

# W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH

300 South Westnedge Avenue • Kalamazoo, Michigan 49007 • 269-343-5541 • [www.upjohn.org](http://www.upjohn.org)

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CONTACT: JUSTIN CARINCI

[carinci@upjohn.org](mailto:carinci@upjohn.org)

BRAD HERSHBEIN

[hershbein@upjohn.org](mailto:hershbein@upjohn.org)

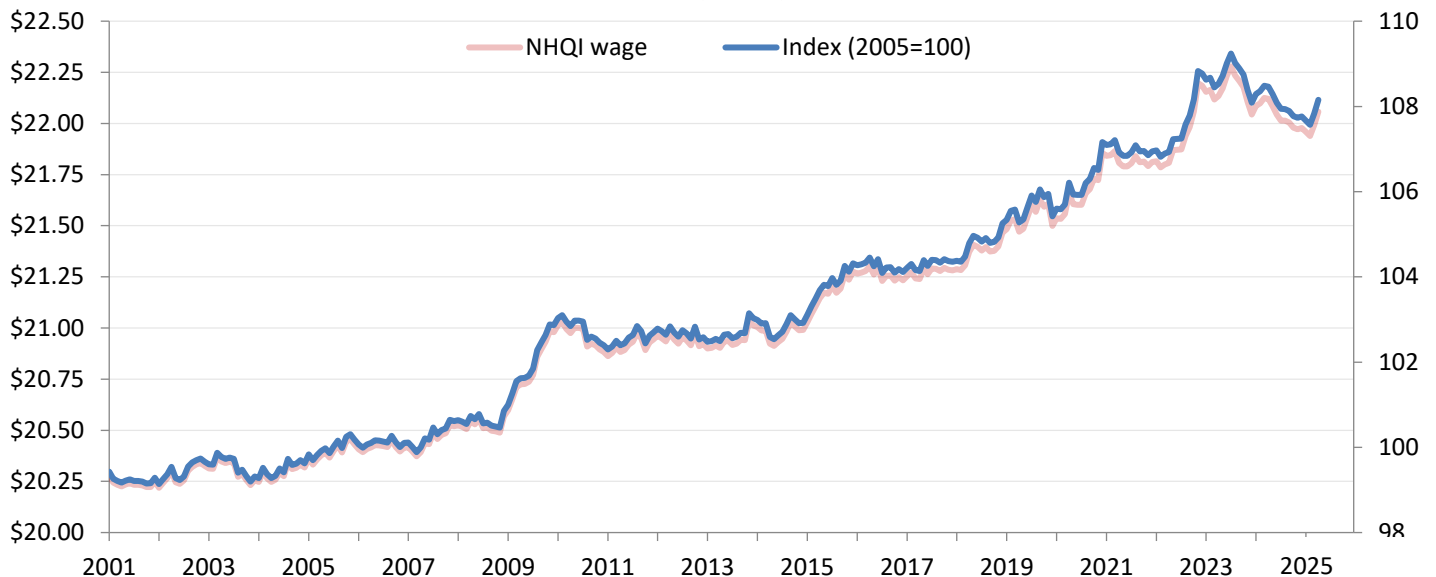
## Upjohn Institute New Hires Quality Index rises 0.3 percent in April 2025 but hiring volume slips, with a sharp decline by foreign-born workers

NOTE: Last month's release incorporated new occupational wage data from the Bureau of Labor Statistics. This revision affects the entire wage index series. The principal result is a shift up in wage levels; indexed values and trends are minimally changed. All statistics in this release use the revised data, and data on the NHQI website have also been updated.

KALAMAZOO, Mich.— The Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly earnings power of individuals starting a new job gained 0.3 percent between March and April 2025, to \$22.06, the second increase in a row. The index is at its highest in 11 months but is still down 0.3 percent from one year ago and 1.0 percent from its peak in July 2023. More worrisome, hiring volume was stagnant over the month, is down 2.8 percent from last year, and is 6.5 percent below its February 2020 level. Adjusting for population growth, hiring *rates* are 8.1 percent below the pre-COVID baseline and the second-lowest on record.

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



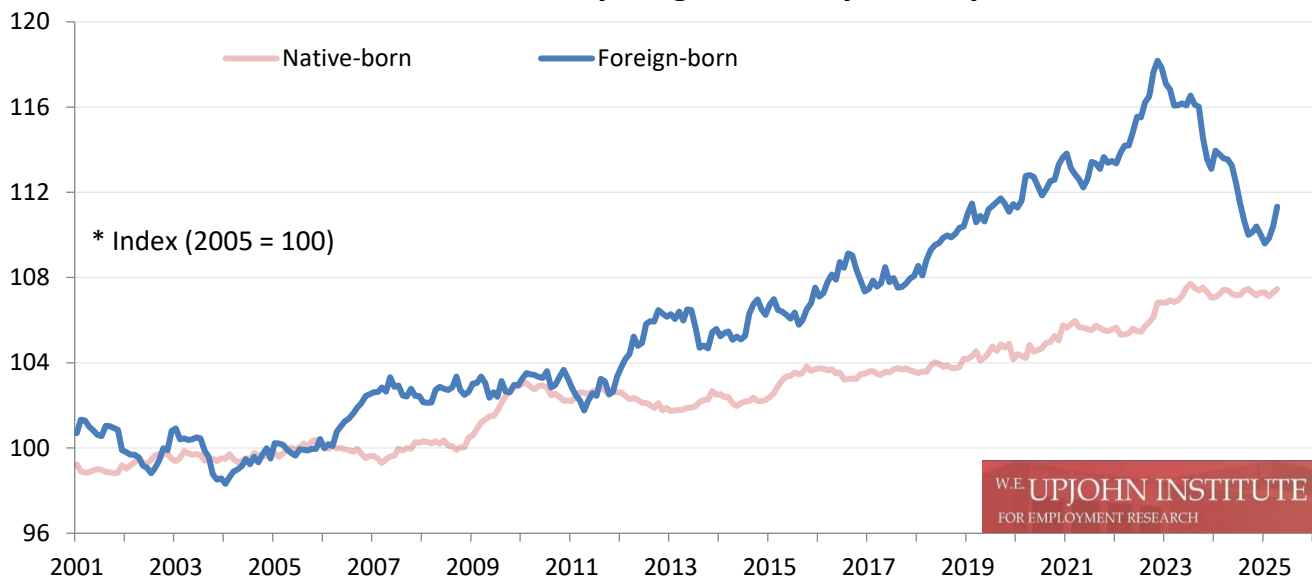
SOURCE: Upjohn Institute New Hires Quality Index

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.

It is not hyperbole to say that the economic conditions for foreign-born workers have deteriorated considerably over the past few months, and this holds for [migrant farm workers](#), [tech professionals](#) and even [clergy](#). Moreover, businesses increasingly [worry](#) about being able to hire [foreign workers](#) needed to meet expected demand, particularly for seasonal businesses. In the aftermath of COVID, the number of foreign-born workers [surged](#), with strong labor growth for the [native-born](#), too. Although the labor market has been softening for over two years, has the recent federal push to deport undocumented immigrants exacerbated hiring of the foreign-born more generally? Have employers hired more native-born workers instead? We revisit hiring dynamics by nativity in this month's release.

The graph below shows the hourly wage index separately for U.S. native-born workers (in salmon) and foreign-born workers (blue).<sup>1</sup> Each index is normalized to the respective group's own level in 2005 to better show relative changes. The long-run growth in the earnings power of newly hired foreign-born workers, and its acceleration during and after COVID, is considerable. From late 2011 to its peak in late 2022, the foreign-born NHQI wage index rose by 15.1 percent, with 4.2 percent growth over 2022 alone. Over the same time periods, the earnings power of newly hired native-born workers increased far more modestly, 4.0 percent and 1.3 percent, respectively. Over the past two-and-a-half years, however, the foreign-born wage index has dropped precipitously, by 5.8 percent, while the native-born wage index has ticked up 0.6 percent (mostly in early 2023). These changes long predate change in the presidential administration, although it is unclear whether slight *uptick* in the foreign-born wage index over February, March, and April is a data artifact or a consequence of policy changes.

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

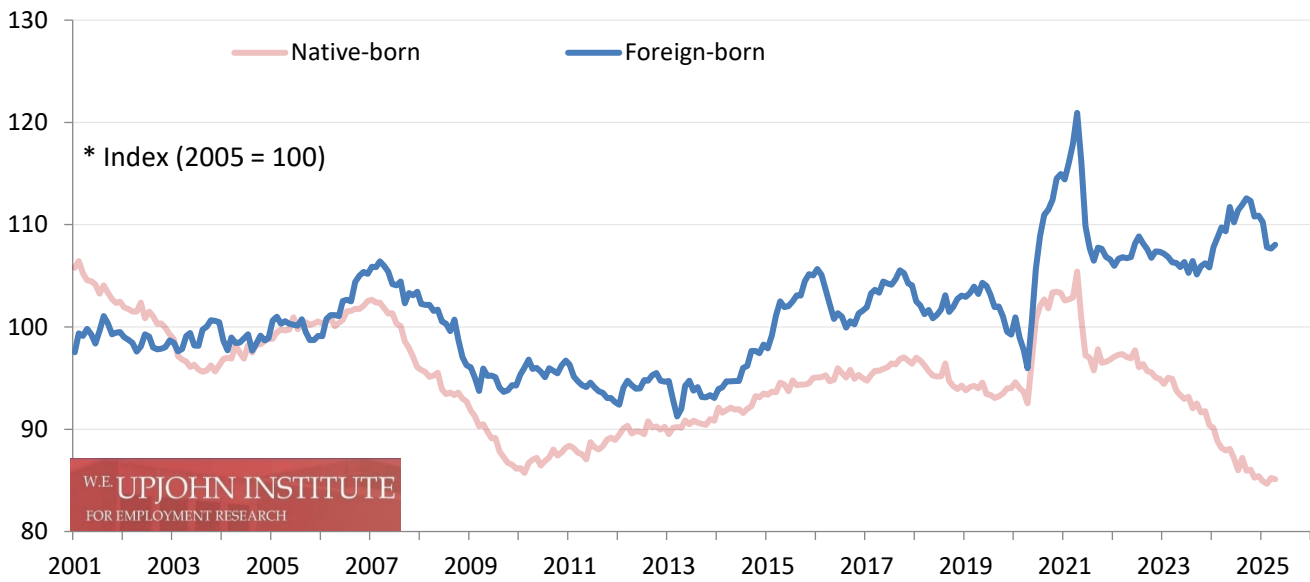


We learn more by observing hiring volume for both nativity groups. The graph below shows hiring volume trends for each of the groups, again indexed to levels from 2005. Interestingly, hiring volume for foreign-born workers rose sharply over 2024, by 4.8 percent, even as hiring volume among native-born workers fell by 5.5 percent. Over the first four months of 2025, the trend in foreign-born hiring volume has reversed, falling 2.6 percent (although it is still above its early 2024 level). Hiring volume for the native-born has *continued* its decline, dropping 0.4 percent during 2025 thus far. It would appear that,

<sup>1</sup> The foreign-born includes all surveyed workers in the U.S. who were not U.S. citizens at birth, regardless of documentation or naturalization.

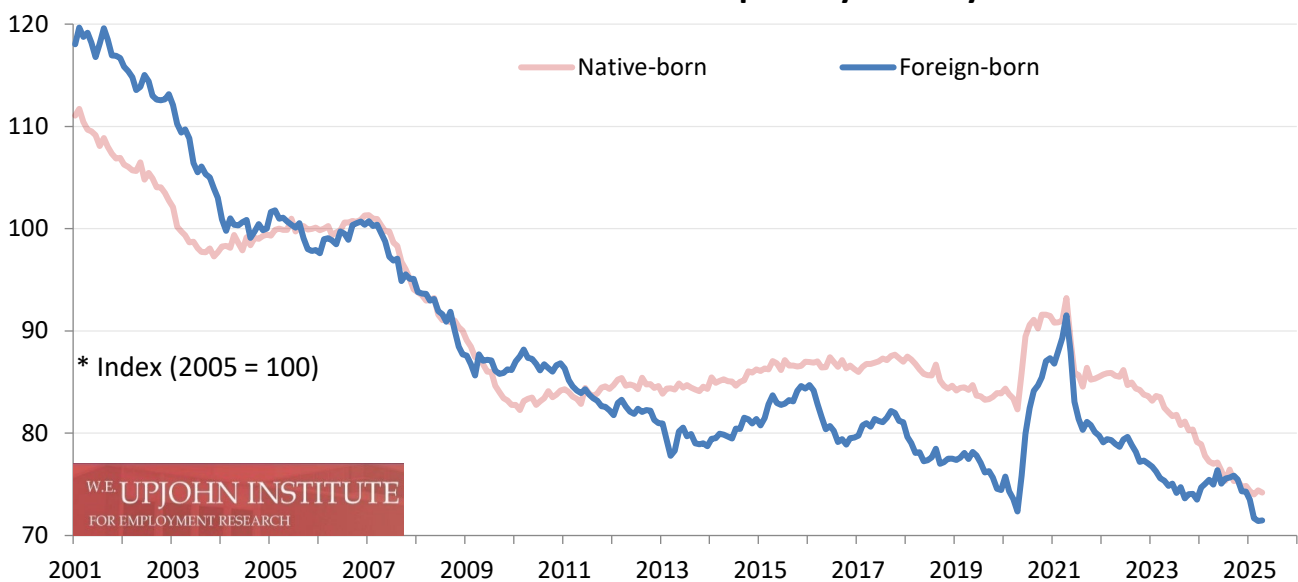
consistent with [prior research](#), native-born workers and foreign-born workers do not directly substitute for each other.

### New Hires Volume Index: by nativity



Of course, the elevated hiring volume of foreign-born workers reflects, in large part, their growth in the population. The figure below presents hiring rates—the hiring volume per 1,000 people in each nativity group—again normalized to levels in 2005. The story here is somewhat different: over the long term, hiring rates have fallen faster for foreign-born than native-born workers, and the surge in foreign-born hiring in 2024 merely brought them into proportional parity with the native-born. The recent decline in foreign-born hiring is not just due to slowing population growth: hiring rates for foreign-born workers have fallen 3.8 percent since last December. But hiring rates have not increased for the native-born—their rate is down, too, albeit a more modest 0.8 percent. Both are at or near record lows.

### New Hires Volume Per-capita: by nativity



Relative to the rise in aggregate hiring of foreign-born workers over the long run, how important is the recent hiring slowdown to aggregate earnings among the newly hired? We last examine the fraction of total earnings power among all new hires accruing to foreign-born workers; that is, their share of the new hires wage bill. This measure crested at above 21 percent in July 2024, having risen from around 18 percent at the time of the Great Recession, and from around 19.5 percent in late 2023. Over the past few months, the share has edged down to roughly 20.5 percent, still higher than it had ever been prior to 2024. Whether this share will continue to fall in the months and years ahead is an open question, although even if it does, it seems unlikely that the overall pie will get larger any time soon.

### New Hires Wage Bill Share: Foreign-born



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 May 2025 will be released during the first week of July 2025. To sign up to regularly receive monthly press releases for the Upjohn Institute New Hires Quality Index, visit: [www.upjohn.org/nhqi/signup](http://www.upjohn.org/nhqi/signup).

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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 April 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.