



Labor Market & Economy Report

March 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

 **228K**

Jobs Gained in March

U.S. employment increased by 228,000 jobs in March, with significant gains in healthcare, social assistance and transportation and warehousing.

 **62.5%**

Labor Force Participation Rate

The labor force participation rate (LFPR) increased slightly from 62.4% in February to 62.5% in March. The LFPR has yet to recover to its pre-pandemic rate of 63.3%.

 **4.2%**

Unemployment Rate

The unemployment rate increased by 0.1% to 4.2% in March. 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.

 **1.8M**

February Layoffs

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

March 2025 Market Trends

A closer look at
unemployment by industry
and labor category



Overall Unemployment Rate

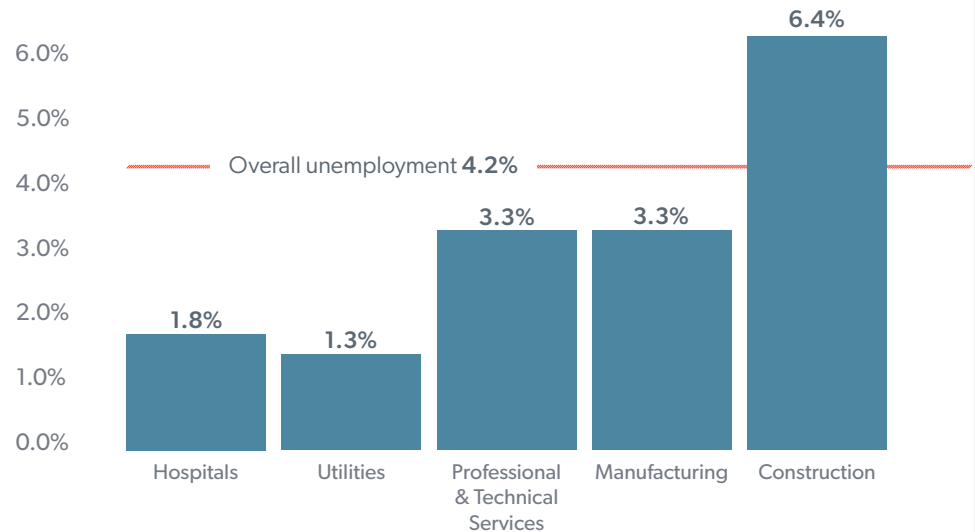


Unemployment Rate for
Degreed Workers

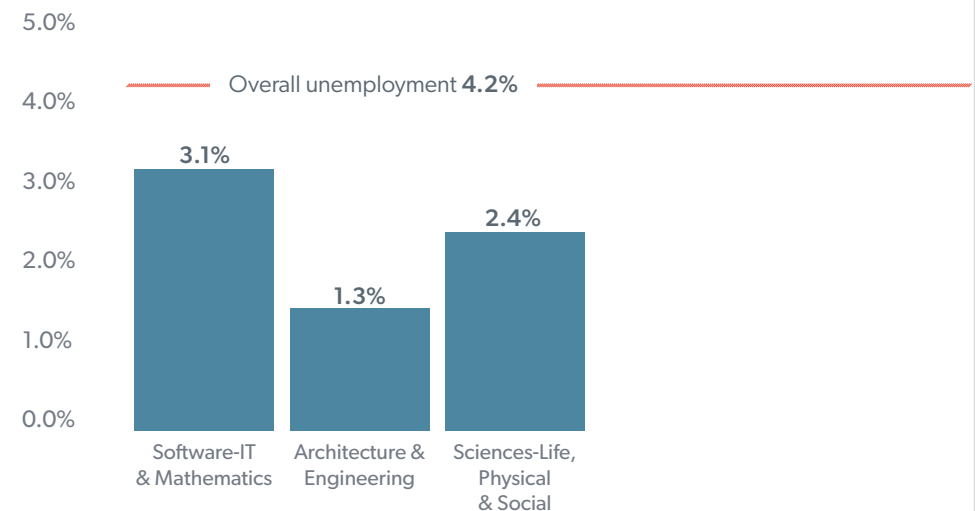


Ratio of unemployed workers
(Software-IT & Mathematics,
Architecture & Engineering,
Sciences) available per job
opening.

■ 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 228,000 jobs in March, significantly exceeding the expected gain of 140,000 jobs. Job growth was led by healthcare, social assistance and transportation and warehousing, while federal government employment declined. Numerous companies remain hesitant to make further investments or resume hiring until they gain more clarity regarding economic conditions and trade policies. Key industries, such as construction and manufacturing, have experienced less than 2.0% employment growth over the last 12 months. However, the overall growth in U.S. employment points to resilience in the labor market despite these headwinds.

+228K
MoM

+1.2%
YoY

UTILITIES

IT leaders are increasingly concerned about the pressure that data centers and artificial intelligence are placing on the national grid. The American Society of Civil Engineers downgraded the U.S. energy sector's 2025 Infrastructure Report Card grade to a D+ from the C- given in 2021, citing factors such as severe weather events, a shortage of distribution transformers and insufficient transmission capacity as risks to the nation's ability to meet growing energy demand. To expedite natural gas power plant projects for data centers, NRG Energy, GE Vernova and Kiewit are partnering to leverage their combined expertise, with plans to build four new plants in Texas and the mid-Atlantic.

+3K
MoM

+1.7%
YoY

CONSTRUCTION

High interest rates and increased uncertainty regarding trade policies and future materials costs are weighing on construction investments and hiring. Construction industry job openings increased by 22,000 between January and February (latest data available) but were down by 165,000 compared to a year ago. The Associated Builders and Contractors (ABC) claims there are signs that construction workers retain leverage in the labor market, stating that "contractors remain reluctant to lay off workers, while construction workers quit their jobs at the fastest pace since last May." Large project wins in March included a \$1 billion Boeing South Carolina facilities expansion awarded to a joint venture between HITT and BE&K and a \$900 million NBA arena in Oklahoma City awarded to Flintco and Mortenson.

+13K
MoM

+1.8%
YoY

ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index was 45.5 in February (latest data available), indicating that billings are still declining at most architecture firms. Additionally, the AIA noted that clients are hesitant to commit to new projects, and inquiries into new projects declined for the first time since the height of the pandemic in 2020, likely due to the unpredictable economy. Stantec has been chosen by Cadiz to serve as Owner's Engineer for the Mojave Groundwater Bank project in California. Stantec will assist with selecting the Contractor under a Construction Management at Risk delivery model and lead the engineering, procurement and construction management process.

+3.9K
MoM

+3.2%
YoY

MoM = Month over month
YoY = Year over year

Industry Trends, continued

AEROSPACE & DEFENSE

GE Aerospace plans to invest \$1 billion “in its U.S. factories and supply chain to strengthen manufacturing and increase the use of innovative new parts and materials needed for the future of flight.” GE Aerospace also plans to hire 5,000 U.S. workers this year, which will include manufacturing and engineering roles. RSM predicts that ongoing regulatory pressure and labor shortages will result in a continued decline in aerospace M&A activity in 2025, reducing demand for parts and weakening suppliers’ bargaining power. RSM advises aerospace suppliers to enhance operational efficiencies, invest in supply chain resilience and focus on high-margin or high-volume parts to navigate these challenges.



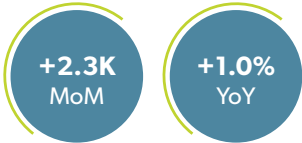
HEALTHCARE

According to Lightcast data, job postings for healthcare support occupations and healthcare practitioners and technical occupations declined by 6% in Q1 2025. Still, the sector added 135,000 jobs in the same timeframe, more than any other industry in the first quarter. Walgreens Boots Alliance (WBA) has entered an agreement to be acquired by Sycamore Partners, ending its nearly 100-year run as a public company. WBA will continue operating under its existing brands and aims to improve its position in the pharmacy, retail and health services industries.



SCIENTIFIC R&D

Merck has opened a new \$1 billion vaccine manufacturing plant in Durham, NC, as part of its investment in U.S. manufacturing and R&D, and now employs more than 1,000 workers in Durham. Johnson & Johnson will invest \$55 billion in U.S. manufacturing, R&D and technology over the next four years, creating thousands of jobs. Investments in weight loss and diabetes therapies continued last month, with Roche and AbbVie entering agreements with biotech companies to develop obesity treatments, and Amgen launching two Phase III trials for its weight loss drug MariTide. In March, tariff uncertainty rattled medical device manufacturers, and funding uncertainty led academic health systems to freeze hiring. Johns Hopkins University announced global workforce cuts of 2,000 workers due to reduced federal grants.



AUTOMOTIVE

Tariff uncertainty increased in March, pressuring automakers to quickly plan their responses to various potential policy outcomes expected to be announced in early April. Despite the economic headwinds, job postings from the motor vehicles and parts manufacturing industry increased by 15% in Q1 2025, according to Lightcast data, indicating increased demand for workers such as software engineers, industrial engineers and mechanical engineers. Waymo announced the expansion of its autonomous ride-hailing service, Waymo One, into Washington D.C. in 2026, reflecting the growing trend of autonomous technology in the automotive industry. Steel maker and automotive supplier Cleveland Cliffs plans to temporarily lay off about 600 workers this summer, citing the “current reality of weak automotive production” in the U.S.



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

Numerous manufacturers have communicated intentions to hold investments as they await clarity regarding tariffs. The companies currently making significant manufacturing investments in the U.S. are primarily motivated by the growing opportunities in data centers and soaring electricity demand. Schneider Electric SE plans to invest \$700 million to support AI growth and energy security, creating over 1,000 new jobs across the nation. ABB will invest \$120 million to expand production capacity for its electrification products, creating 50 new jobs in Tennessee and 200 new jobs in Mississippi. Semiconductor company Microchip Technology plans to lay off around 2,000 employees, shut down its Arizona facilities ahead of schedule and modify or cancel its wafer supply agreements in response to slowing demand from automotive clients.



MoM = Month over month
YoY = Year over year

Wages in the United States

How they've changed

+2.4%



Consumer Price Index

The consumer price index, a measure of inflation, increased by 2.4% for the 12 months ending March, down from 2.8% in February. “Core” inflation, which excludes the volatile food and energy categories, increased by 2.8%, down from 3.1% in February. Both inflation measures dropped significantly in March, but more data is needed to confirm steady progress toward the Federal Reserve’s 2.0% target.

+3.8%



Wage Increases

Average hourly earnings increased by 3.8% for the 12 months ending March, falling below the 4.0% increase recorded in February.

+1.4%



“Real” Earnings

Real average hourly earnings increased by 1.4% between March 2024 and March 2025. In other words, despite average hourly earnings increasing by 3.8% year-over-year, workers may only feel as if they’re making about 1.4% more, on average, due to the effects of inflation.

References

Read more about trends in Engineering & Sciences

UTILITIES: [Pressure rises to bolster data center energy efficiency...; US energy infrastructure gets a D+ from American Society of Civil Engineers; NRG, GE Vernova and Kiewit Will Build 5 GW of Power Plants for Data Centers](#)

CONSTRUCTION: [ABC: Nonresidential Construction Spending...; Construction Job Openings Still Subdued in February, Says ABC; Boeing taps HITT, BE&K for South Carolina expansion; Mortenson partners to build \\$900M NBA arena in Oklahoma City](#)

ARCHITECTURE & ENGINEERING: [ABI February 2025: Billings remain soft at architecture firms as interest in new projects wanes; Cadiz selects Stantec to serve as Owner's Engineer...](#)

AEROSPACE & DEFENSE: [GE Aerospace to Invest Nearly \\$1B in U.S. Manufacturing in 2025; Aerospace Sector M&A: Impacts on the Supply Chain](#)

HEALTHCARE: [Walgreens Boots Alliance Enters into Definitive Agreement to Be Acquired by Sycamore Partners; Walgreens to be acquired in \\$10B take-private deal](#)

SCIENTIFIC R&D: [Merck Unveils New Facility to Increase Vaccine Production Capacity; Drugmaker Merck opens state-of-art \\$1B facility...; Johnson & Johnson Increases U.S. Investment...; Zealand Pharma and Roche enter collaboration...; AbbVie and Gubra Announce License Agreement...; Amgen weight loss drug MariTide starts two phase three trials; Medical device stocks slide...; Academic medical centers say funding cuts jeopardize health research; Johns Hopkins University slashes 2,000 jobs...](#)

AUTOMOTIVE: [Automotive News: Live Updates on Tariffs; Lightcast Job Posting Analytics; Next stop for Waymo One: Washington, D.C.; Steel maker Cleveland-Cliffs plans layoff of 600 Detroit area workers...](#)

C&IP: [Manufacturers Keep Spending But It's Not About Reshoring; Schneider Electric Plans to Invest Over \\$700 million in the U.S., Supporting Energy & AI Sectors and Job Growth; ABB to invest \\$120 million to expand US manufacturing; Microchip Technology to cut 2,000 jobs as automotive demand wilts](#)

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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