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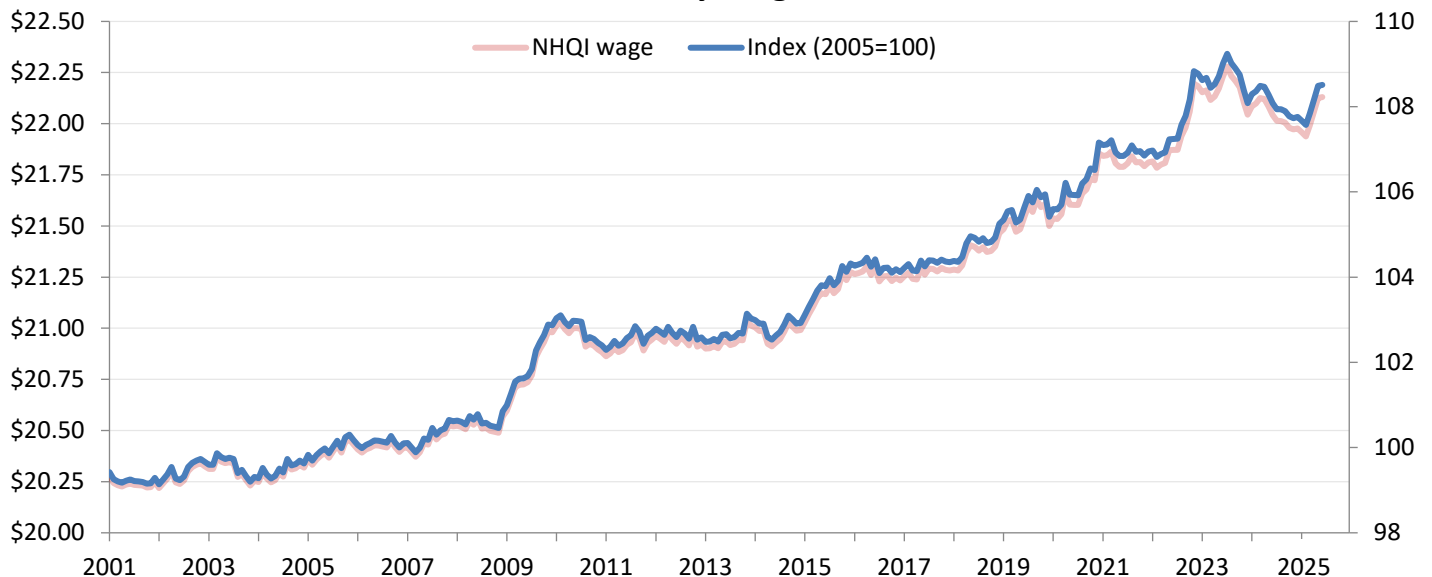
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Upjohn Institute New Hires Quality Index holds steady between May and June 2025, with volume also flat, although West region shows resilience

KALAMAZOO, Mich.— The Upjohn Institute New Hires Quality Index shows the inflation-adjusted hourly earnings power of individuals starting a new job held even between May and June of 2025, at \$22.13. This plateau marks a rebound from the start of the year, although the index remains 0.7 percent off its peak in July 2023. Hiring volume was flat after a slight rise the previous month, but this measure is down 1.8 percent since last June and 5.8 percent from February 2020. Adjusting for population growth, hiring *rates* are 9.9 percent below the pre-COVID baseline and the third-lowest on record. Taking a big-picture view, hiring trends suggest stagnancy—despite headwinds from political and economic uncertainty, hiring is not collapsing, but job-finding has gotten much harder in the past two years, even as job quality has held up.

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



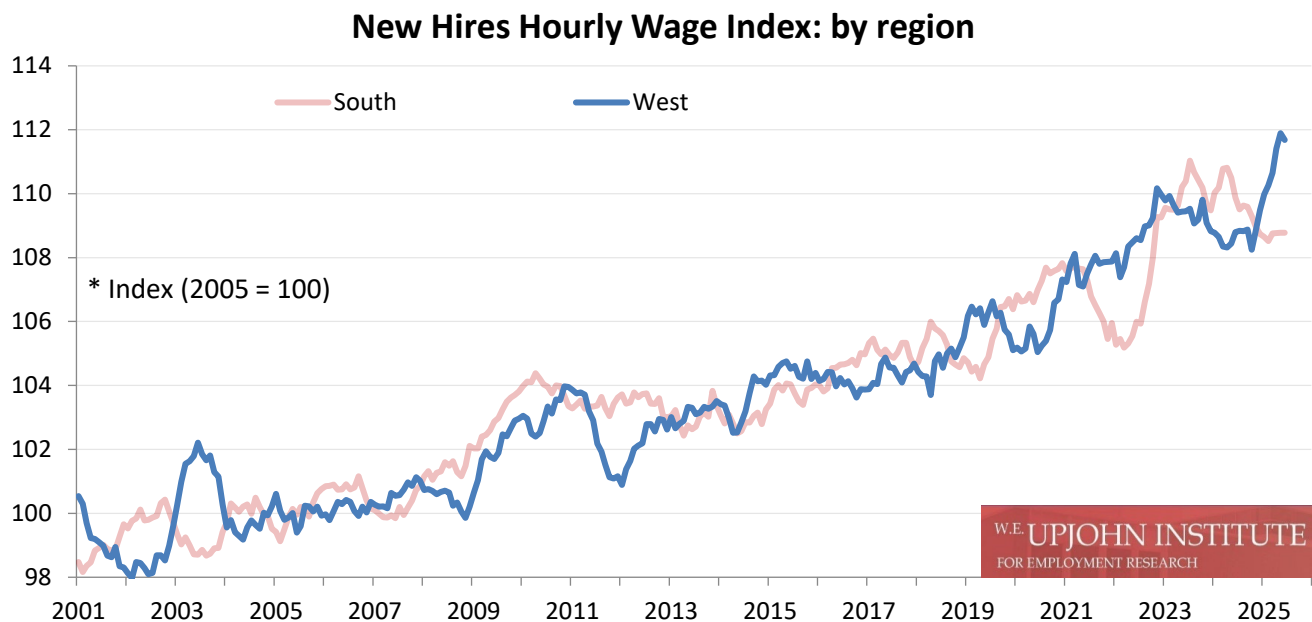
SOURCE: Upjohn Institute New Hires Quality Index

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 South and West regions of the United States have been the [most populous](#) for some time, driven by [higher birth rates](#) and [greater internal migration](#) as residents seek [less extreme weather](#) and more [affordable housing](#).¹ Economic opportunity — good jobs — is also a major factor for faster population growth in these regions, especially in the South. Indeed, many [commentators](#) documented how in the aftermath of COVID migration had shifted to “mid-sized” cities (with metro areas of around 1 million people instead of several million), heavily in the South. Nonetheless, the South and West have lower shares of their [population with jobs](#), so it is unclear how much of the attraction is job-driven versus other factors. We thus look at hiring trends for each of these two regions in this month’s NHQI release.

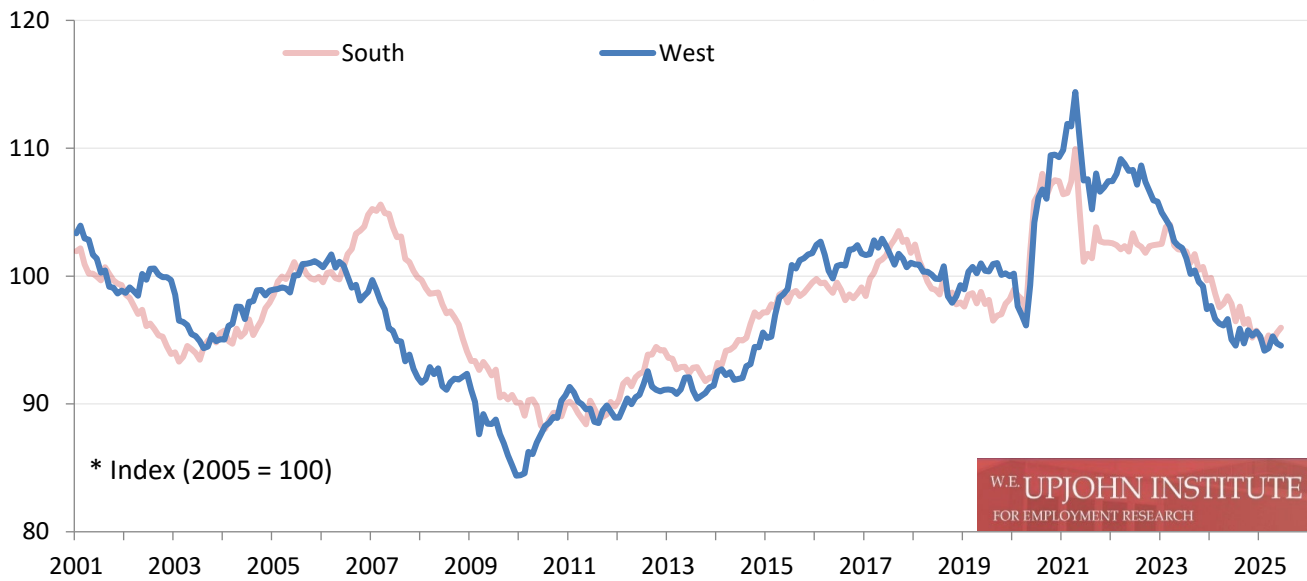
The graph below shows the hourly wage index separately for newly hired workers in the South (in salmon) and West (blue) regions of the country. Each index is normalized to the respective group’s own level in 2005 to better show relative changes. For the most part, these series have tracked each other closely, with a few exceptions: the tech bubble bust in the early 2000s, after the Great Recession, and during the recovery from the COVID pandemic. Each of those periods was marked by a large negative economic shock. Since last fall, a fourth divergence has emerged in the absence (so far) of a recession. Between October 2024 and June 2025, the wage index for the newly hired workers in the West has jumped 3.2 percent, among its fastest growth on record, and has reached a new high. In contrast, the wage index in the South has fallen 0.5 percent over this time, the weakest performance of any of the four regions. The South’s wage index had previously shot up in 2022, and is historically one of the faster growing regions, so its slowdown over the past two years is unusual.



As with aggregate trends, one might suppose that the rise in the wage index in the West has been belied by a greater slowdown in hiring *volume*. This is not the case. As shown in the following graph, hiring volume has been declining in both the South and the West, but the drop has been greater in the South. Over the past year, volume has fallen 1.9 percent in the South but only 0.5 percent in the West.

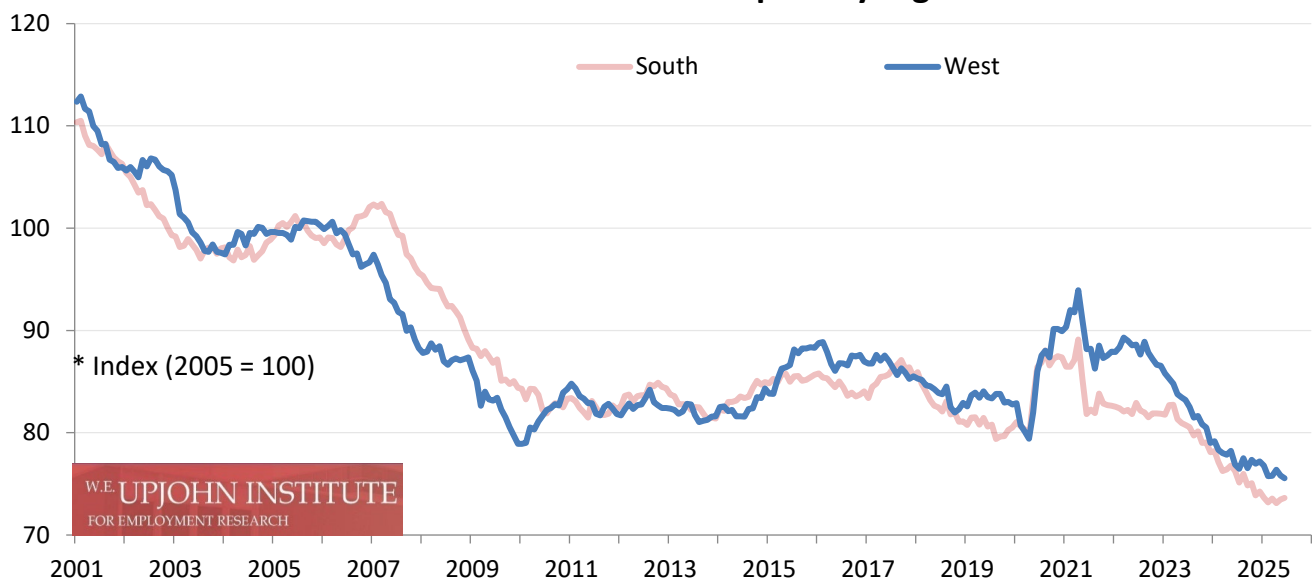
¹ The U.S. Census Bureau’s definitions of regions can be found [here](#).

New Hires Volume Index: by region



This pattern extends to when we examine hiring *rates*, the number of hires per (1000) people. The faster population growth in the South works against it in this measure, as faster growth in the denominator widens the gap in hiring rates between the two regions. Since last June, the West has seen a decline in hiring rates of 1.7 percent. Hardly great, but half the size of the 3.4 percent decline in hiring rates for the South. Rates for both (and indeed all) regions are nonetheless essentially at series lows. Still, the West has experienced the smallest decline.

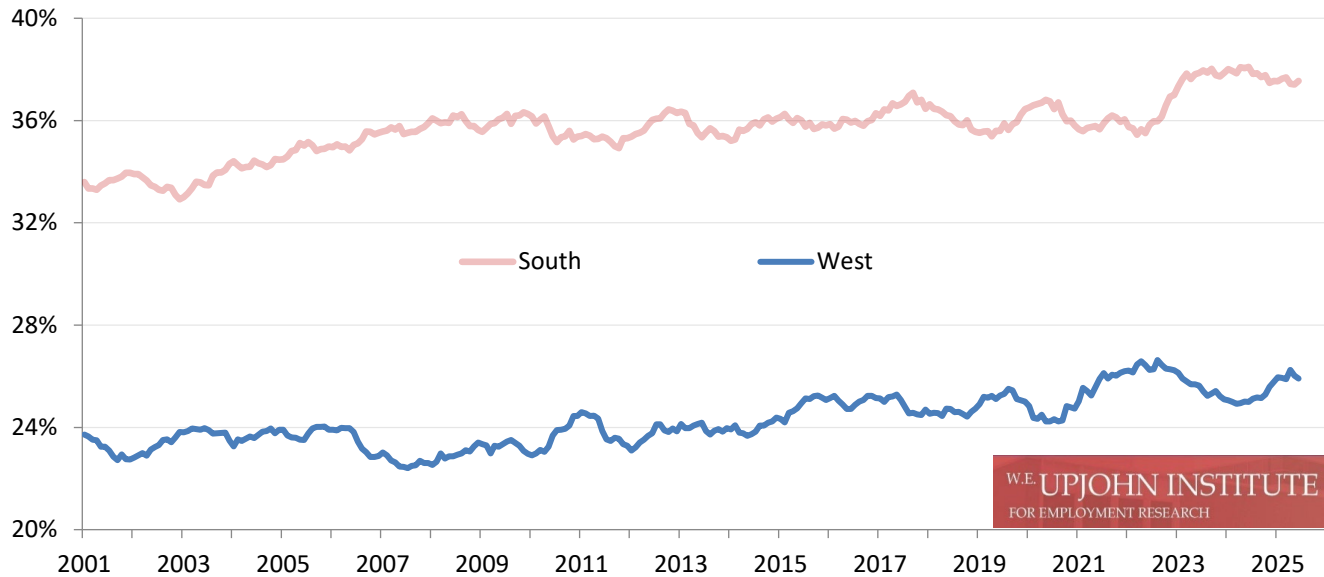
New Hires Volume Per-capita: by region



The Western region has thus been resilient in recent months—not enough to escape the overall slowdown in hiring facing the United States, but sufficient to fare better than the previously fastest-growing South. Indeed, over the past quarter century, the South's share of the new hires wage bill—the aggregate earnings power of all newly hired workers—has grown from 33.6% to 37.5%, with 1.5 percentage points of the nearly 4-percentage-point gain coming between 2022 and 2024. But the share has also dropped 0.6

percentage points over the past year. The West has also seen its share of the new hires wage bill rise in the long run, from 23.7 percent in 2001 to 25.9 percent today. (Both regions have grown at the expense of the Northeast and the Midwest). Since last June, however, its share has edged up 0.9 percentage points. With economic uncertainty still high, it is too soon to know how long these patterns will continue, but the data indicate that fast population growth doesn't always translate into fast hiring growth.

New Hires Wage Bill Shares: South and West



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.

The full report, including methodology, can be found here: https://www.upjohn.org/sites/default/files/2021-05/NHqi_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 July 2025 will be released during the first week of September 2025. To sign up to regularly receive monthly press releases for the Upjohn Institute New Hires Quality Index, visit: 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 June 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.