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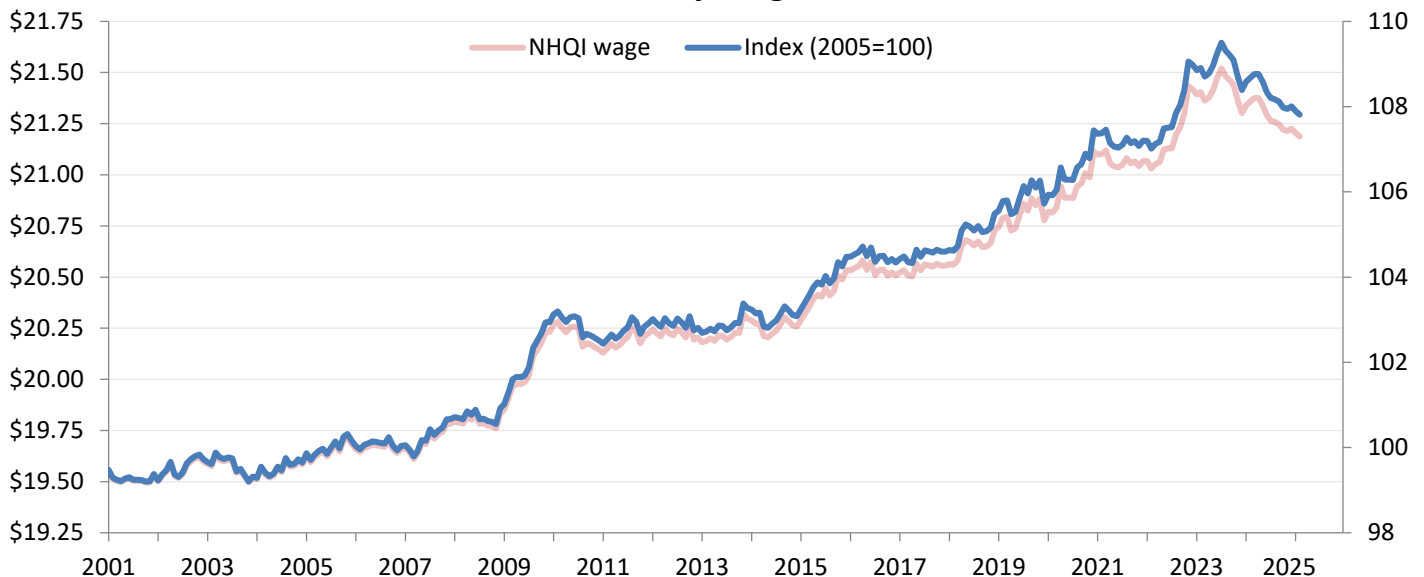
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## Upjohn Institute New Hires Quality Index again dips slightly, as hiring picture for highly educated workers turns increasingly gloomy

KALAMAZOO, Mich. — The Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly earnings power of individuals starting a new job slipped 0.1 percent between January and February 2025—the second time in a row. The index currently stands at \$21.19. This marks a 0.8 percent drop from its level of one year ago, although it remains 1.8 percent above its pre-COVID mark. Hiring volume also fell for the second month, reaching its lowest point since 2011. It is down 0.7 percent over the month, sliding 3.9 percent over the year, and 6.6 percent since the start of the pandemic. Adjusting for population growth, hiring *rates* are down 4.7 percent over the year, 10.1 percent since the pandemic began, and mark a new record low for the second month. Hiring trends run the risk of moving from tepid to sluggish, with multiple risk factors on the horizon.

The index and accompanying [interactive database](#) and [report](#), developed by Upjohn Institute economist Brad Hershbein, fill a key gap in the measurement of hiring activity. The NHQI provides monthly updates on the volume and occupation-based wages of newly hired workers, and is available for different groups based on sex, age, education, and other characteristics.

### New Hires Hourly Wage Index: All



SOURCE: Upjohn Institute New Hires Quality Index

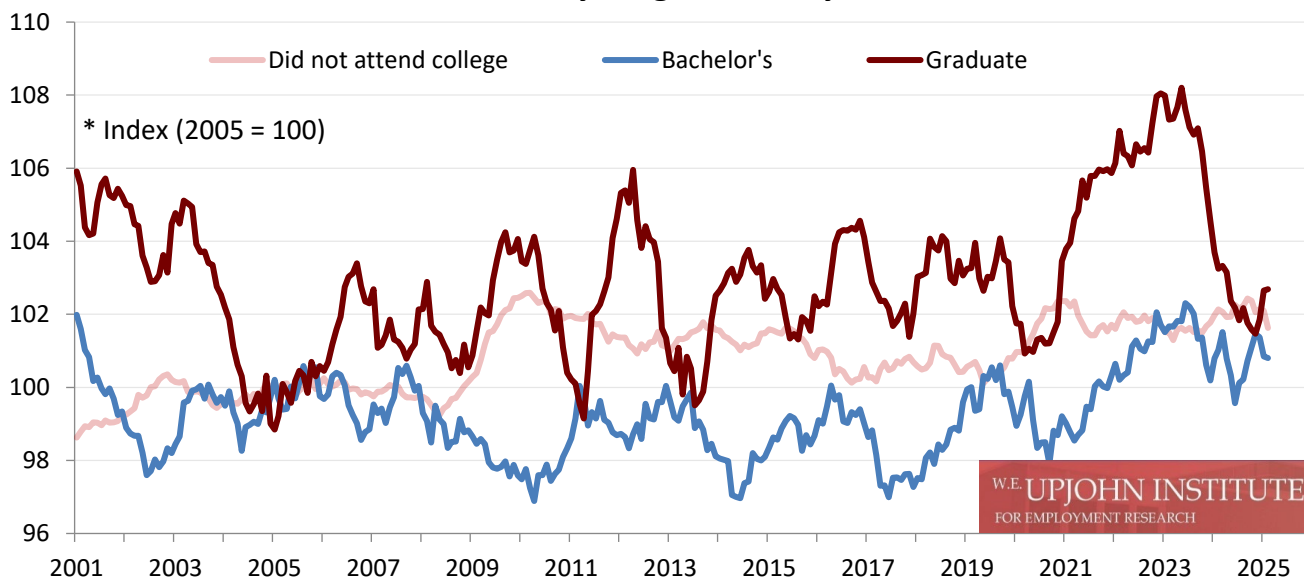
NOTE: The lighter line uses the left axis and shows the inflation-adjusted hourly wage of new hires. The darker line uses the right axis and shows the relative change since the base year of 2005.



The economy is showing signs of danger. Although [job gains](#) and [consumer spending](#) have held up reasonably well through February, the picture in March is rockier. Two different survey measures of [consumer confidence](#) have dropped sharply in recent weeks and are approaching multi-year lows, and [small business confidence](#) is trending downward after spiking last fall. The [Atlanta Fed's GDPNow](#) real-time tracker is showing a plunge into negative territory in March, although the [New York Fed's Nowcast](#) is more sanguine. [Job postings](#) are down 9 percent over the year, many businesses have expressed intent to pause [planned capital investments](#) because of trade uncertainty, and [inflation](#) is proving stubborn. And economists expect that more [tariffs](#) taking effect this week will make things even worse. When these warning signs have appeared in the past, it is usually lower-paid, less-educated, and contingent workers who have been most at risk. Indeed, temp services employment has fallen more than 20 percent from its peak three years ago. However, the NHQI suggests this time may be different for workers with less education.

The graph below shows the hourly wage index separately for workers who did not attend college (salmon), workers with exactly a bachelor's degree (blue), and workers with a graduate degree (dark red).<sup>1</sup> Each index is normalized to the respective group's own level in 2005 to better show relative changes. In general, because the wage index is primarily based on the occupation a worker is hired into (with some adjustment for demographic characteristics), and education is highly related to occupations, these series show relatively long-term trends. Some, however, do move around in the short term. The earnings power of newly hired workers with a graduate degree—typically a high-earning group—have plunged over the past 18 months, back to prepandemic levels. The wage index for newly hired workers with bachelor's degree has held up a bit better but has still declined over the past two or so years. The wage index for workers who did not attend college, on the other hand, has essentially been flat since the summer of 2020, after a slight uptick at the beginning of the pandemic. These patterns suggest that highly educated workers were able to find better job opportunities in the earlier stages of the recovery, but not so much since.

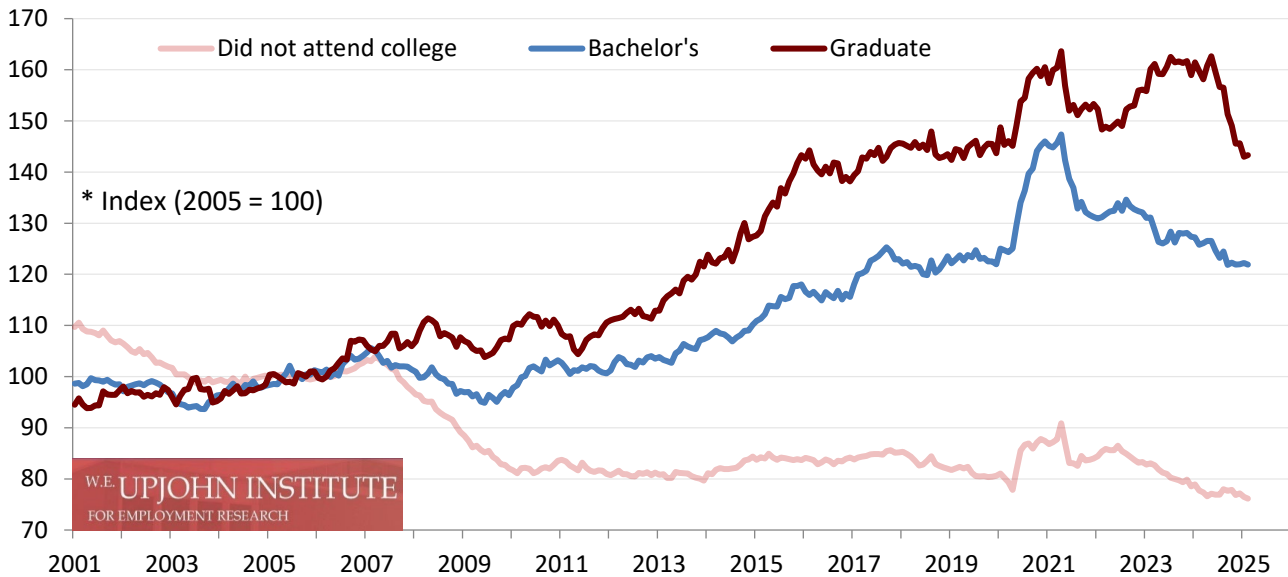
**New Hires Hourly Wage Index: by education**



<sup>1</sup> These education categories are not exhaustive, as individuals who attended college but did not earn a bachelor's degree are excluded for brevity.

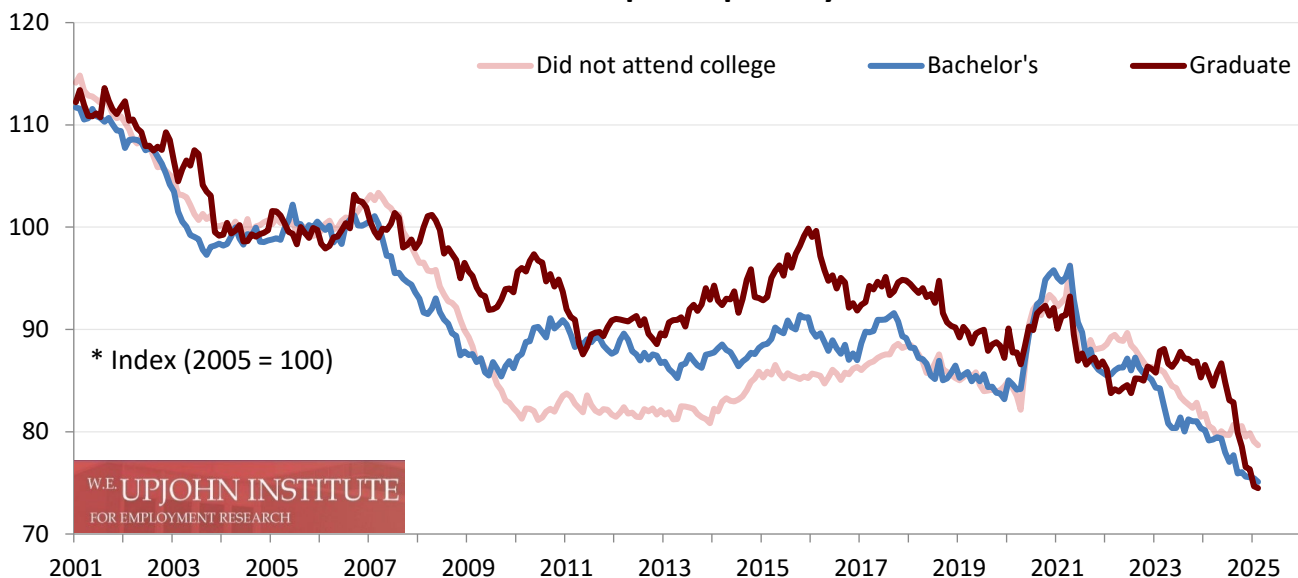
Of course, the earnings power of a job means little if there are very few jobs to be had. Turning to hiring volume, in the next graph we see the long-term increases of the highly educated groups that have slowly eased for workers with bachelor's degrees and plummeted—as sharply as the wage index—for workers with graduate degrees. While the hiring volume for workers who did not attend college has also fallen recently, the decline has been much more gradual: 2.1 percent over the past year, versus 3.1 percent for bachelor's-degree holders and 10.3 percent for graduate degree holders.

### New Hires Volume Index: by education



The relative picture becomes clearer if we instead examine hiring rates, hiring volume scaled by the population in each education group. For each of the groups, hiring rates are at series lows, more than 20 percent under their 2005 benchmarks. But the rate of decline has varied. For workers with a graduate degree, hiring rates have fallen 13 percent in the past 12 months. For bachelor's-degree workers, the decline over the same period is just over 5 percent, and for workers who did not attend college, the drop has been just 2.3 percent. Moreover, while hiring rates for the highly educated workers are substantially below their troughs during the Great Recession, the hiring rate for less-educated workers is only slightly below that threshold.

### New Hires Volume per-capita: by education



In short, the hiring picture for workers with a bachelor’s degree or higher no longer appears to be robust against market downturns. Consequently, the new hires wage bill share for workers who did not attend college—the percentage of the collective earnings power of all newly hired workers going to less-educated workers—has averted its long-running decline. Although this share fell from 44 percent in the early 2000s to 34 percent on the eve of the COVID recession, it has mostly plateaued since and even risen slightly over the past 12 months. While the conventional wisdom is that an increase of tariffs on imported goods will, because of retaliation, disproportionately hurt less-educated workers in the goods-producing sector, the pain may be more widespread this time around.

### New Hires Wage Bill Shares: Did not attend college



These statistics and many more, as well as interactive charts and data downloads, can be found at the website for the Upjohn Institute New Hires Quality Index: [www.upjohn.org/nhqi](http://www.upjohn.org/nhqi).

The full report, including methodology, can be found here: [https://www.upjohn.org/sites/default/files/2021-05/NHQB\\_report\\_0.pdf](https://www.upjohn.org/sites/default/files/2021-05/NHQB_report_0.pdf).

All data will be regularly updated during approximately the first week of the second month following the reference of the data release month. For example, data for March 2025 will be released during the first week of May 2025. To sign up to regularly receive monthly press releases for the Upjohn Institute New Hires Quality Index, send an email to [Justin Carinci](mailto:Justin.Carinci@upjohn.org).

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## FAQ

### 1. What is the New Hires Quality Index?

The New Hires Quality Index (NHQI) is a consistent way of measuring the earnings power of people taking new jobs each month, allowing comparisons over time.

### 2. How is the Index constructed?

The Index is based on the occupations of newly hired workers as documented in the [Current Population Survey](#), the same source used to produce the national unemployment rate each month. Separate data on the hourly wages for each occupation from another government survey, [Occupational Employment Statistics](#), are connected to the newly hired workers in the Current Population Survey. These hourly wages are then statistically adjusted to account for differences in the demographic composition of new hires (sex, race and ethnicity, education, and age) before being averaged.

### 3. Does the Index measure actual, reported wages of newly hired workers?

No. Although the data used to create the Index do have some information on self-reported wages (or those reported by another household member), many economists consider these self-reported wages [increasingly unreliable](#), as a growing fraction of workers refuse to answer the wage questions, and the government's attempts to impute (make an "educated guess") for these workers are [problematic](#). Moreover, because relatively few workers are even asked the wage questions, and only a small subset of these are newly hired, use of the self-reported wage data would lead to very small samples.

The Index captures changes in the wages of new hires due to both changes in the mix of occupations hired and the demographic characteristics of individuals taking new jobs. It will not capture change in the wages of new hires due to other factors, such as individual aptitude, geography, or employer characteristics.

A comparison of the Index with a series derived from the actual self-reported wages in the Current Population Survey can be found in the [technical report](#). An analysis of self-reported wages can also be found in press releases for [July 2018](#), [July 2019](#), [July 2020](#), [July 2021](#), [July 2022](#), [July 2023](#), and [July 2024](#).

### 4. Does the NHQI count self-employed workers?

No, the NHQI excludes the self-employed (including those who report bring independent contractors).

### 5. How often is the NHQI updated?

Every month, with the release by the Census Bureau of the Current Population Survey microdata. Updates will be posted on the [NHQI website](#) during the first week of the month, covering data from two months ago. Data are currently available from January 2001 through February 2025. To receive updates through email or social media, [visit the signup page](#).

### 6. What data are available on the NHQI website?

The [NHQI website](#) contains monthly data for all components of the NHQI. The four main components are: the hourly wage index, the hiring volume index, the wage bill index (the product of hourly wages and hiring volume), and the hires per capita index. Each component is available at its actual level or normalized to the base year 2005. In addition to providing data for all new workers, the NHQI exists for men, women, different age groups, different education groups, different races/ethnicities, different industry sectors, different regions, native and foreign-born, full- and part-time workers, and different types of new hires (the newly employed and employer changers). All data can be charted interactively or downloaded for separate analysis.