

Labor Market and Economy Report:

A Look at Trends in March 2025

Sharp insights for well-rounded people.

Aston Carter's monthly Jobs Report offers insights into current market demand and trends across accounting and finance; human resources and talent acquisition; and supply chain and procurement. The report corresponds with the release of the U.S. Bureau of Labor Statistics' monthly data. Specifically, readers can expect to learn about:

- Job growth
- Unemployment trends
- Labor categories and industries
- Labor force participation rates
- Job quits and layoffs
- Wages
- Other important news impacting the labor market

 **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

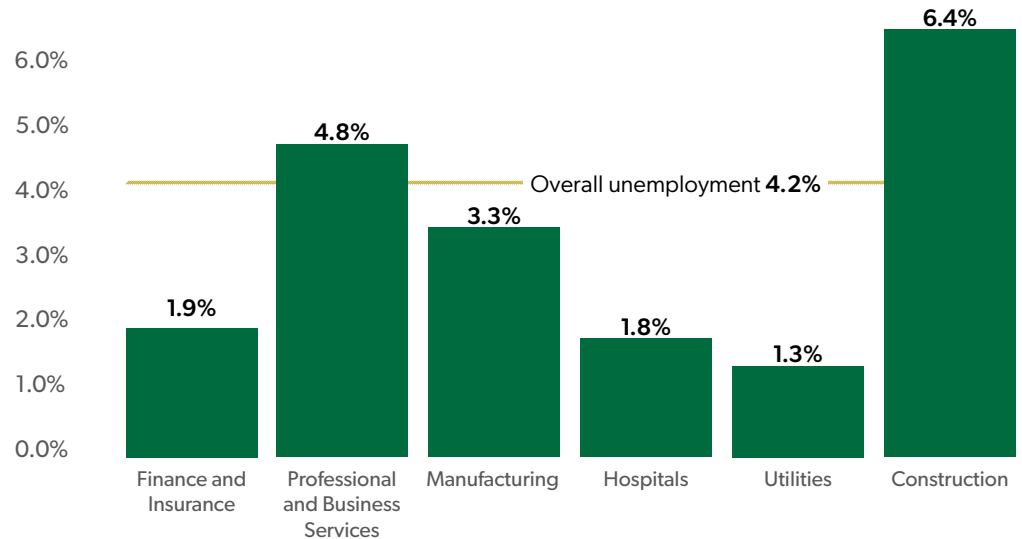


Unemployment Rate for
Degreed Workers

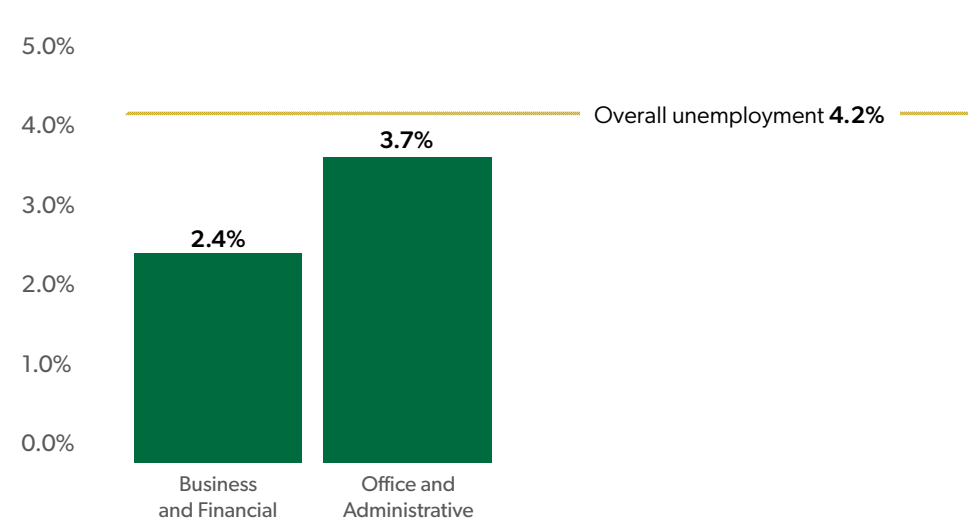


Ratio of Unemployed Workers
(procurement clerks, AP/
AR, and other core office and
administrative roles) available per
job opening

Unemployment Rates by Industry



Unemployment Rates by Labor Category



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

TRENDS

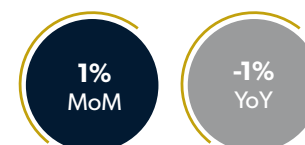
OVERALL ECONOMY

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.



ACCOUNTING AND FINANCE

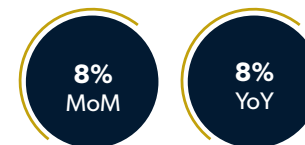
The M&A boom expected in 2025 has yet to materialize, likely a result of significant instability and uncertainty in the markets around persistent inflation, higher-for-longer interest rates and policy turmoil. Additionally, a significant number of previously announced and anticipated IPOs were deferred in recent weeks. Attention should be directed towards the \$3.8 trillion cash reserves currently held by S&P companies. The key question is when, or if, these funds will begin to be utilized this year. Amid the uncertainty and concern about the near-term outlook for markets and the economy, the Boston Consulting Group shared that 33% of surveyed CFOs identified cost reduction as their most critical need, an 8% increase from 2024. On average, CFOs said they achieved less than half (48%) of their cost-saving targets. Cost reduction can involve various strategies, such as increasing workforce flexibility to quickly adjust staff numbers based on changing conditions or workloads.



In March, Credit Manager demand increased by 31% Year over Year (YOY) and 35% Month over Month (MoM) as companies prioritized risk mitigation due to tightening credit standards and rising credit risks. Audit Manager demand rose 11% YoY and 7% MoM, reflecting the heightened stress in audit environments and operating rhythms over recent years. This is driven by an increased emphasis on accurate financial reporting amid more frequent reporting errors and failures.

HR AND TALENT ACQUISITION

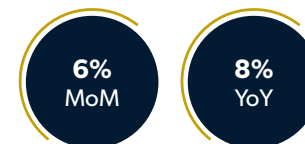
A labor market study conducted by Florida Atlantic University and Cleveland State University concluded that offering Paid Time Off (PTO) reduced voluntary turnover by 35% among workers, representing a relatively low-cost intervention to improve employee stability. The Bureau of Labor Statistics found that paid leave accounts for 7.5% of total compensation costs on average, ranking behind wages, payroll taxes and insurance costs. This is significantly lower than the average cost of turnover, which can amount to half or more of an employee's annual salary. Additionally, recruiting efforts remain challenging, with 78% of recruiting leaders surveyed by Gartner reporting stagnant or shrinking budgets, a worsening trend compared to recent years.



In March, Compensation/Benefits Analysts saw sharp upticks in demand, with increases of 45% Year over Year (YoY) and 23% Month over Month (MoM). HRIS Analysts/Specialists experienced a broad-based rise in hiring needs, with increases of 28% YoY and 35% MoM.

SUPPLY CHAIN AND PROCUREMENT

In March, significant focus was directed towards preparing for new tariffs, developing mitigation plans and addressing various countermeasures from other countries, particularly for companies with supply chains or substantial customer bases in Canada, Mexico and China. Many suppliers forecasted price increases or potential shortages due to anticipated trade policy changes. Companies across all industries faced unique and escalating challenges, making 2025 the most complex year for Supply Chain and Procurement since the pandemic in 2020. Employer comments in the March ISM Manufacturing Index and the Federal Reserve Bank's Beige Book highlighted rising cost pressures, confusing order patterns and uncertainty. It has become crucial for companies to ensure the right workforce is in place to navigate these mounting challenges.



March saw a rise in Supply Chain Specialist demand increase by 25% Year over Year (YoY) as companies navigated supply chain challenges and disruptions. Purchasing Managers remain in high demand, with demand growth of 16% YoY and 22% Month over Month (MoM).

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

ACCOUNTING AND FINANCE:

[Korn Ferry: The M&A Rebound That Wasn't](#)

[Execs ramp up focus on cost control as a productivity tool](#)

HR / TALENT ACQUISITION:

[PTO reduces job hopping regardless of employee satisfaction, study finds](#)

[Gartner: Leadership Vision for 2025](#)

SUPPLY CHAIN / PROCUREMENT:

[Tariffs Throw US-Canada Food Supply Chain Into Chaos](#)

[March 2025 Manufacturing ISM® Report On Business®](#)

[Federal Reserve Beige Book: February 2025](#)

JOB POSTING DEMAND INTELLIGENCE (%'S GROWTH AND CHANGE)

[Lightcast, 2025](#)

About Aston Carter

Aston Carter provides world-class corporate talent solutions to thousands of clients across the globe. Specialized in accounting, finance, human resources, talent acquisition, supply chain, procurement and select administrative professions, we extend the capabilities of industry-leading companies. We draw on our deep recruiting expertise and expansive network to meet the evolving needs of our clients and talent community with agility and excellence. With offices across the U.S., Canada, Asia Pacific and Europe, Aston Carter serves many of the Fortune 500. We are proud to be a ClearlyRated Best of Staffing® double diamond winner for both client and talent service.

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