



# Labor Market & Economy Report

December 2024

## 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 December

U.S. employment increased by 256,000 jobs in December. Job growth was driven by healthcare, retail trade, government and social assistance, while other major sectors experienced little change.



### Labor Force Participation Rate

The labor force participation rate has remained within a range of 62.5% to 62.7% for the last 12 months. The percentage of the population working or looking for work has hardly changed.



### Unemployment Rate

The unemployment rate declined by 0.1% to 4.1% between November and December. The unemployment rate has been either 4.1% or 4.2% for the past seven months.



### November Layoffs

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

# December 2024 Market Trends

A closer look at  
unemployment by industry  
and labor category



Overall Unemployment Rate

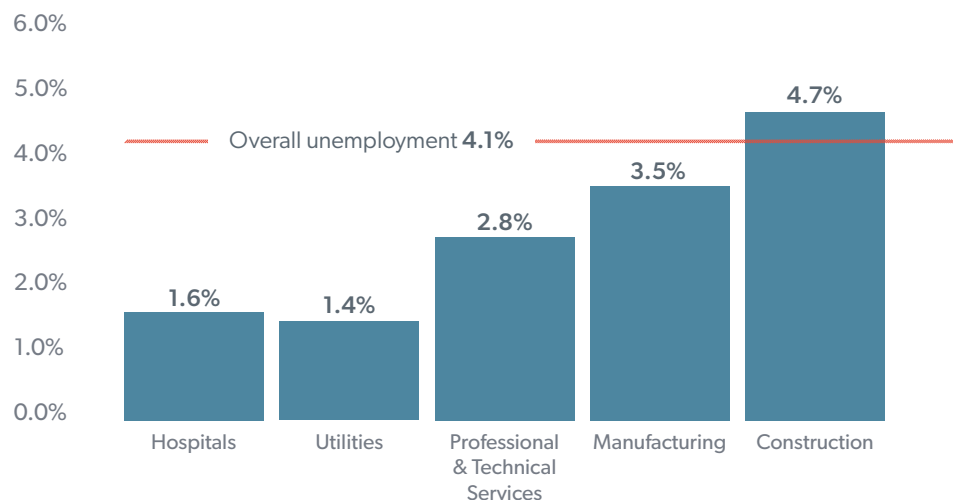


Unemployment Rate for Degreed  
Workers

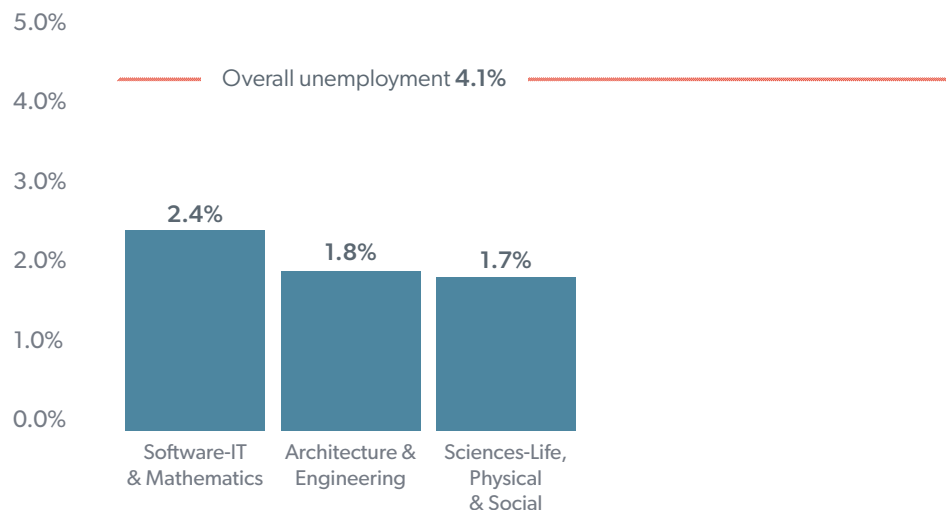


Ratio of unemployed workers  
(Software-IT & Mathematics,  
Architecture & Engineering,  
Sciences) available per job  
opening.

### 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 256,000 jobs in December and ended the year with about 2.2 million more jobs compared to December 2023. The healthcare and government sectors accounted for half of total employment gains in 2024, while the manufacturing sector lost 87,000 jobs year-over-year. The 2024 labor market was negatively impacted by high interest rates, high costs (operational, labor and material costs) and continued economic uncertainty carried over from 2023. In 2025, the combined impact of prolonged high interest rates and uncertainty regarding fiscal and trade policies could suppress hiring activity in the first few months.



## UTILITIES

Several energy forecasts, including those from Grid Strategies and the U.S. Energy Information Administration, predict that investments in manufacturing and data centers will trigger a substantial increase in power and electricity demand in the coming years, putting more pressure on grid infrastructure. In their 2025 Power and Utilities Outlook, Deloitte states, "over half of the current utility workforce has less than 10 years of experience, indicating a need for upskilling and development." Deloitte highlights the growing demand and competition for workers with expertise in data centers, nuclear power and DER integration. They recommend training academies, technology integration, financial investments and community partnerships as steps utilities can take to attract and retain talent.



## CONSTRUCTION

2025 construction outlooks are mixed and difficult to confirm, given rising uncertainty regarding interest rates, inflation, trade policies and immigration policies. Many firms and analysts are optimistic about investments in data center, manufacturing, power and infrastructure projects in 2025. Construction contractors remain primarily concerned about labor costs, labor availability and worker quality. Meta announced its largest AI data center to date will be built in northeast Louisiana. Meta expects construction will continue through 2030, creating an estimated 500 operational jobs and 5,000 temporary construction jobs. At least five multibillion-dollar airport overhauls and expansions will take place in 2025, which will collectively create demand for thousands of workers across the nation.



## ARCHITECTURE & ENGINEERING

The AIA Architectural Billings Index for November (latest data available) was flat for the second consecutive month, indicating a balance between firms experiencing a decline in architectural billings and those experiencing an increase. According to the AIA survey, the top-selected concerns among architectural firms going into 2025 were "increasing firm profitability" and "negotiating appropriate project fees." In the last quarter of 2024, job postings in the engineering services industry declined by 21%, which was likely a reflection of the same conditions impacting architectural and construction firms, such as high borrowing costs and policy uncertainty regarding local and national elections.



MoM = Month over month  
YoY = Year over year

## Industry Trends, continued

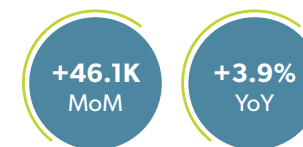
### AEROSPACE & DEFENSE

Employment data for the aerospace manufacturing industry lags one month behind, so it can be assumed that many of the 33,700 aerospace and defense (A&D) jobs added in November were from workers returning from a strike. 2025 A&D outlooks forecast a continuation of strong aircraft demand, space investments, high defense spending, technology investments and supply chain constraints. Deloitte specifically mentions investments in AI/ML, advanced air mobility (AAM), rocket technology and positioning, navigating and timing (PNT) technologies. With one-third of the A&D workforce nearing retirement age (55+ years), effective attraction, retention and knowledge transfer strategies will be crucial.



### HEALTHCARE

Fitch Ratings lifted its credit outlook for the nonprofit hospital sector from “deteriorating” to “neutral” for the first time in 27 months, citing improved operating margins boosted by management of labor expenses. Still, hospital systems continue to face healthcare worker shortages, burnout and rising costs. In their 2025 Health Care Workforce Scan, the AHA identifies and addresses four industry challenges: embracing technologically integrated care models and innovations; engaging clinicians in technology strategies; boosting access through partnerships, training and upskilling; and rethinking engagement to build a more flexible and engaged workforce.



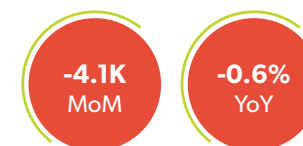
### SCIENTIFIC R&D

RSM expects capital constraints will continue to hinder biopharma investment and expansion in 2025, extending the recovery period for medtech companies primarily serving biopharma clients. By Feb. 1, the CMS will announce up to 15 Part D drugs for the second cycle of price negotiations under the Inflation Reduction Act. The program aims to make certain drugs more affordable, but many pharmaceutical companies are concerned about its potential impact on future R&D investments. Eli Lilly will expand its Wisconsin manufacturing facility to support production of its diabetes and weight loss injectables, creating about 750 skilled jobs. In response to growing AI utilization, the FDA has issued draft guidance with recommendations on the use of AI in medical devices and the development of drug and biological products.



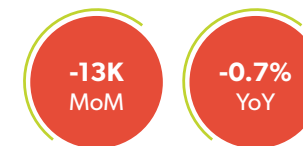
### AUTOMOTIVE

Stellantis reversed its decision to lay off about 1,100 employees from its Ohio Jeep plant, as announced in Actalent’s November report, after the resignation of its CEO, who had been focused on cost-cutting measures such as job cuts. GM is no longer pursuing Cruise’s robotaxi development due to rising competition and the time and cost to scale a robotaxi business. GM will realign Cruise’s self-driving technology to advance driver-assistance features, but it is unknown how many of Cruise’s 2,300 employees will move to GM. Honda and Nissan plan to merge under a holding company, which they aim to establish by August 2026, to maintain global competitiveness through the integration of the companies’ resources. Mitsubishi will decide by the end of January 2025 whether it will join Honda and Nissan’s partnership.



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

Manufacturing conditions remained sluggish at the end of 2024. Food and agriculture companies like Cargill and Tyson Foods are facing financial pressure due to declining commodity crop prices and shrinking cattle herd sizes. In December, Cargill announced plans to cut about 8,000 jobs, while Tyson Foods announced plans to close three plants in Emporia, Kansas, and Philadelphia, impacting over 1,000 workers. Despite current layoffs due to financial challenges and slow demand, there is concern about the long-term availability of manufacturing workers, especially as many companies bring production back to the U.S. The National Association of Manufacturers has projected that “the sector will need to fill 3.8 million roles over the next decade because of retirees leaving the industry and growing manufacturing demand.”



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# 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 December, slightly above November's reading of 2.7%. The Federal Reserve made its third and final interest rate cut of 2024 in December, lowering its key interest rate by 25 basis points. The Fed now plans to make just two rate cuts in 2025, instead of four, due to still-high inflation, economic resilience and policy uncertainty.

+3.9%



## Wage Increases

Average hourly earnings increased by 3.9% for the 12 months ending December, only slightly below the 4.0% increase recorded in November.

+1.0%



## "Real" Earnings

Real average hourly earnings increased by 1.0% between December 2023 to December 2024. In other words, despite average hourly earnings increasing by 3.9% year-over-year, workers may only feel as if they're making about 1.0% more, on average, due to the effects of inflation.

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# References

## Read more about trends in Engineering & Sciences

**UTILITIES:** [US power use to reach record highs in 2024 and 2025, EIA forecast says](#); [Five-year US load growth forecast surges 456%, to 128 GW: Grid Strategies](#); [Grid constraints limit near-term data center growth in Northwest: NPCC panelist](#); [Deloitte 2025 Power and Utilities Industry Outlook](#)

**CONSTRUCTION:** [JLL 2025 U.S. Construction Outlook](#); [AGC-Sage 2025 Construction Hiring and Business Outlook](#); [Meta to build \\$10 billion AI data center in Louisiana...; 6 airport megaprojects taking flight in 2025](#)

**ARCHITECTURE & ENGINEERING:** [ABI November 2024: Architecture firm billings remain flat](#); [Lightcast Job Posting Analytics](#); [Actalent Labor Market and Economy Report: A Look at Trends in November 2024](#)

**AEROSPACE & DEFENSE:** [BLS November 2024 Employment Situation](#); [Deloitte 2025 Aerospace and Defense Industry Outlook](#); [PWC Aerospace and defense: US Deals 2025 outlook](#); [Fitch Ratings Global Aerospace & Defence Outlook 2025](#)

**HEALTHCARE:** [Fitch bumps outlook for nonprofit hospitals in 2025](#); [Deloitte 2025 US Health Care Outlook](#); [AHA 2025 Healthcare Workforce Scan](#)

**SCIENTIFIC R&D:** [RSM Medtech Outlook](#); [HHS Releases Final Guidance for Second Cycle of Historic Medicare Drug Price Negotiation Program](#); [Medicare reveals results of drug price negotiations](#); [Lilly announces \\$3 billion expansion of its recently acquired manufacturing facility in Wisconsin](#); [FDA Issues Comprehensive Draft Guidance for Developers of AI-Enabled Medical Devices](#)

**AUTOMOTIVE:** [Stellantis u-turns on Ohio layoffs amid leadership challenges](#); [Cruise dropping robotaxi effort as GM shifts focus to driver-assist tech](#); [GM to refocus autonomous driving development on personal vehicles](#); [GM dumps Cruise robotaxi plans; shifts autonomy work to personal cars](#); [Honda, Nissan plan to merge with Honda in driver's seat by summer 2026](#); [Nissan and Honda sign MOU to consider business integration](#); [Nissan, Honda, and Mitsubishi Motors sign MOU on collaborative considerations](#)

**C&IP:** [Tyson closes 3 meat plants, lays off 1K workers](#); [Commodities trading giant Cargill plans to cut around 8,000 jobs](#); [Help Wanted: U.S. Factories Seek Workers for the Nearshoring Boom](#)

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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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