



The State of the Labor Market in 2025



Today's Presenters



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Today's agenda

- Compensation priorities
- Wage growth vs. inflation
- Top jobs by pay in the labor market
- Analyzing fair pay in your organization
- Resources with Q&A

Compensation priorities

2025 predicted top challenges

1

**Balancing cost
versus pay
competitiveness**

2

**Retaining and
engaging talent
amidst upheaval**

3

**Adoption and
training around
artificial intelligence**

4

**Ensuring pay
equity, fairness,
and transparency**

[Download Top Predictions for HR Guide \(2025\)](#)

Compensation maturity



Poll: Which of the following best describes your organization's current compensation management maturity level?

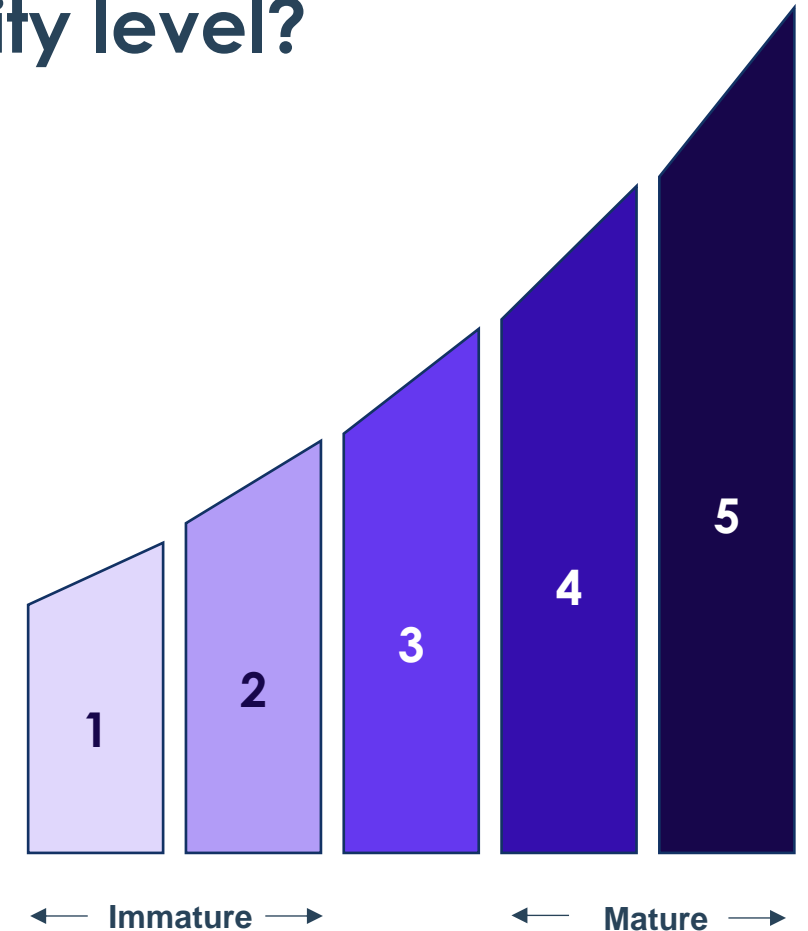
1) As needed: We mainly worry about compensation at time of hire, haven't begun standardized compensation processes, and may rely exclusively on free data sources

2) Emerging: We have begun developing a few key compensation processes and consistent approaches when using salary data for market pricing

3) Developing: We have standardized our approach to accessing and managing salary data and are working on creating a compensation strategy and processes with supportive tools/technology around compensation planning and management

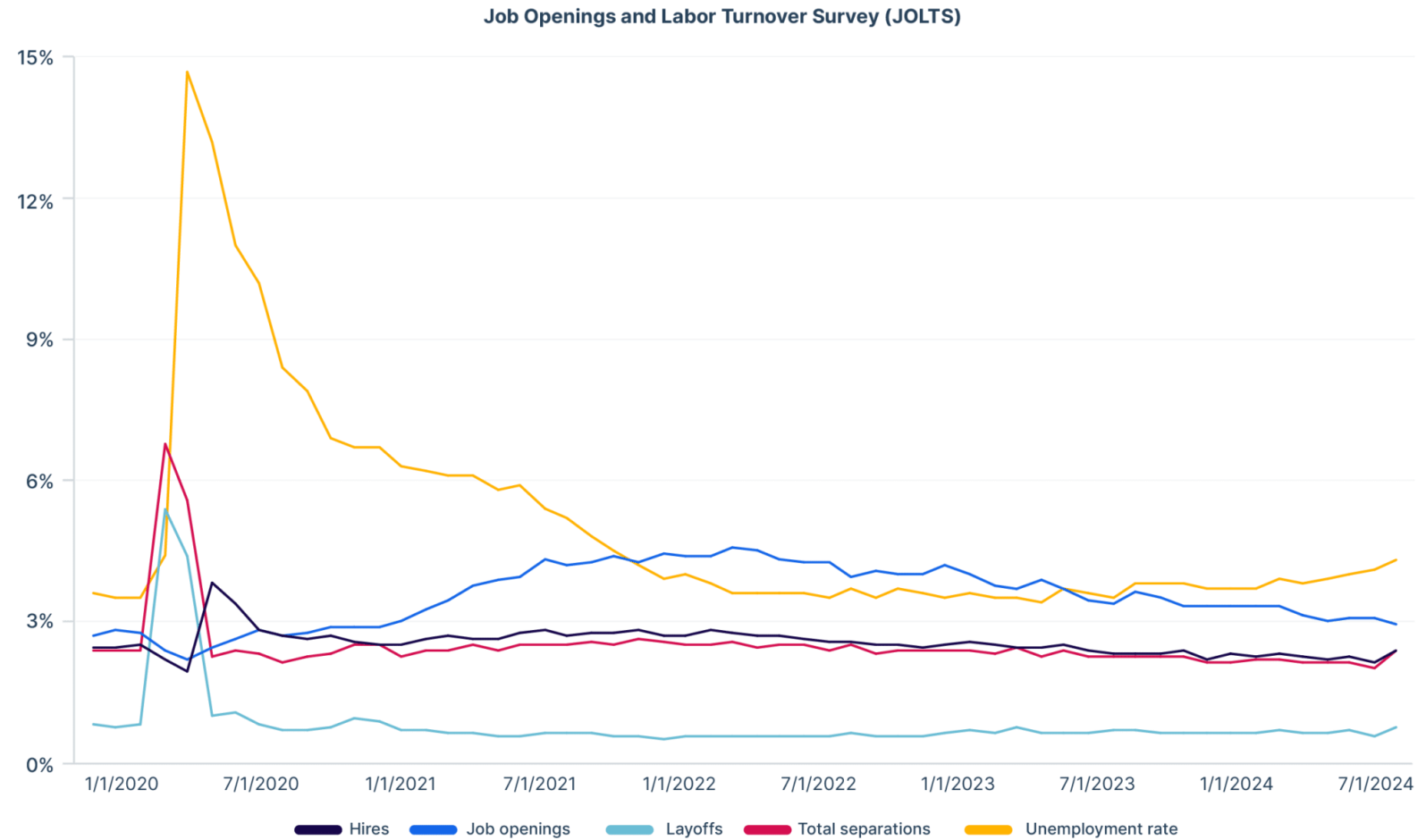
4) Advancing: We have a reliable, standardized approach to managing salary data sources that is strategically tailored to our organization, a strong compensation strategy, and processes and tools that help us manage pay

5) Optimizing: We are confident in our data sources, compensation strategy, and structures and are in position to continuously optimize our approach and be the standard for compensation best practices



What drives wage growth?

The job market has normalized but hiring is still slow in some sectors



Source: Job Openings and Labor Turnover Survey (JOLTS), U.S. Bureau of Labor Statistics

2024-End-of-Year-Report | www.payscale.com



What drives wages?



Cost of Labor

Is determined by the supply and demand of labor and represents the cost to hire and retain employees.

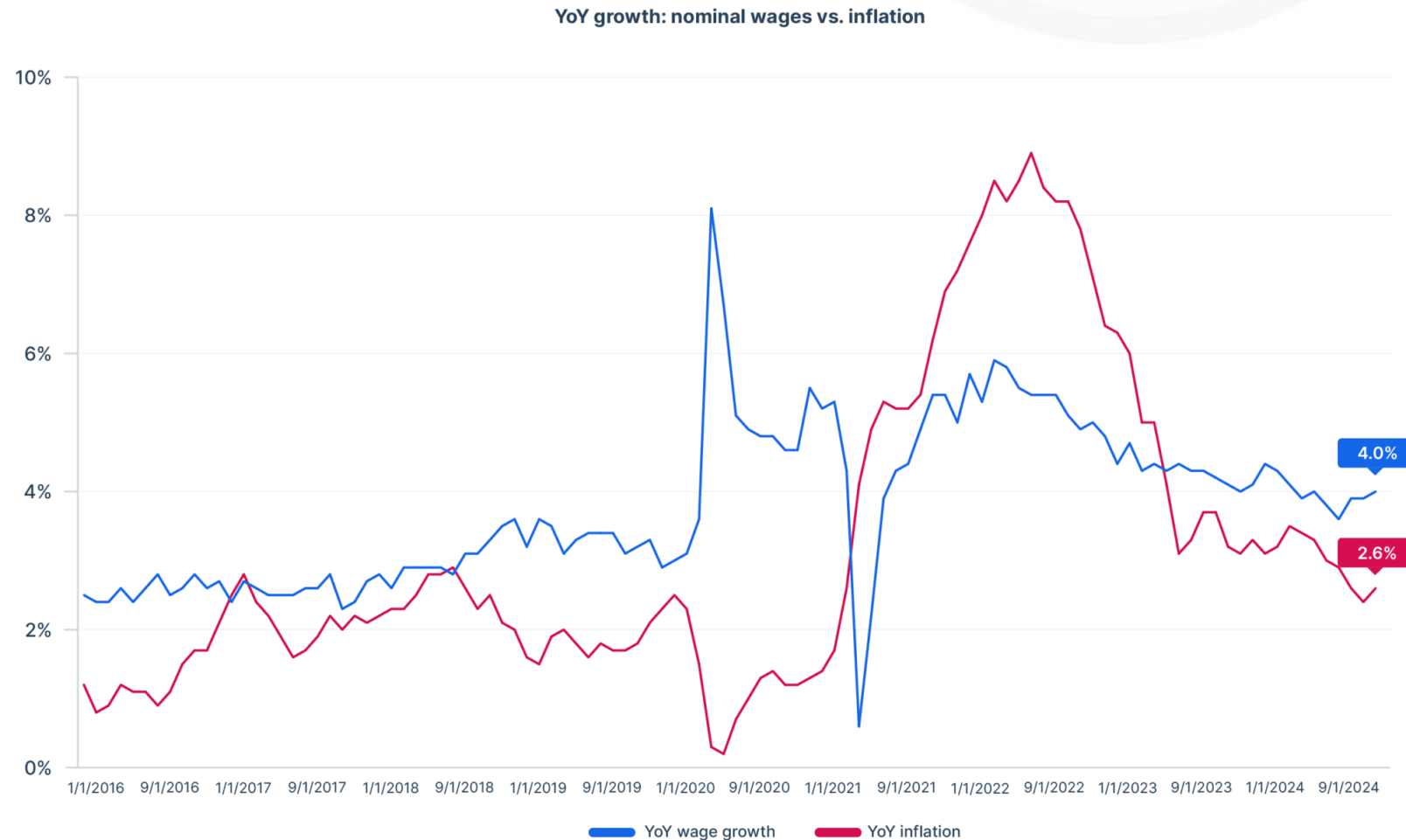


Cost of Living

Measures the required costs to maintain the standard of living.

(based on a market basket of goods and services including consumables, transportation, health services, housing, and taxes paid by an employee)

**YOY pay
increases
now exceed
inflation.**



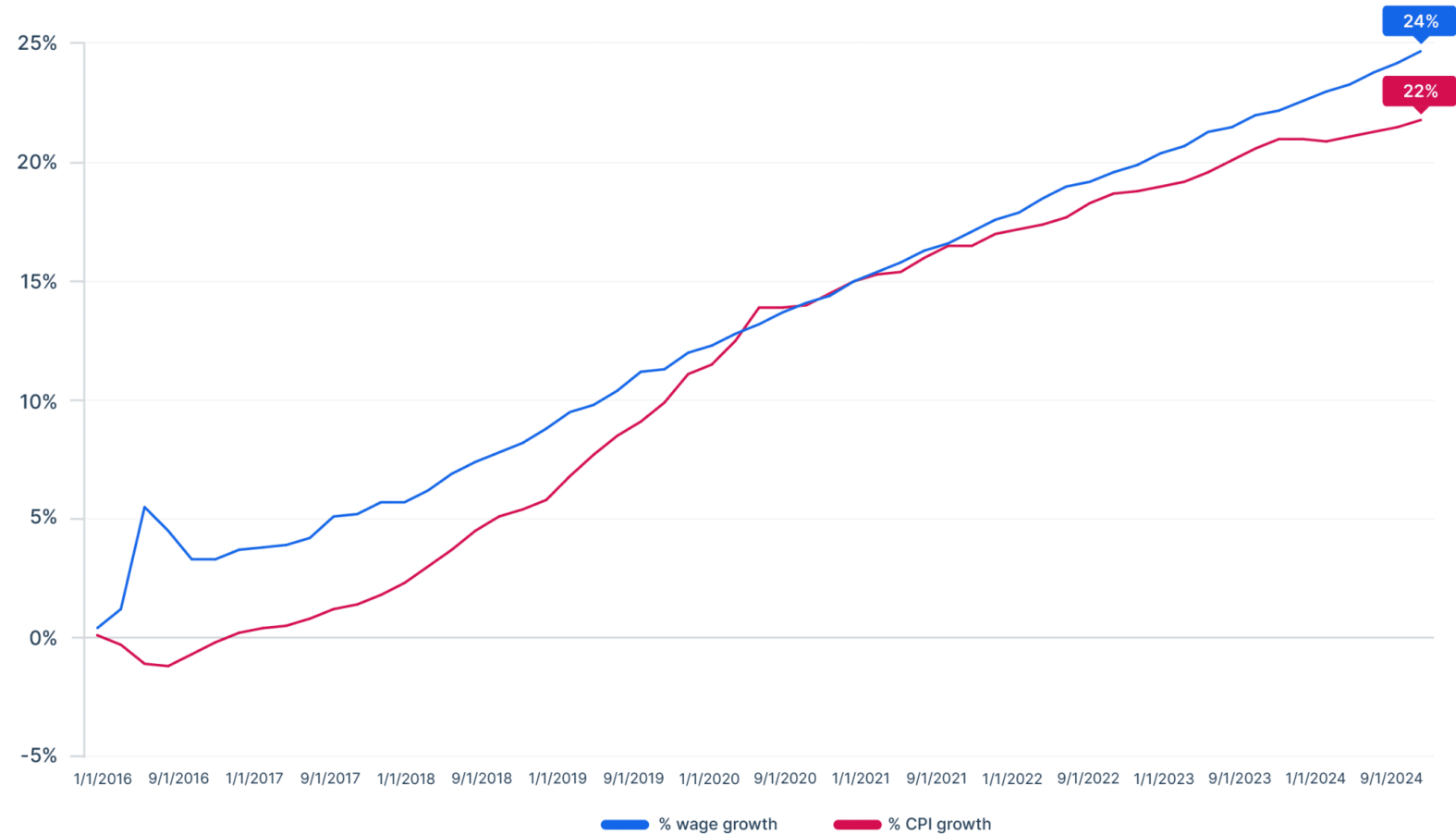
Source: U.S. Bureau of Labor Statistics

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And wage
growth exceeds
inflation
cumulatively
since 2020.

CPI vs. nominal wages: cumulative growth since 2020

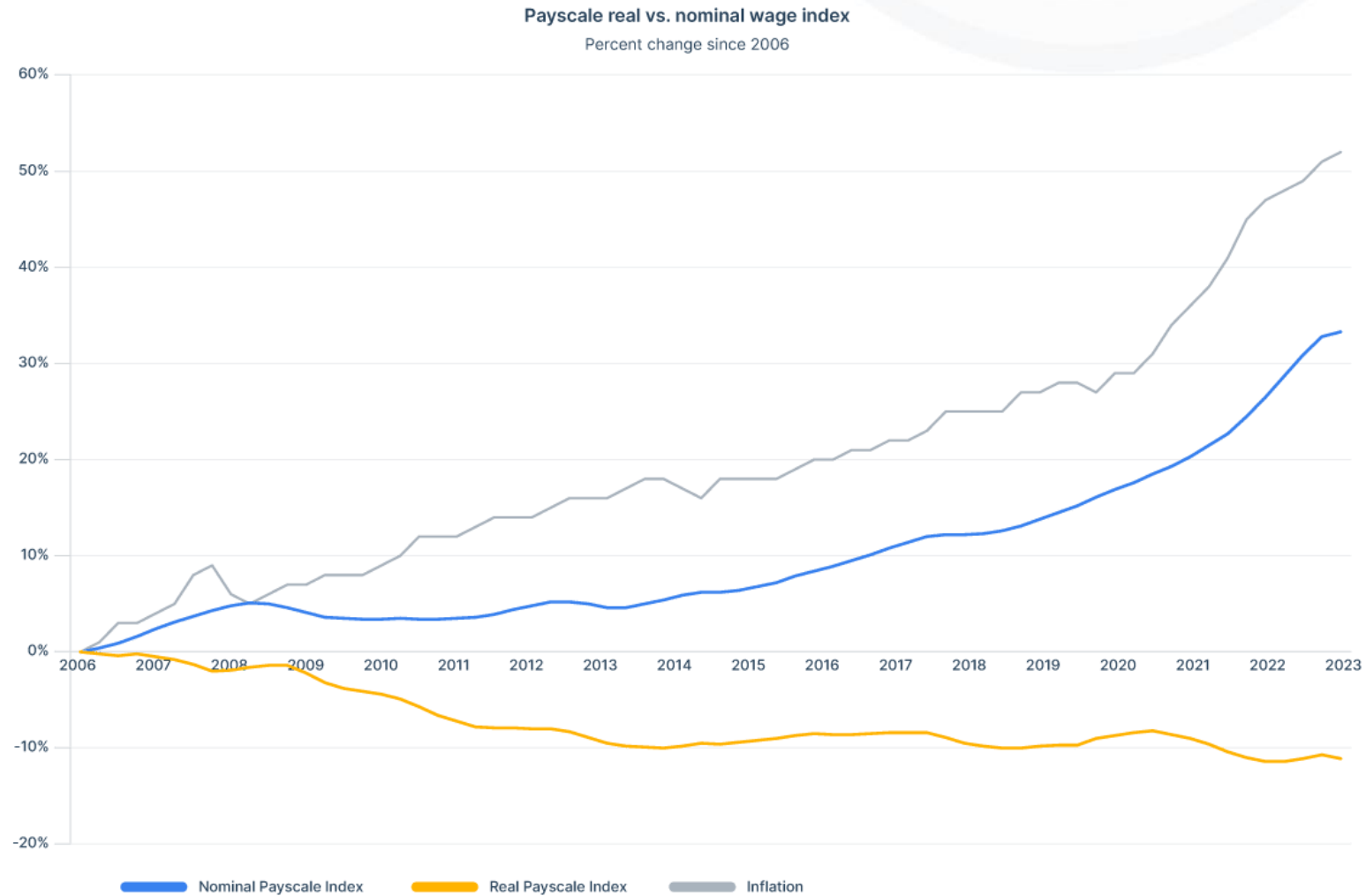


Source: U.S. Bureau of Labor Statistics

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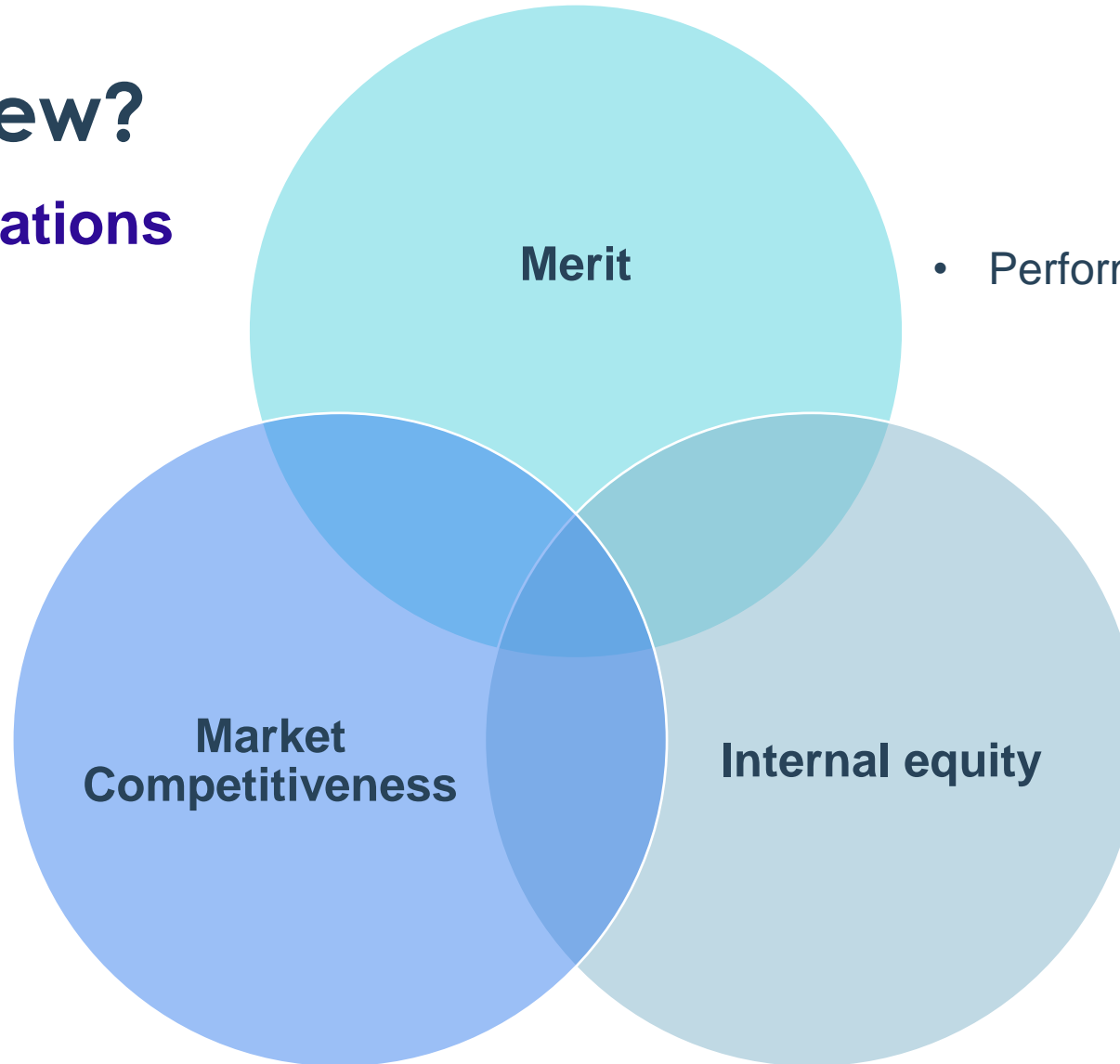
But wages do
not exceed
inflation since
before the
Great
Recession.



What's the employee view?

Fair pay considerations

- Cost of labor
- Pay transparency
- Skills attainment
- Education attainment



- Performance

- Pay compression
- Minimum wage
- Skills attainment
- Tenure
- Education/certification
- Change in location
- Workplace flexibility

2025 Minimum Wage Increases

State	2024	2025
Alaska	\$11.73	\$11.91
Arizona	\$14.35	\$14.70
California	\$16.00	\$16.50
Colorado	\$14.42	\$14.81
Connecticut	\$15.69	\$16.35
Delaware	\$13.25	\$15.00
Illinois	\$14.00	\$15.00
Maine	\$14.15	\$14.65
Michigan	\$10.33	\$10.56
Minnesota	\$10.85	\$11.13
Missouri	\$12.30	\$13.75
Montana	\$10.30	\$10.55

State	2024	2025
Nebraska	\$12.00	\$13.50
New Jersey	\$15.13	\$15.49
New York (NYC, Long Island, Westchester)	\$16.00	\$16.50
New York (Remainder of State)	\$15.00	\$15.50
Ohio	\$10.45	\$10.70
Rhode Island	\$14.00	\$15.00
South Dakota	\$11.20	\$11.50
Vermont	\$13.67	\$14.01
Washington	\$16.28	\$16.66

21 states
increased their
minimum wage in
2025

Pay communications

Why

Attraction
Retention
Compliance
Perception

Who

Executives
Department
Managers
ICs

What

Talent strategy
Comp strategy
Pay increases
Retention strategy

When

Job ads
Onboarding
Reviews
Training:
Documents
Videos
AI?

Where

Comp tool
Career portal
HR systems
Intranet

Need help with pay communications? Ask about Payscale services.

Poll: Do you feel confident in the fairness of your employees' pay going into 2025?

- A. Yes
- B. No
- C. Unsure

Analyzing pay in the labor market

Top jobs by
wage growth
are a mix of
blue and white-
collar positions.

Jobs ranked by wage growth

Rank	Job	Median pay	YoY wage growth	Job posting growth	Quits rate
1	Customer Service Team Leader	\$52,900	20%	22%	52%
2	Child Care/Day Care Worker	\$33,000	18%	4%	37%
3	Content Strategist	\$84,800	16%	14%	51%
4	Urban Planner	\$72,100	14%	10%	56%
5	Operations Team Leader	\$64,300	14%	5%	56%
6	Business Operations Manager	\$105,000	14%	23%	58%
7	Insurance Sales Agent	\$52,900	14%	1%	48%
8	Crew Leader	\$42,700	13%	4%	41%
9	General Manager, Hotel	\$72,000	13%	6%	46%
10	Mental Health Counselor	\$60,000	13%	2%	52%

Source: Employee Reported Data

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Jobs people
want to quit are
in healthcare,
education, and
skilled trades.

Jobs people quit the most in 2024

Rank	Jobs people quit the most in 2024	Median pay	2024 quits rate	YoY wage growth
1	Registered Nurse (RN), Critical Care	\$84,400	69%	4%
2	Retail Sales Associate	\$31,400	62%	2%
3	Heavy Truck Driver	\$59,400	61%	4%
4	Computer Help Desk Representative	\$49,300	61%	5%
5	Patient Care Technician	\$38,000	60%	0%
6	Elementary School Teacher	\$55,000	60%	2%
7	Licensed Practical Nurse (LPN)	\$55,800	60%	3%
8	Nurse Assistant	\$37,600	59%	3%
9	Home Health Aide	\$33,400	59%	4%
10	Pharmacy Technician	\$42,600	59%	6%
11	Customer Success Manager	\$85,000	59%	2%
12	Welder, Cutter, Solderer, or Brazier	\$50,900	58%	4%
13	Registered Nurse (RN)	\$80,300	58%	5%
14	Support Technician, IT	\$52,900	58%	6%
15	Secondary School Teacher	\$61,500	58%	6%

Top jobs that
organizations
are recruiting
for are skilled
positions.

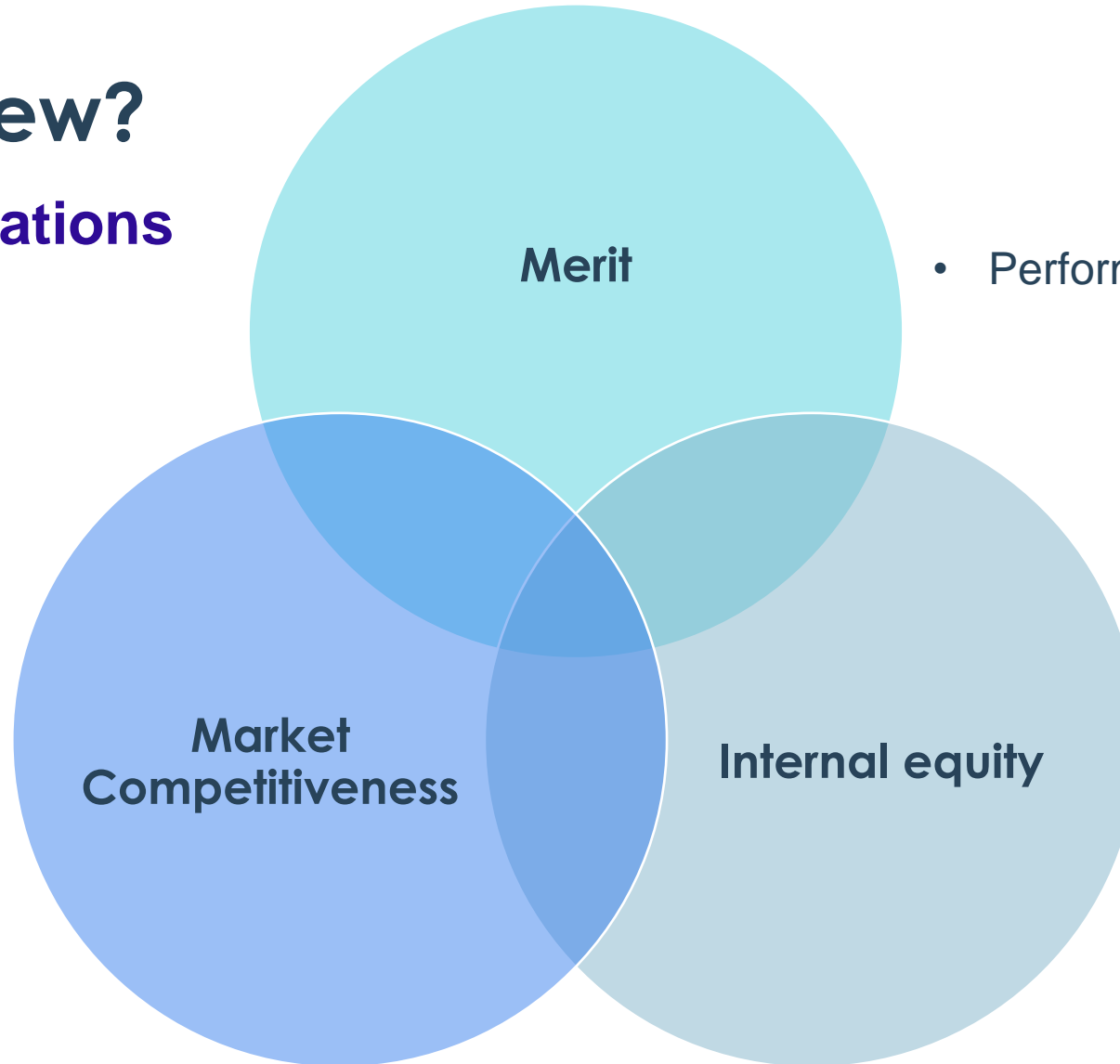
Jobs ranked by job postings growth

Rank	Job	Median pay	YoY wage growth	Job posting growth
1	MRI/CT Technician/Technologist	\$123,000	6%	200%
2	Pharmacist/Pharmacy Director	\$137,000	-1%	130%
3	Personal Shopper	\$42,600	13%	123%
4	Door-to-Door Sales Representative	\$52,000	0%	122%
5	EKG Technician	\$125,000	10%	118%
6	Cytogenetic Technologist/Cytotechnologist	\$111,000	23%	105%
7	Neurodiagnostic Technician/Technologist	\$88,300	12%	102%
8	Ultrasound Technologist/Sonographer	\$119,000	6%	99%
9	Community Health Worker	\$48,900	-2%	98%
10	Community/Political Organizer	\$50,000	-8%	84%
11	Funeral Assistant/Attendant	\$37,400	0%	82%
12	Computer Scientist	\$157,000	16%	82%
13	Respiratory Therapist	\$95,700	15%	79%
14	Survey Researcher	\$52,000	33%	79%
15	Copywriter	\$62,400	-17%	78%

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Analyzing pay within your organization

Questions?

Go ahead and ask them in the Q&A section of your dashboard



**Interested in learning more about how
Payscale can help you pay fairly in the
current labor market?**

Request a demo with the team in the
“polling tab”