Hiring Source

eNEWSLETTER | MAY 2025

UNCERTAINTY PRESSES COMPANIES TO PAUSE ON HIRING

Major U.S. employers are starting to take a new approach to jobs: Hire less—or not at all.

T. Rowe Price is slowing hiring. JetBlue is reducing nonessential hiring. Polaris, which makes off-road vehicles, has paused some hiring for now. And more than a dozen universities, from Harvard to Duke, have enacted hiring freezes. All the organizations, and many more, say bringing in fewer employees will help them cut costs and weather a turbulent moment.

A stop-start trade war, sinking consumer confidence and dramatic cuts to federal funding in education, research and the sciences have piled up in the past month. They come on top of companies' yearslong desire to embrace artificial intelligence to make workers more efficient.

During earnings calls over the past two weeks, companies big and small shied away from mentioning layoffs, but repeatedly said they would be more cautious before bringing in new workers.

Union Pacific railroad, insurance broker Marsh McLennan, and financial-services firm Invesco, warned they could reduce hiring, if necessary, or keep roles unfilled if the economy worsens.

The jobs report on May 2nd showed that employers added 177,000 jobs in April, a surprisingly strong number considering the tariff uncertainty that has roiled markets. Jobs in healthcare and finance helped shore up hiring.

Jobs are becoming scarcer in a range of fields, from government to white-collar work. One decline—in scientific research and development—could be attributed to cuts in federal contract funding.

President Trump recently extended a governmentwide federal hiring freeze through mid-July. Many federal workers who hoped to get hired by state and local government have been disappointed.

The University of Texas' MD Anderson Cancer Center, like many other hospitals, has paused hiring for new administrative positions, though it is still filling patient-facing roles. Duolingo Chief Luis von Ahn told staff new job openings will only be filled if a team cannot automate more of its work, as it looks to deepen AI use.

People just entering the job market or coming back to it after a break have been having a tougher time finding work in the past few months, said Brad Hershbein, an economist at W.E. Upjohn Institute for Employment Research, a think tank focused on labor markets. That can indicate a deteriorating job market since entry-level hiring is a signal of new investment and growth, he added.

BOSSES TALK TOUGH WITH STAFF AMID POWER SHIFT

Corporate America's long-running war for talent sounds more like a war *on* the talent these days. Not long ago, bosses routinely praised workers as their most prized asset, so much that some hoarded new hires before having enough for them to do. Today, with a giant question mark hanging over the economy, executives are pulling no punches in saying employees need to work harder, complain less and be glad they still have jobs.

After recently cutting more than a 1,000 jobs, Starbucks CEO Brian Niccol said remaining corporate staff needed to step it up and "own whether or not this place grows."

JPMorgan CEO Jamie Dimon, in a profanity-laced internal meeting, told employees lamenting a return-to-work mandate that he didn't care.

The shift in tone marks a shift in power now that companies are shrinking their white-collar staff. With jobs harder to find, many workers are seeing perks disappear and their grievances ignored.

The latest episode happened at a contentious all-hands at Uber last month. The company had just changed the requirements to get a monthlong paid sabbatical to eight years of working at the ride-hail giant, from five years. A decision to require people to work at least three instead of two days in the office also drew complaints.

During Behind CEOs' more brusque tone lies a disconnect between employees and executives, said Michael McCutcheon, an adjunct professor in applied psychology at New York University and an executive coach. Some employees are operating like it is "still 2021," when they could name their demands because of labor shortages and a surge in worker resignations, he said. Now bosses face a global trade war and sinking consumer confidence and feel they must ask more of employees to survive. "This is a matter of pragmatism,"

President Trump and his billionaire adviser Elon Musk have helped set the more-aggressive tone in their bid to slash the federal workforce. "Everybody's replaceable," as Trump put it shortly after the inauguration. Musk called his February demand that federal workers email what they accomplished that past week a "pulse check" to prove they did any work.

Advances in generative AI also play a role. Shopify CEO Tobi Lütke recently told employees that the e-commerce company won't make new hires unless managers can prove AI isn't capable of doing the job. Other business leaders are warning their staff to adopt more AI—or else.

Match Group, which runs dating apps Hinge and Tinder, became the latest company to say it planned to thin its managerial ranks in sweeping layoffs. About one in five managers will be cut, and Match's CEO, Spencer Rascoff, told investors the company is stepping up efforts to cut costs and rewire the organization to focus on its products.

Employees will someday have their moment in the sun again, said Charles A. O'Reilly, a professor of management at Stanford. "When the market turns around, and job opportunities are plentiful, then CEOs will start to talk more about how important employees are, and employees will take advantage of it." he said.

For now, though, some executives say fewer, not more corporate staff, will help them run more efficiently.

WELL-PAID JOB HOPPERS BEMOAN COOLER MARKET

All of us like to think we are worth every penny of our paychecks—and then some. Many Americans who scored big raises a few years ago are coming to the harsh realization that they are overpaid in today's cooler job market. It's not that they are failing to live up to the deals they signed. It's that wages have fallen in tech and other industries while the expansion of pay transparency laws makes it hard to ignore this truth.

Go ahead and snicker at these lucky stiffs, but consider that you might be one of them. Two-thirds of U.S. workers say they are compensated at or above the current value of their skills, according to a new workforce report by consulting firm Korn Ferry.

The thought of a pay cut is especially unnerving for those who bought homes and built comfortable lifestyles around their high earnings. Some worry their salaries could put bull's-eyes on their backs if their employers decide to cut costs.

"I've been on the inside with companies as they make layoff decisions a thousand times," says Andy Challenger, senior vice president of Challenger, Gray & Christmas, which advises businesses on job cuts. "Inflated compensation packages relative to the market can, of course, be part of those decisions."

People's level of panic depends on how they viewed massive raises in the first place. Some say they knew all along that their offers were inflated by a once-in-a-generation hiring frenzy. Figuring a correction was coming, they've been conservative with their personal finances.

PwC ANNOUNCES ANOTHER ROUND OF LAYOFFS

Back in September 2024, PwC laid off 1,800 employees across its U.S. operations—the firm's first major workforce reduction since 2009.

Today, they announced another 1,500 job cuts—roughly 2% of their U.S. workforce and nearly 5% when combined with the reductions made since September 2024.

Two rounds of sizable layoffs within 9 months is a rare move for a Big Four firm we haven't seen in years and may reflect broader shifts in client demand, service line priorities, and how firms are adapting to a changing market.

It raises important questions for the industry:
- Are we seeing a short-term correction or a longer-term restructuring?
- How will roles evolve as technology, AI, and global delivery models continue to scale?
- And what should firms and professionals be doing today to stay ahead of what's next?

While the headlines focus on numbers, the bigger story might be about how the profession is changing—and how quickly.

NEW JOBLESS CLAIMS DECLINE TO 228,000

The number of people newly filing for unemployment benefits declined the week of April 28th, signaling continued resilience in the labor market through the month after President Trump unveiled his "Liberation Day" tariffs.

The Labor Department said that 228,000 filed new jobless claims in the week through May 3, down from 241,000 a week earlier. Economists polled by The Wall Street Journal had expected to see 230,000 new filings.

The week's rise above 240,000 represented a recent high, but analysts attributed the one-week spike to New York State school workers who are eligible for unemployment during some school breaks.

The number of continuing unemployment claims, a measure of the size of the total unemployed population, declined to 1.88 million in the week through April 26, compared with 1.91 million a week earlier. The continuing-claims data lags by a week.

Broad new tariffs represent one of the biggest economic-policy shocks in years, but serious impacts have yet to show up in economic data. Figures published last week showed the economy added 177,000 new jobs in April, more than had been forecast, and that the unemployment rate held steady at 4.2%.

"A wide set of indicators suggests that conditions in the labor market are broadly in balance," Fed Chair Jerome Powell said at a press conference, after the central bank voted to hold interest rates steady.

SOURCES

Wall Street Journal; Reuters; LinkedIn