America over the next decade, creating and supporting U.S. manufacturing jobs.



MoM = Month over month
YoY = Year over year

Wages in the United States

How they've changed

+2.7%



Consumer Price Index

The consumer price index, a measure of inflation, increased by 2.7% for the 12 months ending June, an increase from 2.4% in May. The Federal Reserve has maintained interest rates throughout the first half of 2025, citing heightened economic uncertainty.

+3.7%



Wage Increases

Average hourly earnings increased by 3.7% for the 12 months ending June, slightly below the 3.8% increase recorded in May (revised down from 3.9% in last month's report).

+1.0%



"Real" Earnings

Real average hourly earnings increased by 1.0% between June 2024 and June 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 1.0% percent more, on average, due to inflation.

References

Read more about trends in Engineering & Sciences

UTILITIES: [US energy and chemicals workforce: Transforming for a resilient future](#); [Extreme Heat Is Straining U.S. Power Grids — With Potentially Devastating Consequences](#); [The Electricity Distribution System Can Stay Resilient in Extreme Weather](#); [Chevron to cut 200 jobs in Texas](#)

CONSTRUCTION: [Construction Spending Decreases By 0.3 Percent From April To May And 3.5 Percent Over 12 Months...](#); [Nonresidential Construction Spending Down 0.2% in May, Says ABC](#); [ABC: Construction Hiring Remains Sluggish in May](#); [ABC: Tariffed Construction Materials Prices Rise in May](#); [Steel and aluminum tariffs go into effect](#); [Turner Selected as One of the Contractors to Work on Multi-Billion-Dollar One Beverly Hills Project](#); [Turner, AECOM Hunt JV lands Dallas convention center job](#)

ARCHITECTURE & ENGINEERING: [ABI May 2025: Despite persistent softness, fewer firms report declining billings](#); [Reshoring US Factory Work Means More Hazardous Waste](#)

AEROSPACE & DEFENSE: [2025 Paris Air Show — Top 10 Takeaways](#); [Here are the top sustainability and innovation insights from the Paris Air Show 2025](#); [Paris Air Show 2025 | Key takeaways from the panel discussions](#); [Cleared for Takeoff – Takeaways from the 2025 Paris Airshow: Growing supply chain positivity](#)

HEALTHCARE: [Officials, Community Leaders Break Ground on Vandalia Health Mon Harrison Neighborhood Hospital](#); [Roper St. Francis Healthcare breaks ground on future Roper Hospital campus...](#); [Duke Health Breaks Ground on Cary Expansion](#); [Providence announces restructure...](#)

SCIENTIFIC R&D: [Biotech funding plummets...](#); [Tough funding environment is impacting trial activity in the US, expert says](#); [Fierce Biotech Layoff Tracker 2025](#); [FDA Launches Agency-Wide AI Tool to Optimize Performance for the American People](#); [FDA's plan to roll out AI agencywide raises questions](#)

AUTOMOTIVE: [GM to invest \\$4 billion in 3 U.S. factories to build gasoline, electric vehicles](#); [GM weighs tariffs, EV demand, factory flexibility as it moves some production to U.S.](#); [Parts makers on top suppliers lists adapt to trade, EV, software challenges](#); [How suppliers of EV batteries and parts are adapting to uncertain pace of electrification](#)

C&IP: [Google offers buyouts to employees across the company, including Search](#); [Update from Amazon CEO Andy Jassy on Generative AI](#); [Amazon's corporate workforce may shrink as AI takes over routine tasks](#); [John Deere U.S. Impact](#)

About Actalent

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