

EMPLOYMENT

UPDATED THROUGH DECEMBER 2025 | NATIONAL

Rajashri Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Data & Methods

- Employment is calculated using weighted estimates from the Current Population Survey (CPS).
- Comparable nonveterans are male high school graduates reweighted by age, race, and birthplace to match veterans.
- Gaps are defined as the percentage point difference in employment, labor force participation, and unemployment rate between different groups.
- The gender gap is defined as the outcome for men minus the outcome for women.
- The racial gaps are defined as the outcome for white workers minus the outcome for the given race or ethnicity.
- The college gap is the outcome for workers with a bachelor's degree minus the outcome for workers without one.
- The rural gap is the outcome for urban workers minus the outcome for rural workers.



EMPLOYMENT: EMPLOYMENT-TO- POPULATION RATIO

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Takeaways | EPOP

- The gender gap remained steady at 11.2 percentage points in December 2025.
- The Black employment gap has fallen to 6.7 percentage points, slightly below its level in August 2025 but still higher than during the pre-COVID period, primarily driven by Black women.
- The Hispanic and AAPI employment gaps fell to 3.5 and 1.2 percentage points, at or close to their lows since the pre-COVID period.
- The college employment premium has bounced back to 11.5 percentage points, close to its pre-COVID period values and lower than during nearly all of the post-COVID period.
- The employment gap for Black men (relative to white men) fell to 8.3 percentage points in December 2025 from 9.1 percentage points in August 2025.
- The employment rate of veterans rose between August and December 2025.

Gaps and all other relevant definitions can be found on the data and methods slide.

Full Report Highlights

▪ INFLATION

- Hispanic, high-income, Southern, and young households saw lower inflation than the national average.
- Low-income, Northeastern, Western, and rural households experienced higher inflation than the national average.

▪ EARNINGS

- Black and Hispanic workers experienced an increase in earnings ratio to white workers relative to August 2025.
- Workers without a college degree earned more as a fraction of the earnings of workers with a degree than they did during most of the past six years.
- Women workers' earnings have held steady as a share of men's earnings since August 2025.
- Earnings of workers in large-sized businesses have grown at a higher rate than earnings of workers in medium-sized and small businesses.

▪ EMPLOYMENT

- Employment losses and unemployment increases have leveled off for Black men and women, though employment remains low and unemployment remains high for them relative to the post-pandemic period.
- Employment gaps between college graduates and nongraduates are close to pre-pandemic levels.
- Workers with disabilities were much less (nearly half as) likely to participate in the labor force and be employed, and more than twice as likely to be unemployed than workers without disabilities.
- Employment has grown faster at large businesses than at small and medium-sized businesses.

Full Report Highlights (continued)

▪ CONSUMER SPENDING

- Since 2023, high-income households have increased nominal consumption by a higher percentage than have middle-income and low-income households. In real terms, consumption of high-income households has grown, that of middle-income households remained flat, while the consumption of low-income households decreased by November 2025.
- The trend since 2023 is different from the trend during the pandemic recession and recovery, when consumption growth was similar across income groups.
- Consumption growth in nominal and real terms since 2023 has also been higher for college graduate relative to nongraduate households, AAPI and white relative to Hispanic and Black households and young relative to old households.

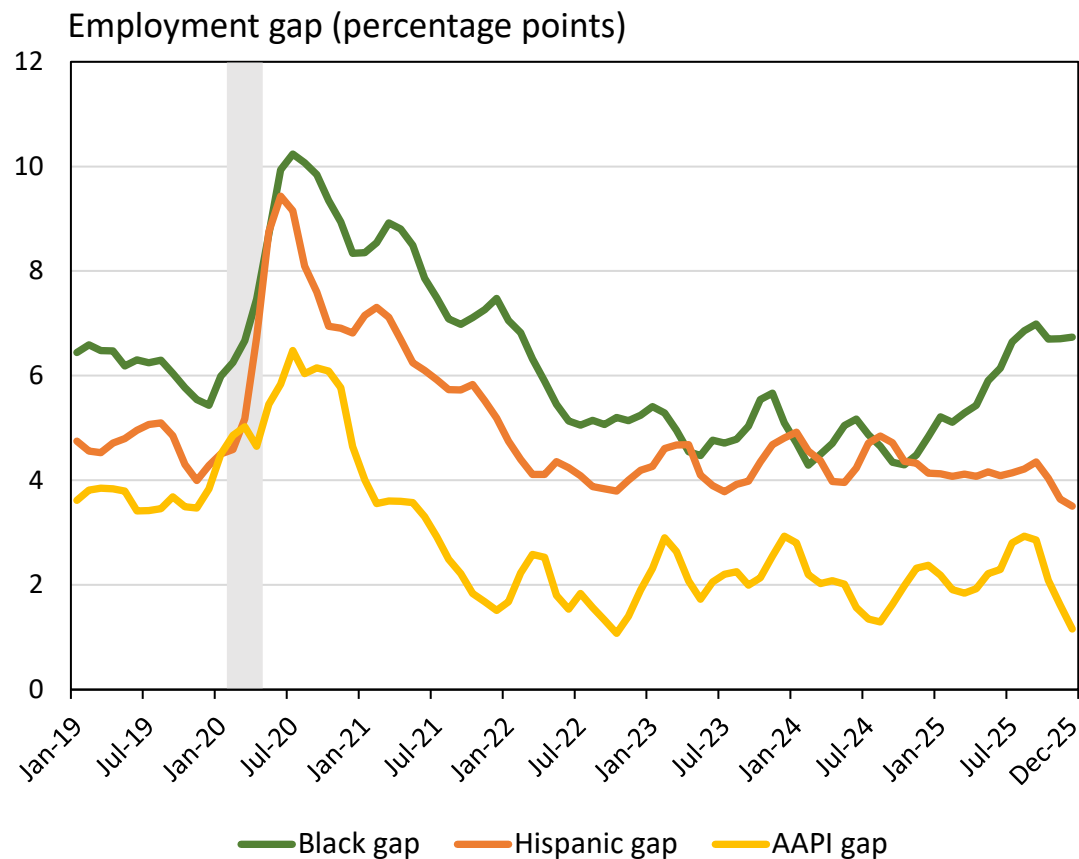
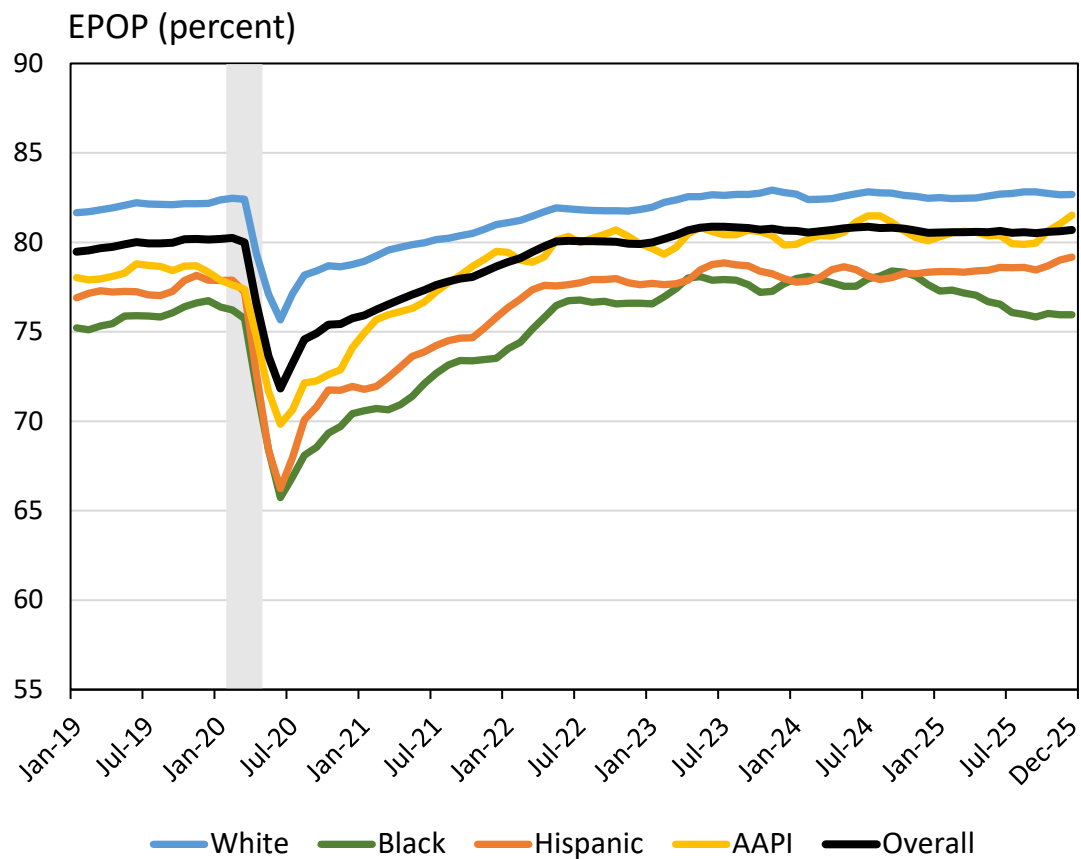
▪ WEALTH

- Growth in wealth after 2019 was faster for some groups with little wealth growth relative to population.
- This growth did not meaningfully reduce stark wealth inequalities across demographic groups.
- Financial assets grew strongly in 2025:Q3, raising net worth across the board but particularly for high-income and high-wealth groups.

▪ SMALL BUSINESS

- Small business conditions improved after the COVID-19 pandemic but have largely plateaued, with the smallest businesses struggling the most.
- Wage and input costs have been easing, and supply-chain problems have largely faded.

EPOP by Race/Ethnicity

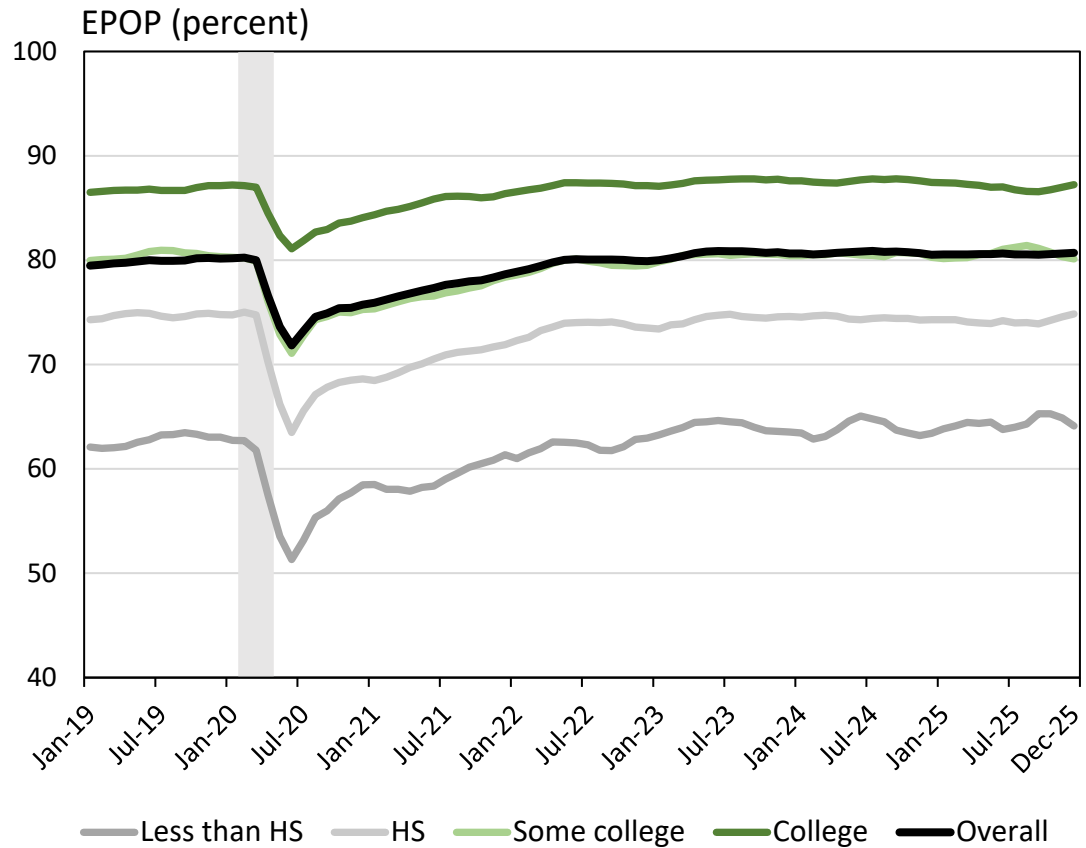


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

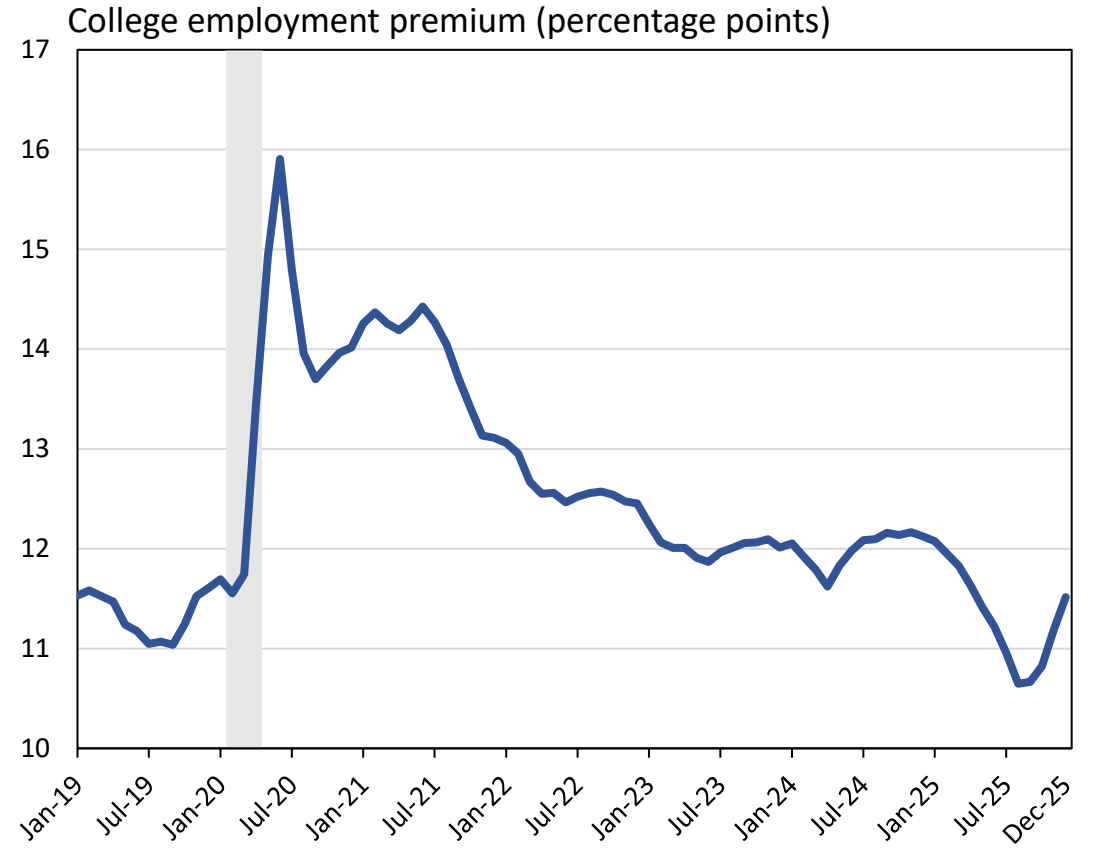
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

The racial gaps are defined as the employment of white workers minus the employment of the given race or ethnicity.

EPOP by Education

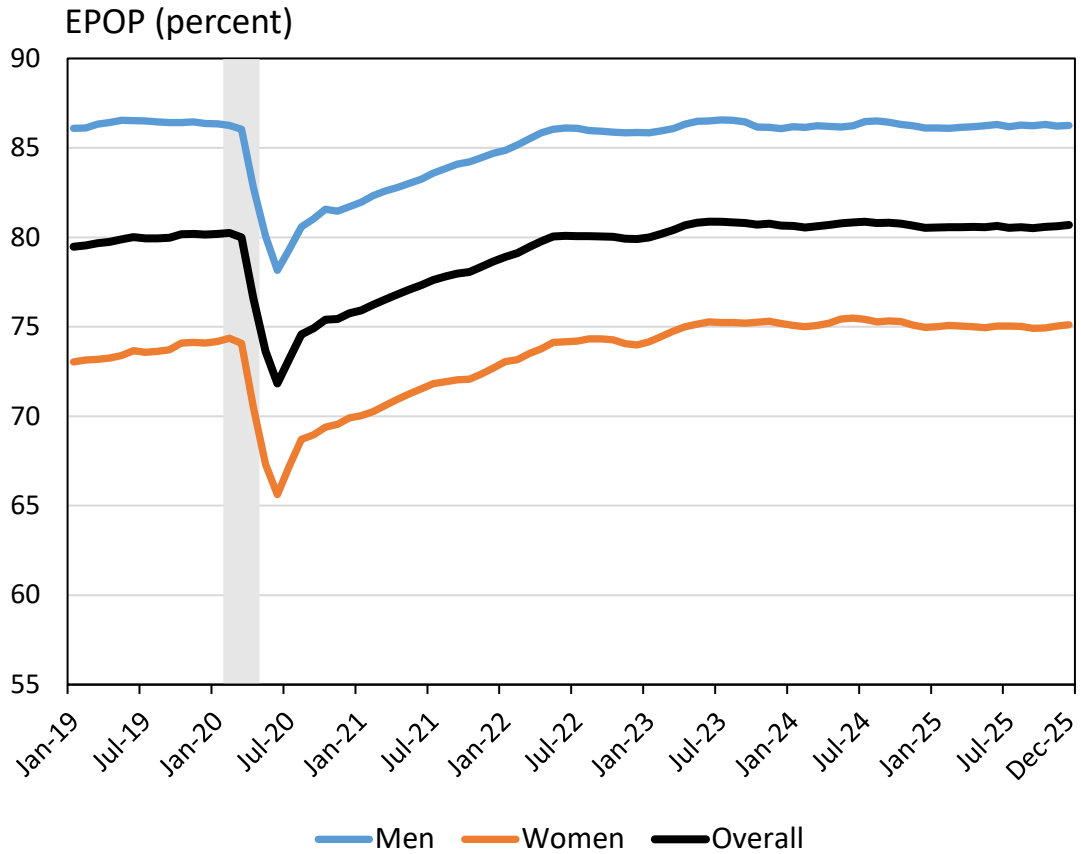


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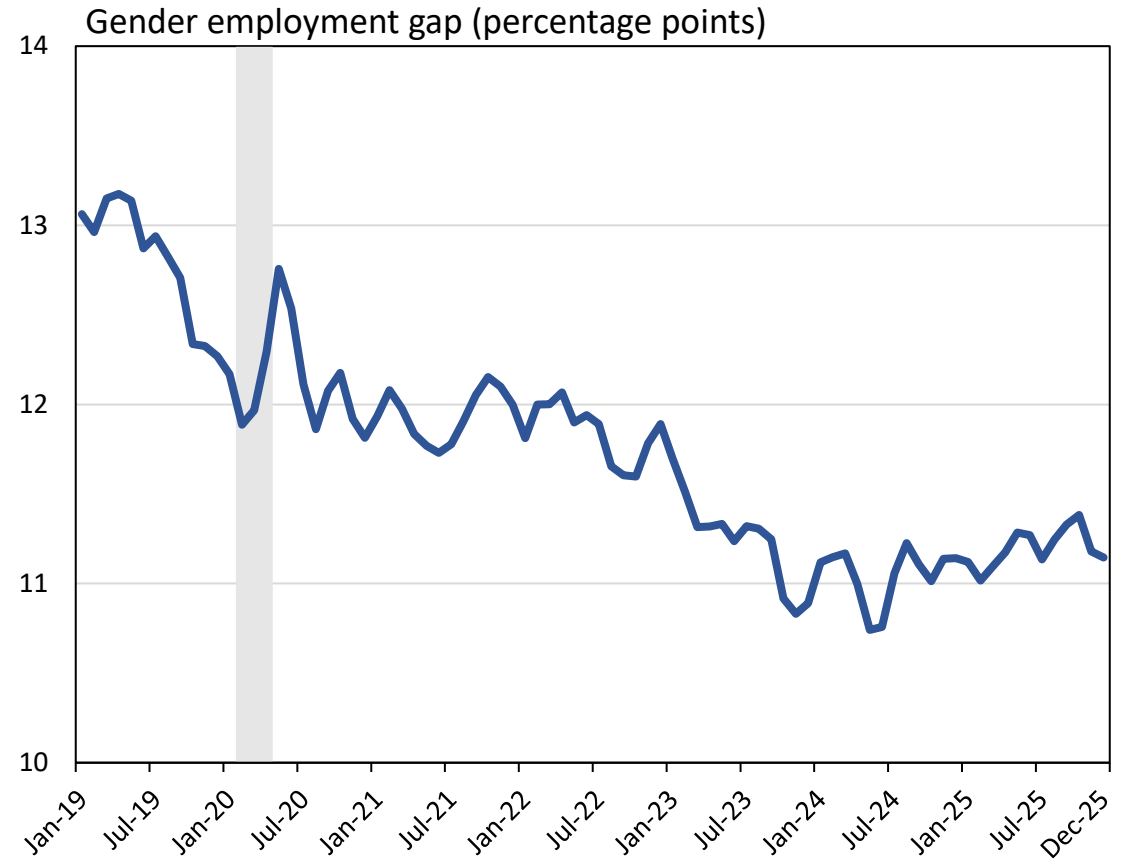


Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The college gap is the employment of workers with a bachelor's degree minus the employment of workers without one.

EPOP by Gender

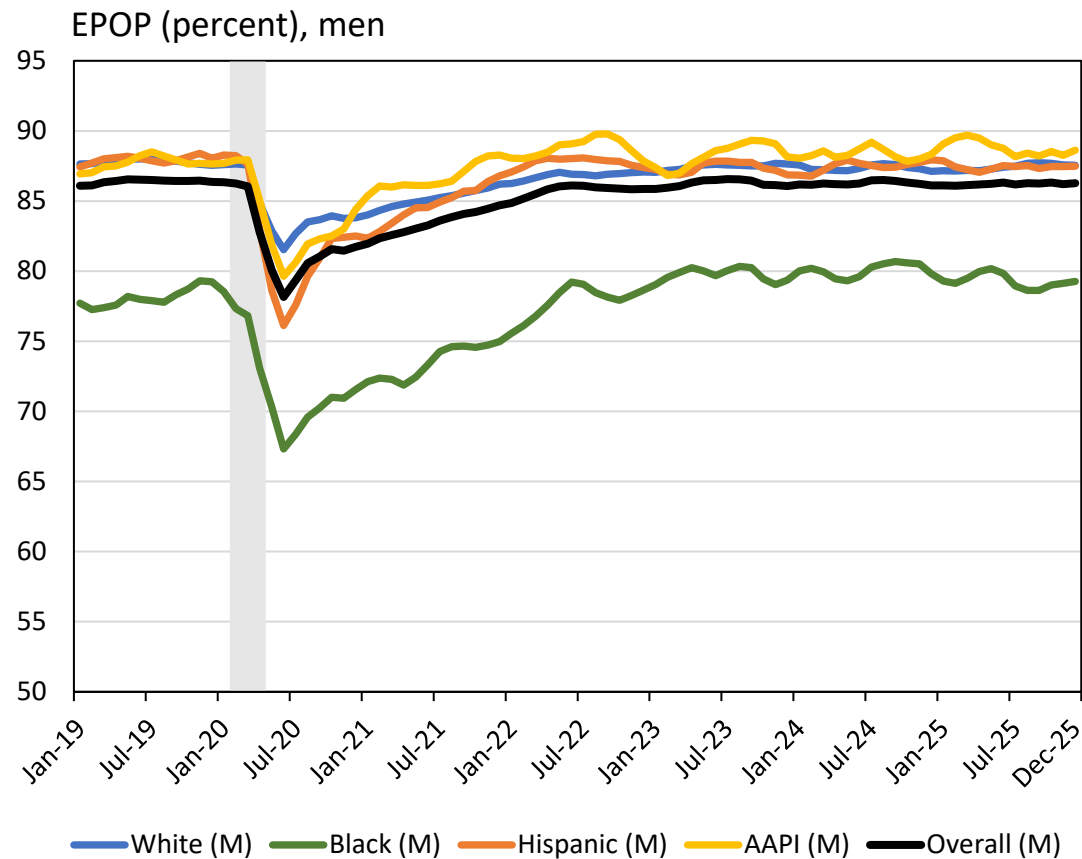
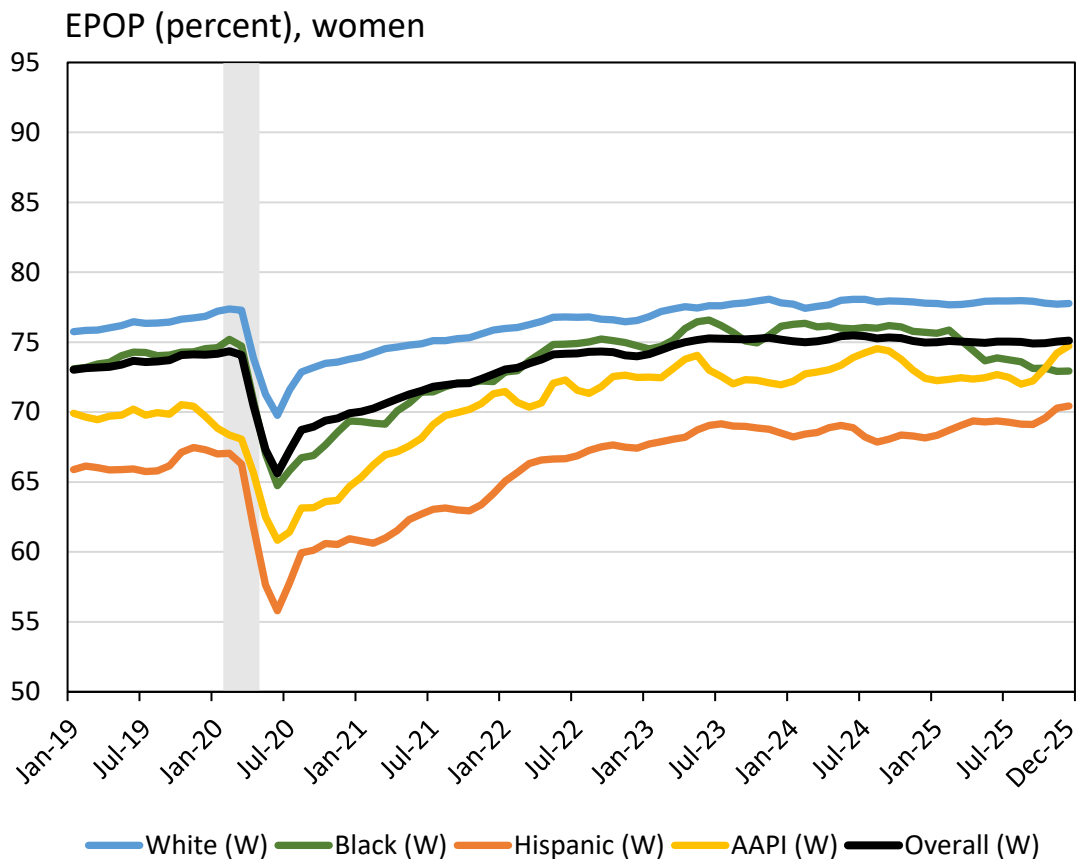


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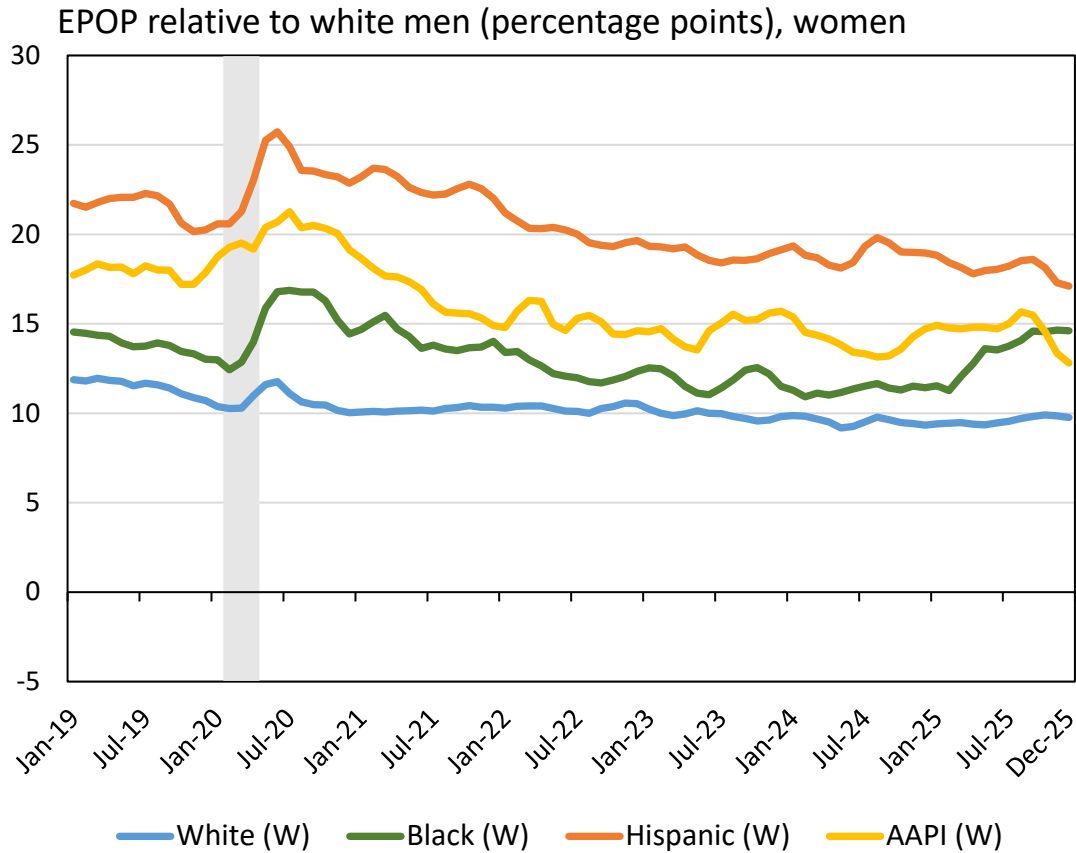
EPOP by Race x Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

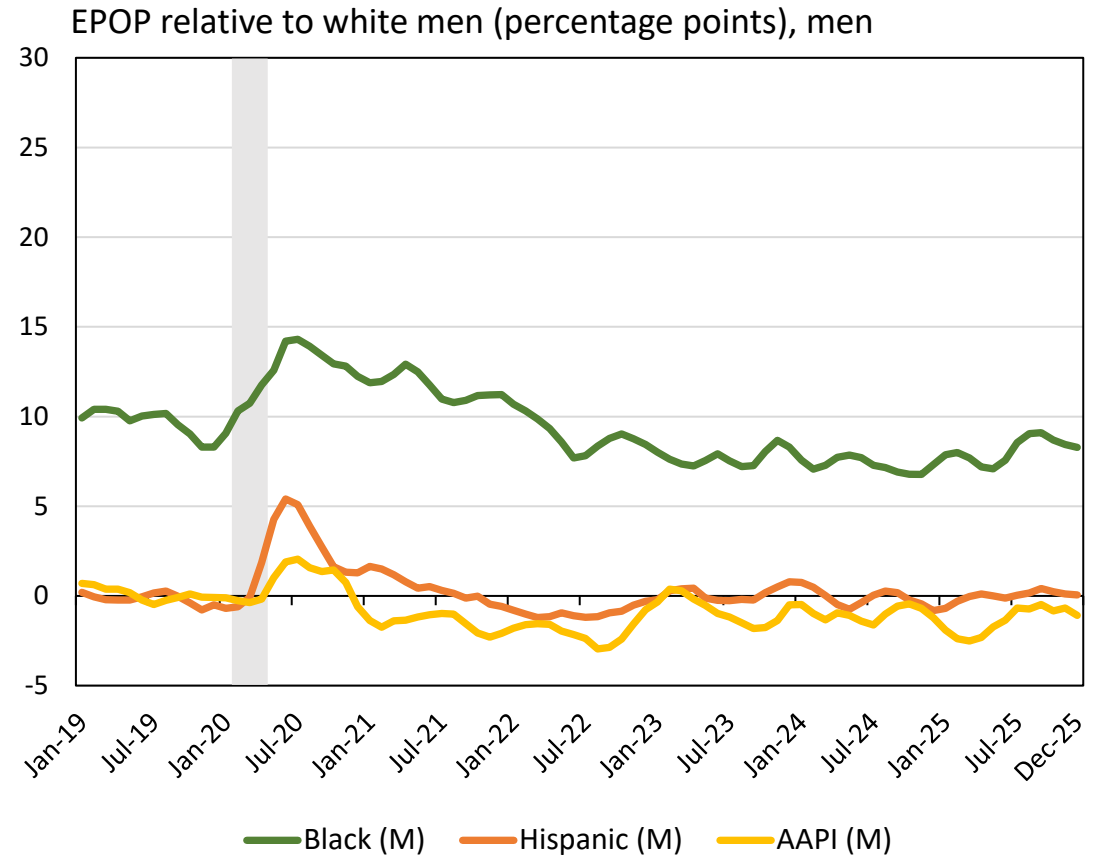
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EPOP Gaps by Race x Gender



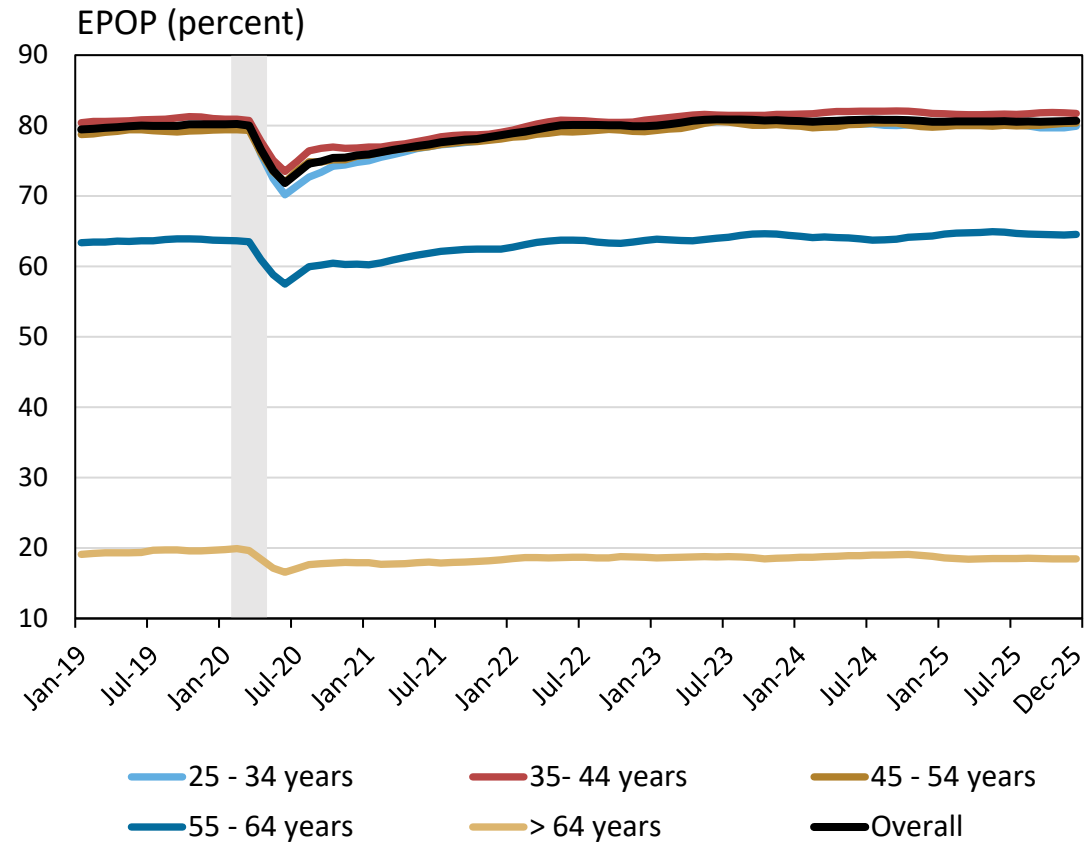
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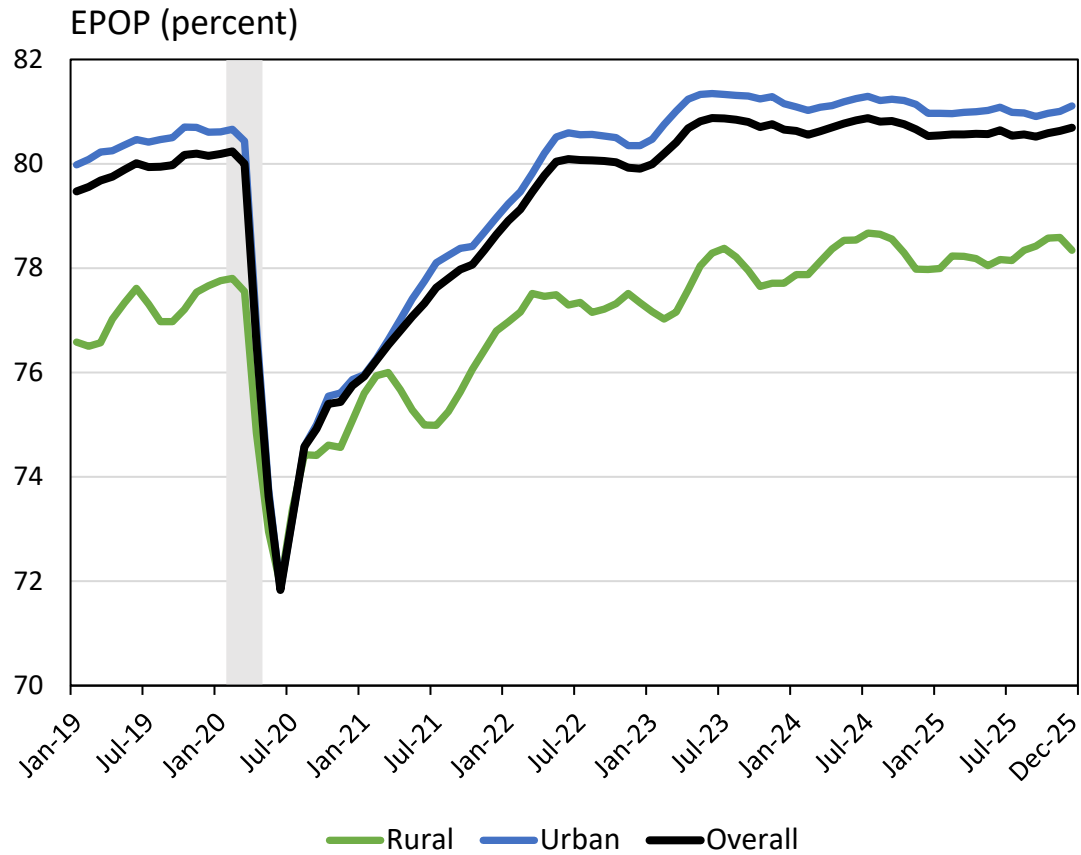
EPOP by Age



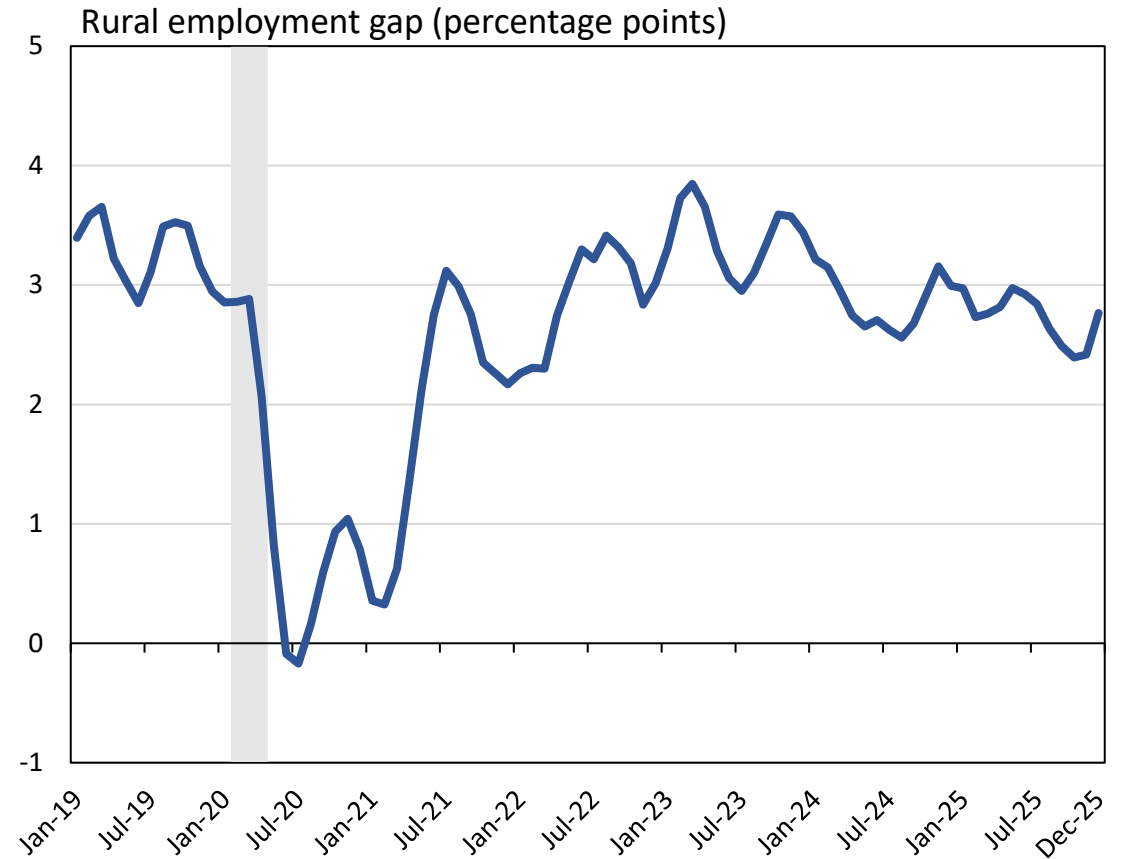
Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations; three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Overall line uses prime-age (25-54) sample. Shaded region indicates the COVID-19 recession.

EPOP by Urban Status

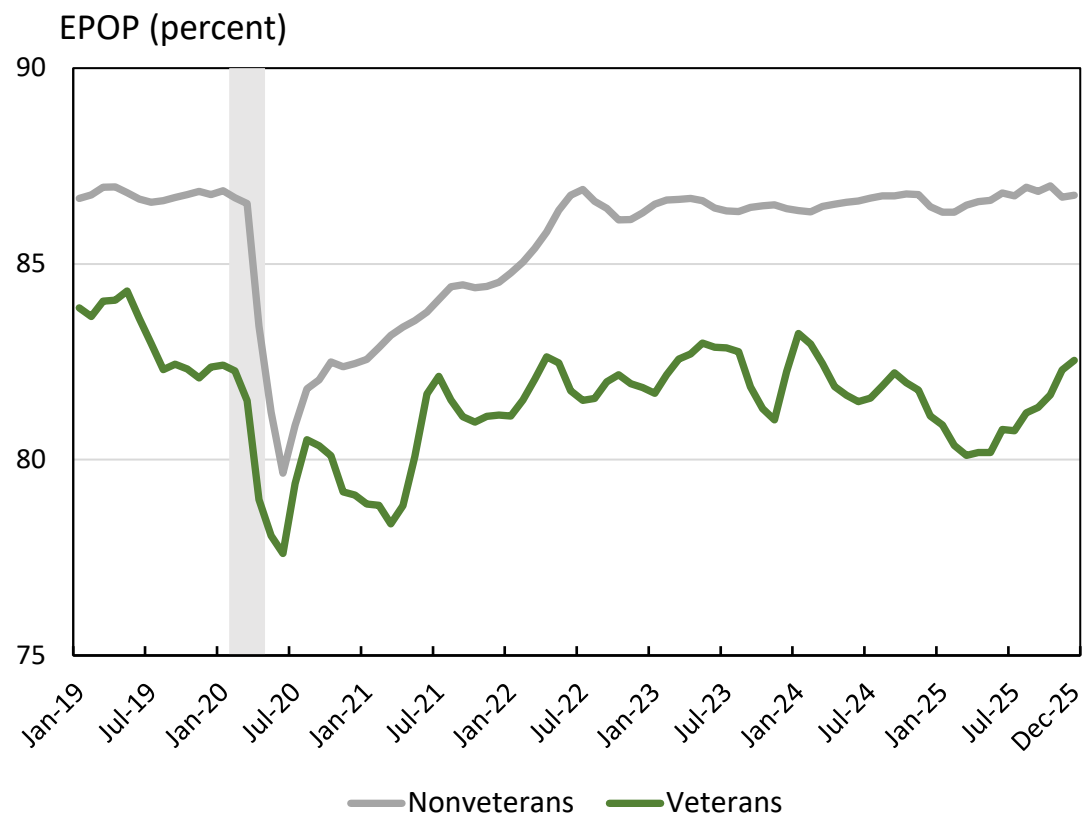


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The rural gap is the employment of urban workers minus the employment of rural workers.

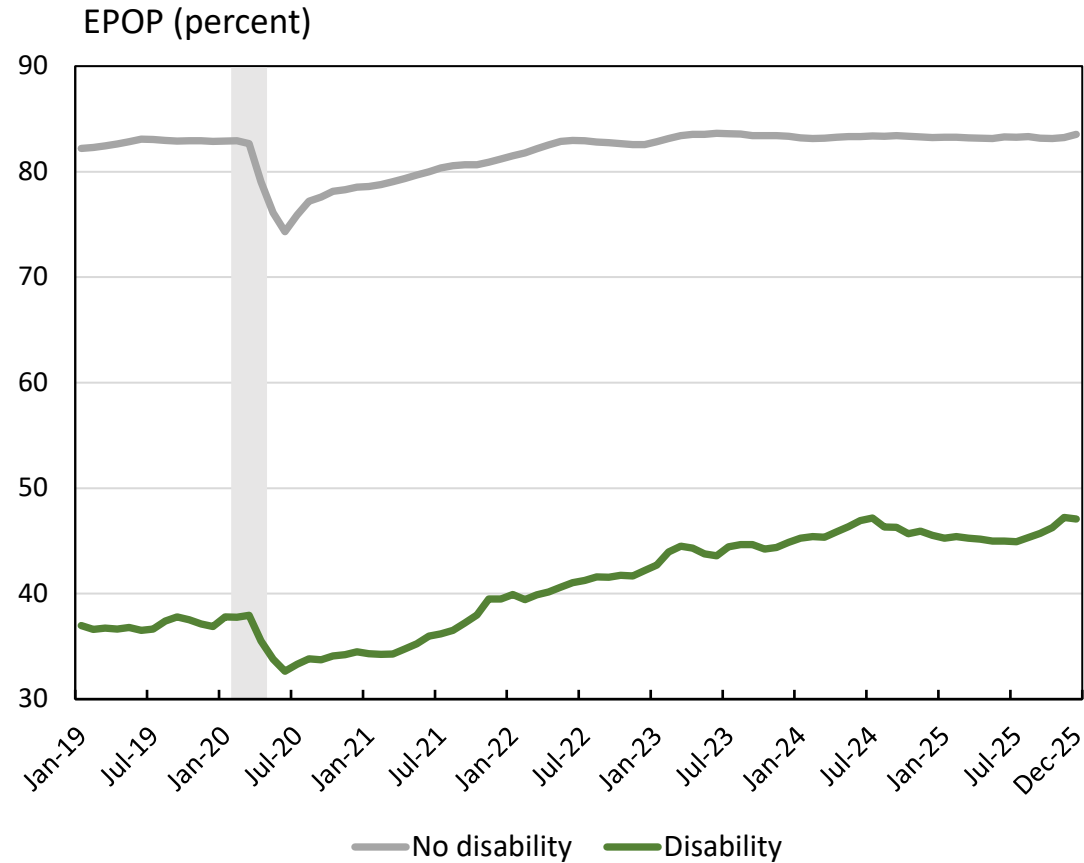
EPOP by Veteran Status



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

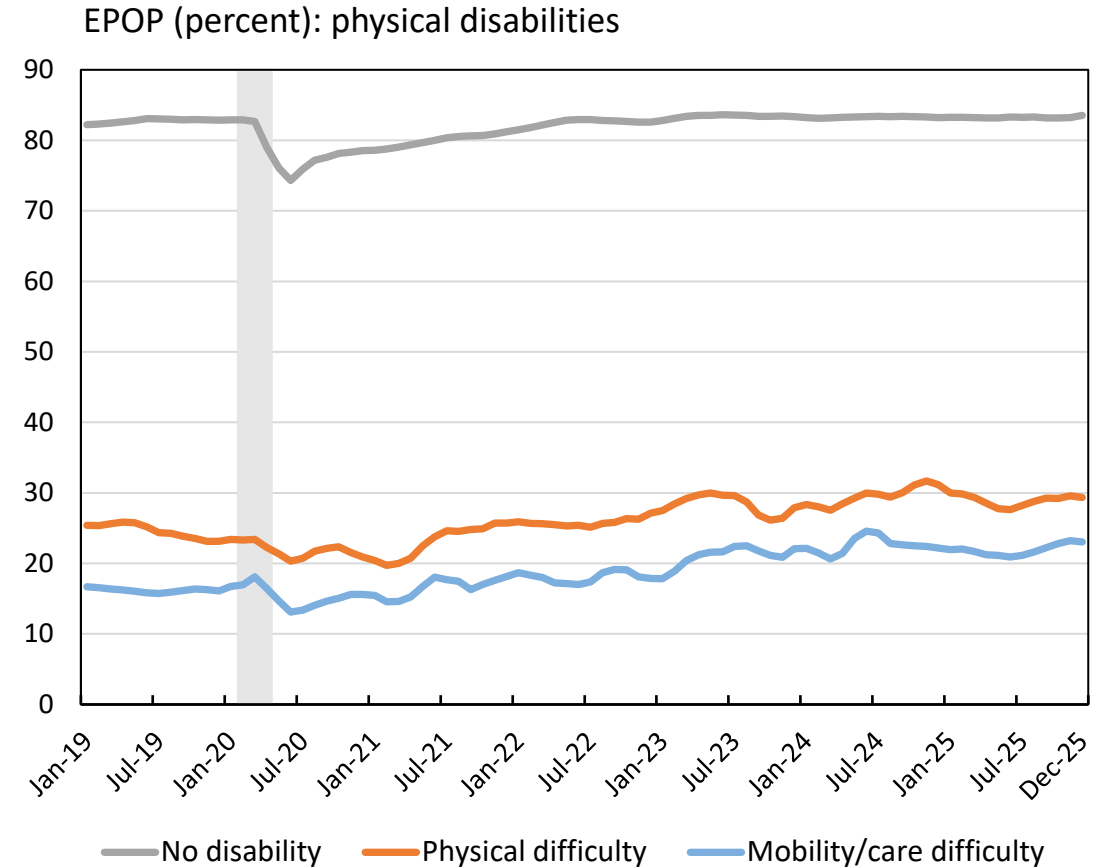
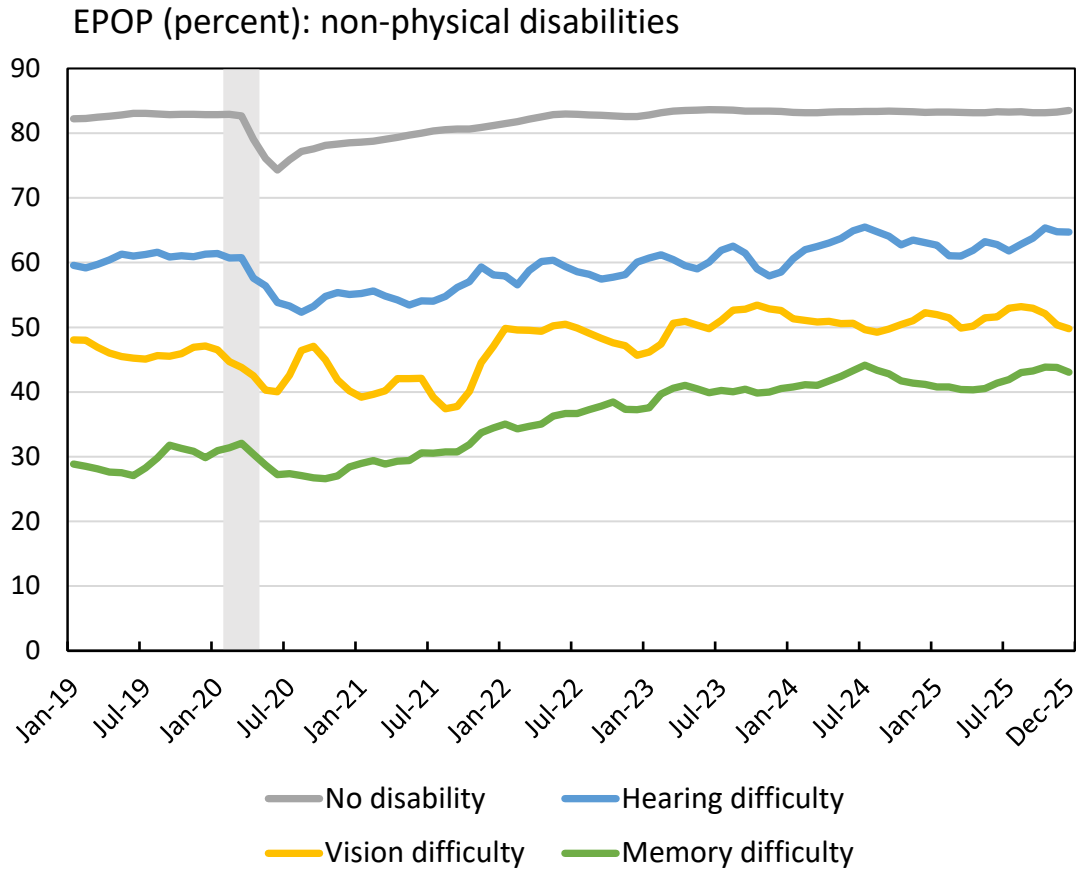
Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.

EPOP by Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
 Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

EPOP by Specific Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. Those with a care/mobility difficulty have a physical or mental condition that makes it difficult to perform basic activities alone, both inside and outside the home. These two disabilities have been combined because they involve similar degrees of disability, and the combined category is more precisely estimated.

WORKERS' EMPLOYMENT BY BUSINESS SIZE

UPDATED THROUGH 2024:Q4 | NATIONAL

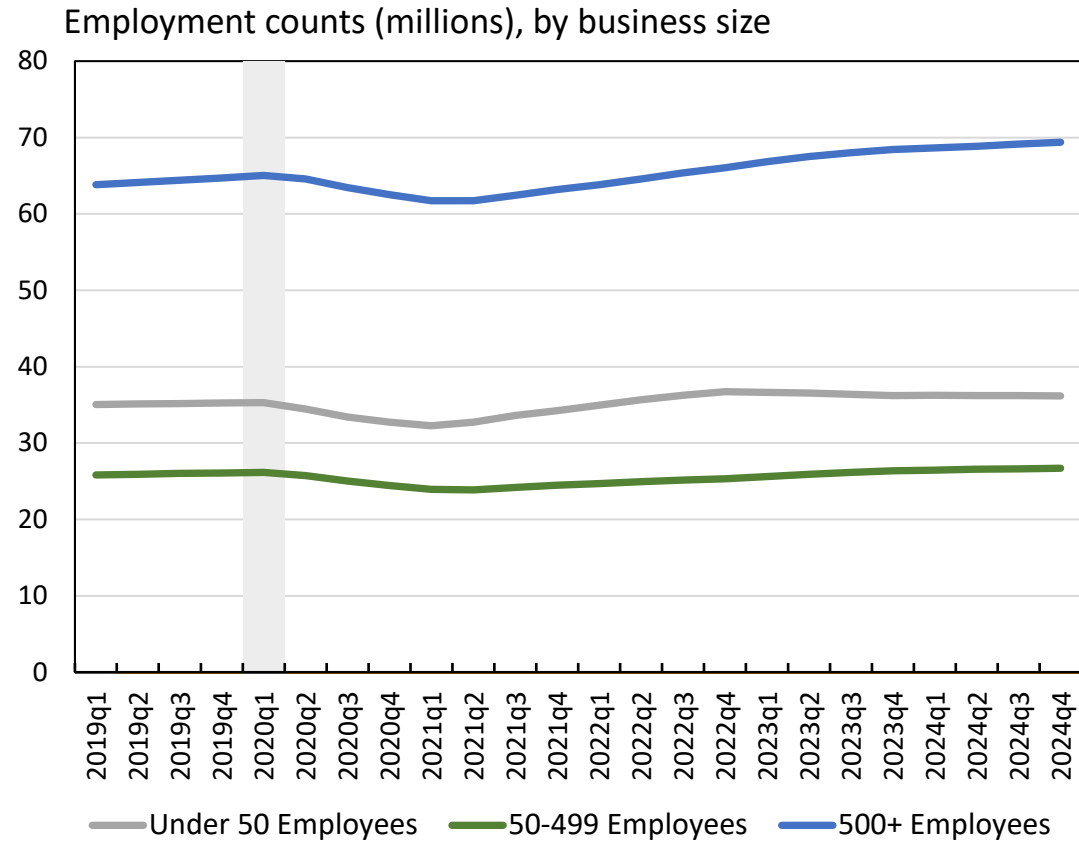
Rajashri Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Employment by Business Size

- Roughly half (52%) of all workers were employed in large businesses, while over a fourth (27%) of workers were employed in small businesses, and a fifth were employed in medium-sized businesses.
- Employment has grown faster at large businesses than at small and medium-sized businesses. Large business employment is 8.7% higher than it was before the pandemic, while small and medium-sized business employment is 3.3% higher relative to January 2019.

**"Businesses" here refer to firms, as defined in the Quarterly Workforce Indicators (QWI). Firm size is based on the "firm's national employment on March 12th of the previous year (current year for new firms)."*

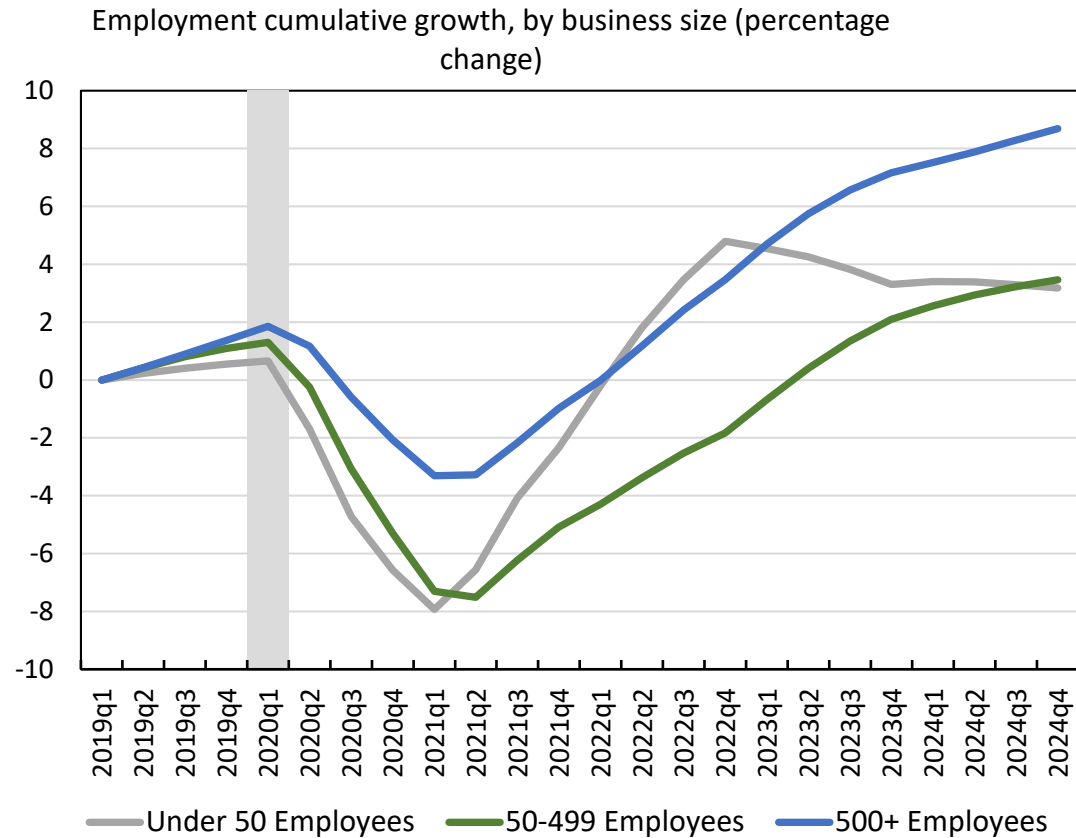
Employment Count by Business Size



Sources: U.S. Census Bureau, Quarterly Workforce Indicators; authors' calculations; four-quarter moving averages. Employment counts are based on beginning of quarter estimates.

Notes: "Businesses" here refer to firms, as defined in the Quarterly Workforce Indicators (QWI). Firm size is based on the "firm's national employment on March 12th of the previous year (current year for new firms)." Restricted to private firms, for which firm-size data is available. Shaded region indicates the COVID-19 recession.

Employment Count (Cumulative Growth) by Business Size



Sources: U.S. Census Bureau, Quarterly Workforce Indicators; authors' calculations; four-quarter moving averages. Employment counts are based on beginning of quarter estimates.

Notes: "Businesses" here refer to firms, as defined in the Quarterly Workforce Indicators (QWI). Firm size is based on the "firm's national employment on March 12th of the previous year (current year for new firms)." Restricted to private firms, for which firm-size data is available. Shaded region indicates the COVID-19 recession.

A group of five diverse people are seated around a table in a meeting room. One person on the right is in a wheelchair. The scene is dimly lit with large windows in the background. The text is overlaid on a white rectangular box in the center.

EMPLOYMENT: UNEMPLOYMENT RATE

UPDATED THROUGH DECEMBER 2025 | NATIONAL

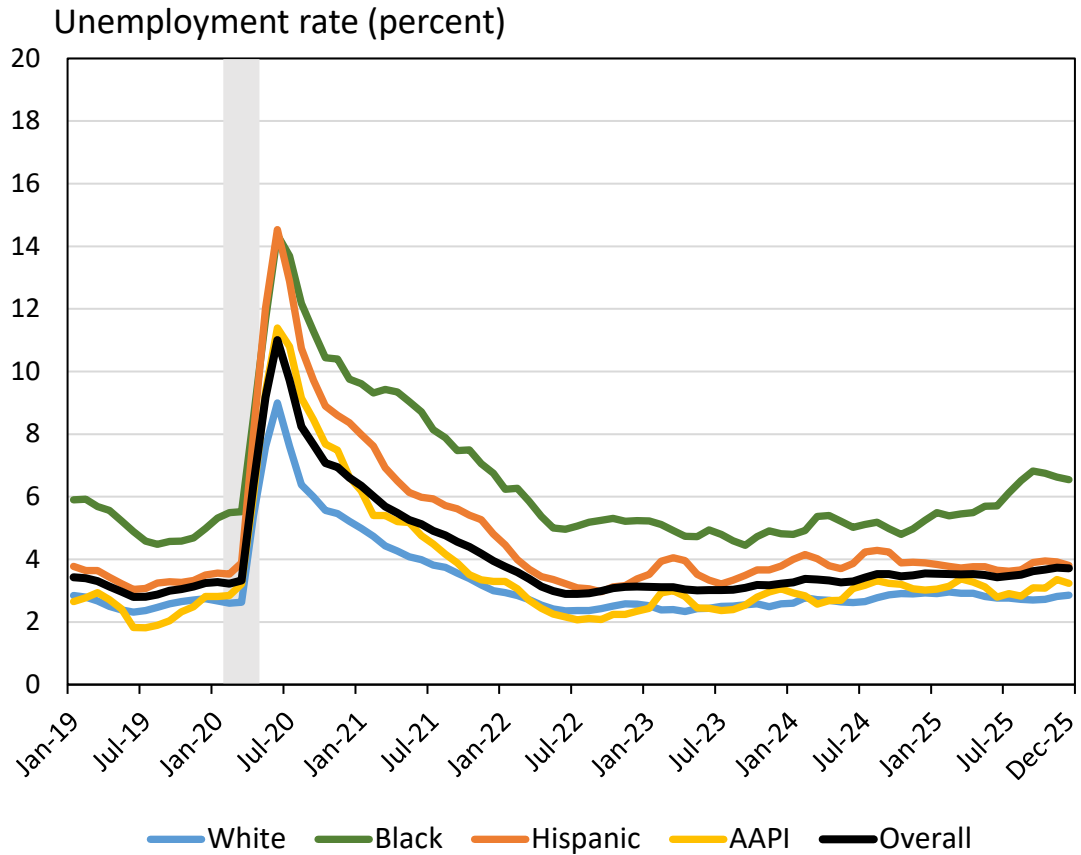
Rajashri Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Unemployment Rate

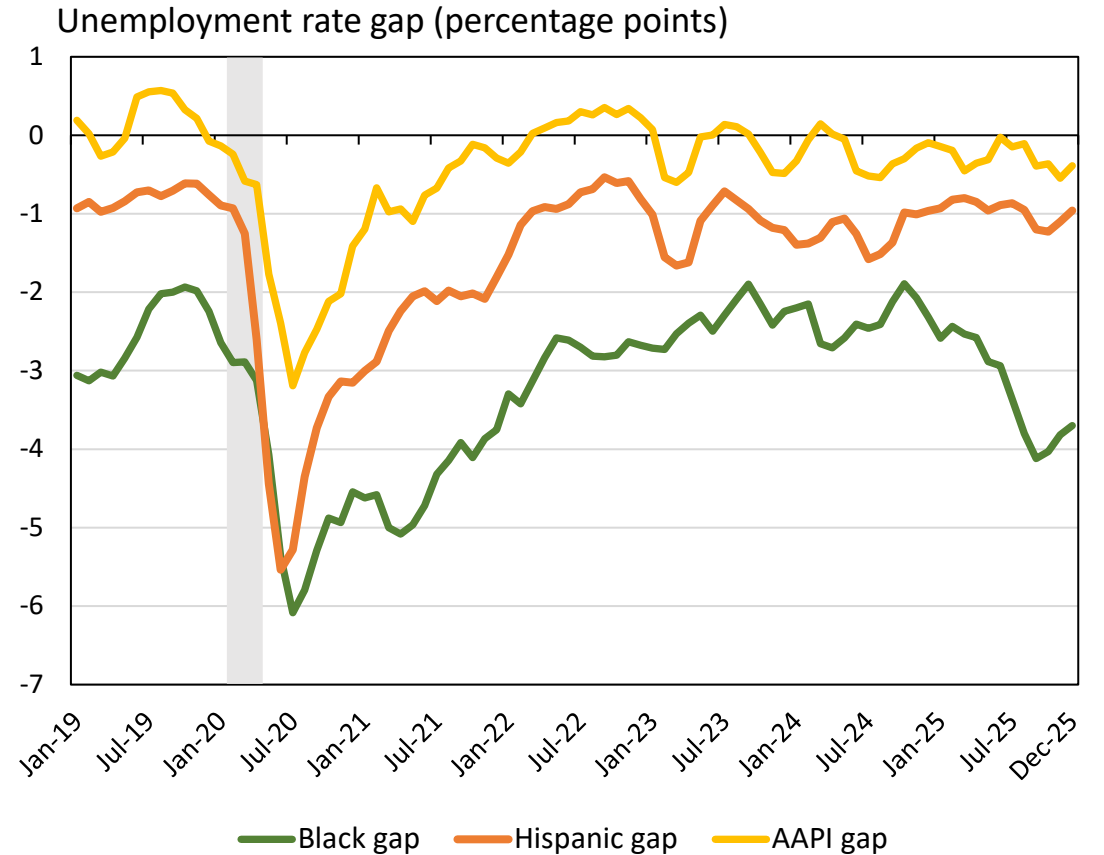
- Overall unemployment stood at 3.7% in December 2025, slightly higher than a year ago.
- Black workers had an unemployment rate that was 3.7 percentage points higher than the unemployment rate for white workers in December 2025, followed by Hispanic workers (0.96) and AAPI workers (0.39).
- In December 2025, workers without a bachelor's degree had an unemployment rate that was 1.7 percentage points higher than that of workers with a bachelor's degree. This is a smaller differential than at any time since July 2019.
- The unemployment rate for workers with any disability was 8.3%, more than double the national average.

Gaps and all other relevant definitions can be found on the data and methods slide.

Unemployment Rate by Race/Ethnicity

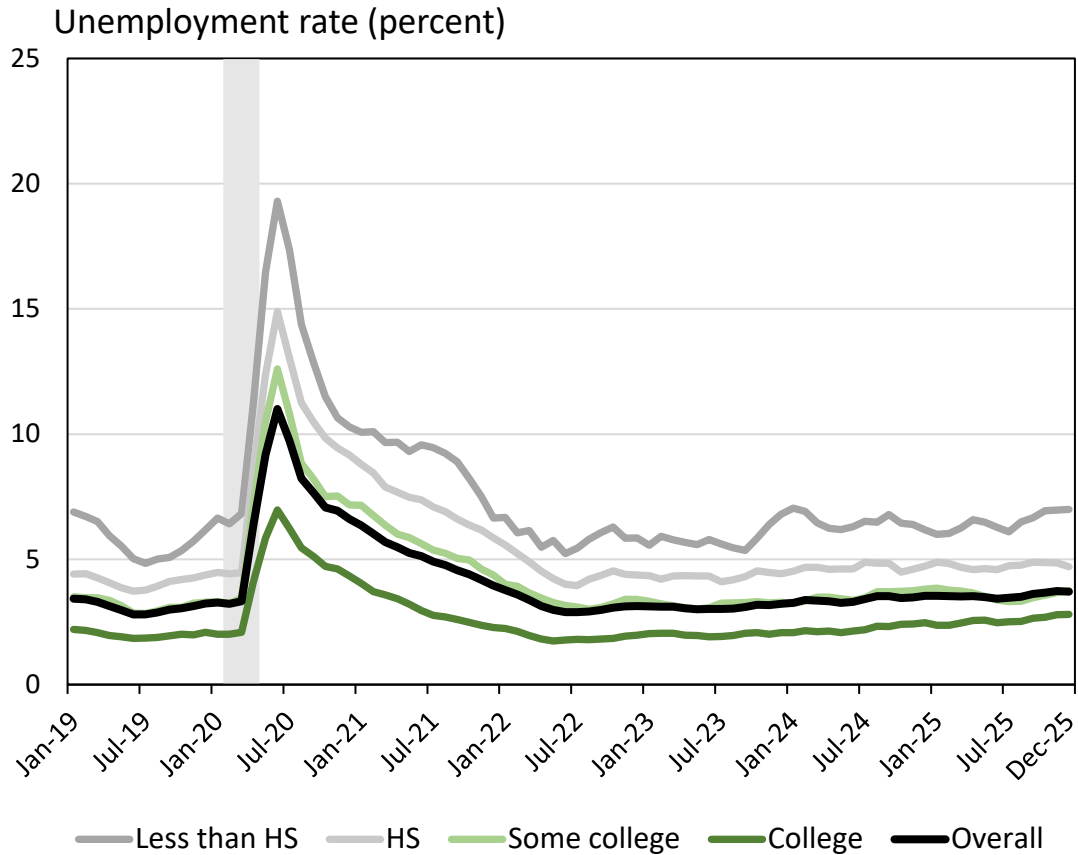


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The racial gaps are defined as the unemployment rate of white workers minus the unemployment rate of the given race or ethnicity.

Unemployment Rate by Education

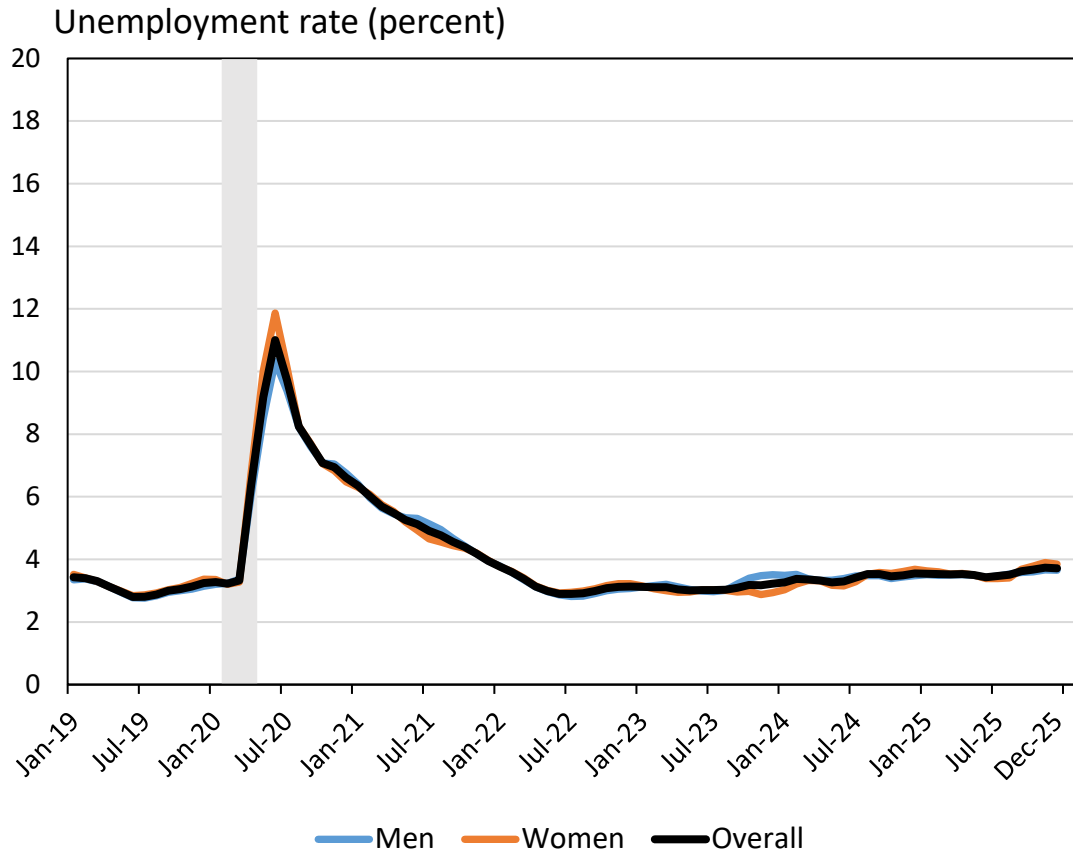


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Unemployment Rate by Gender

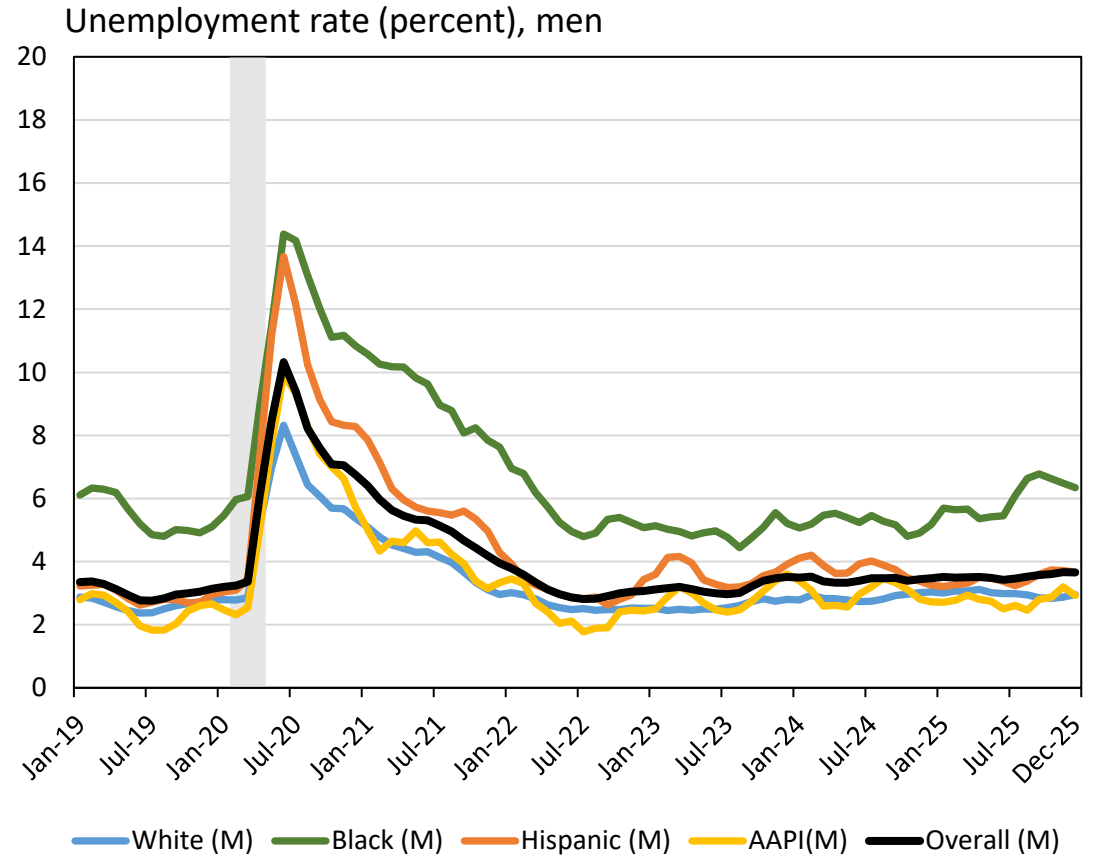


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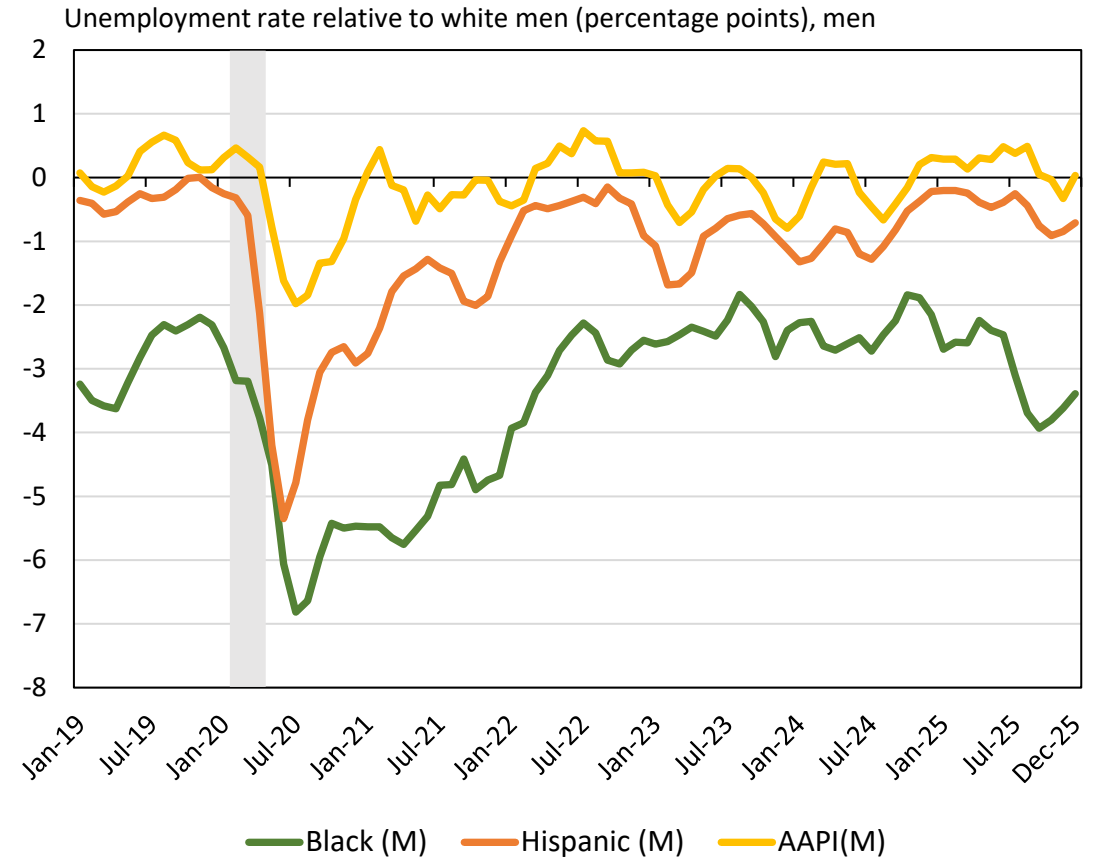
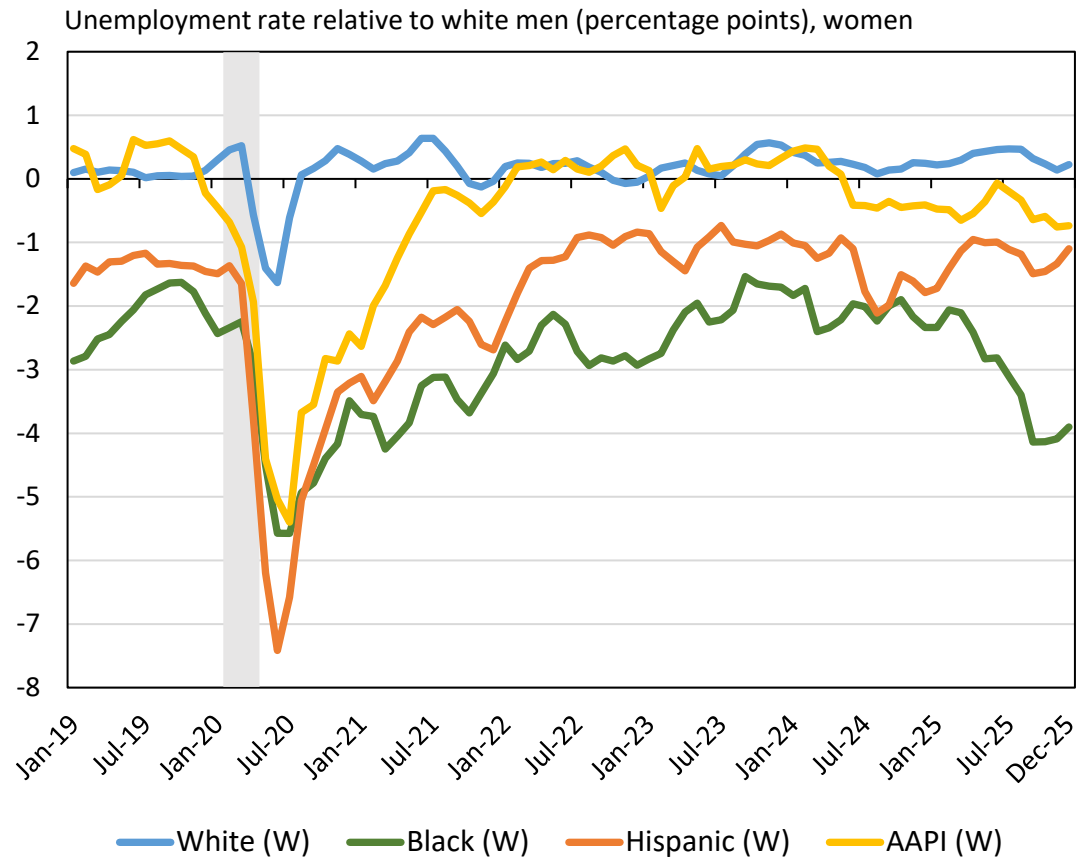
Unemployment Rate by Race x Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

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Unemployment Rate Gaps by Race x Gender



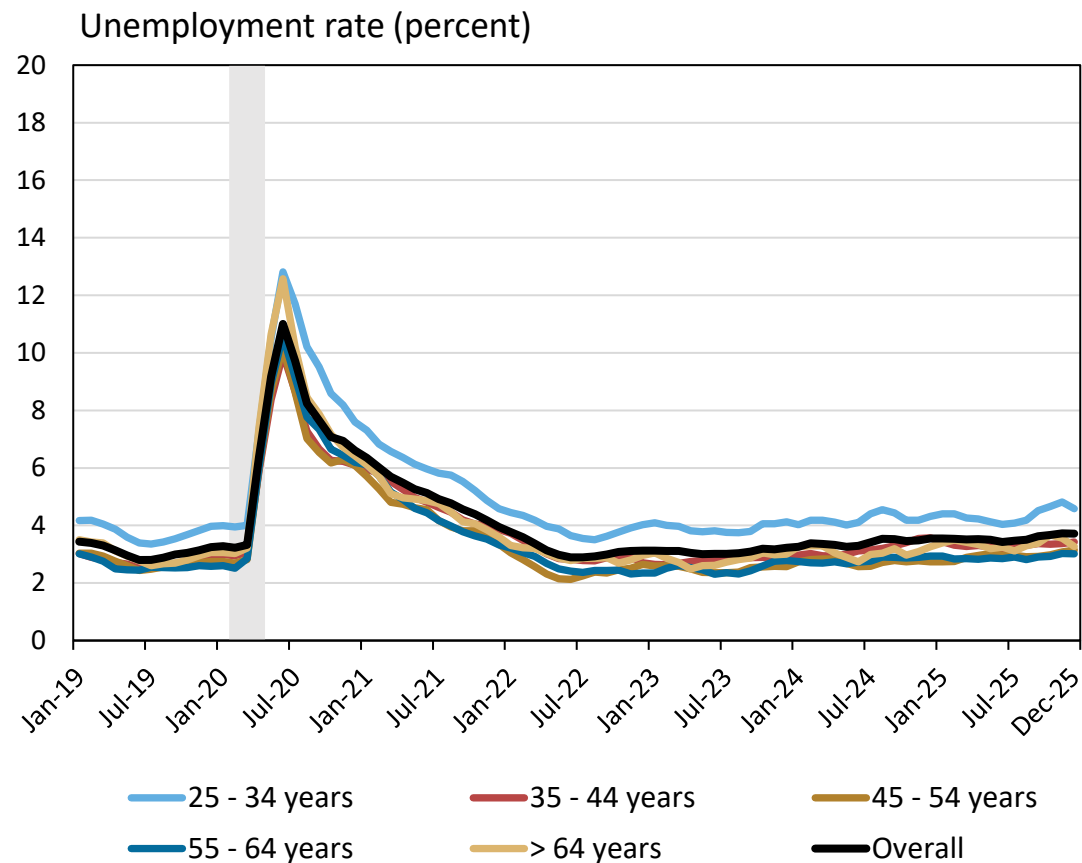
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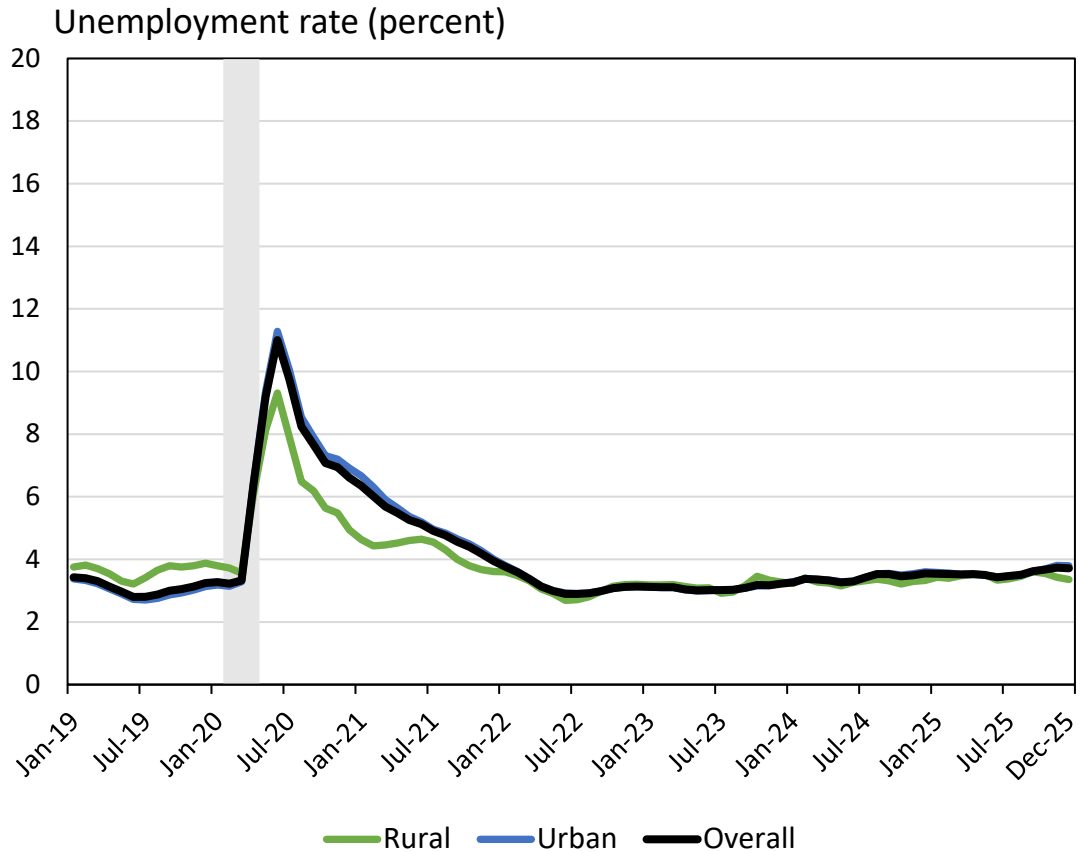
Unemployment Rate by Age



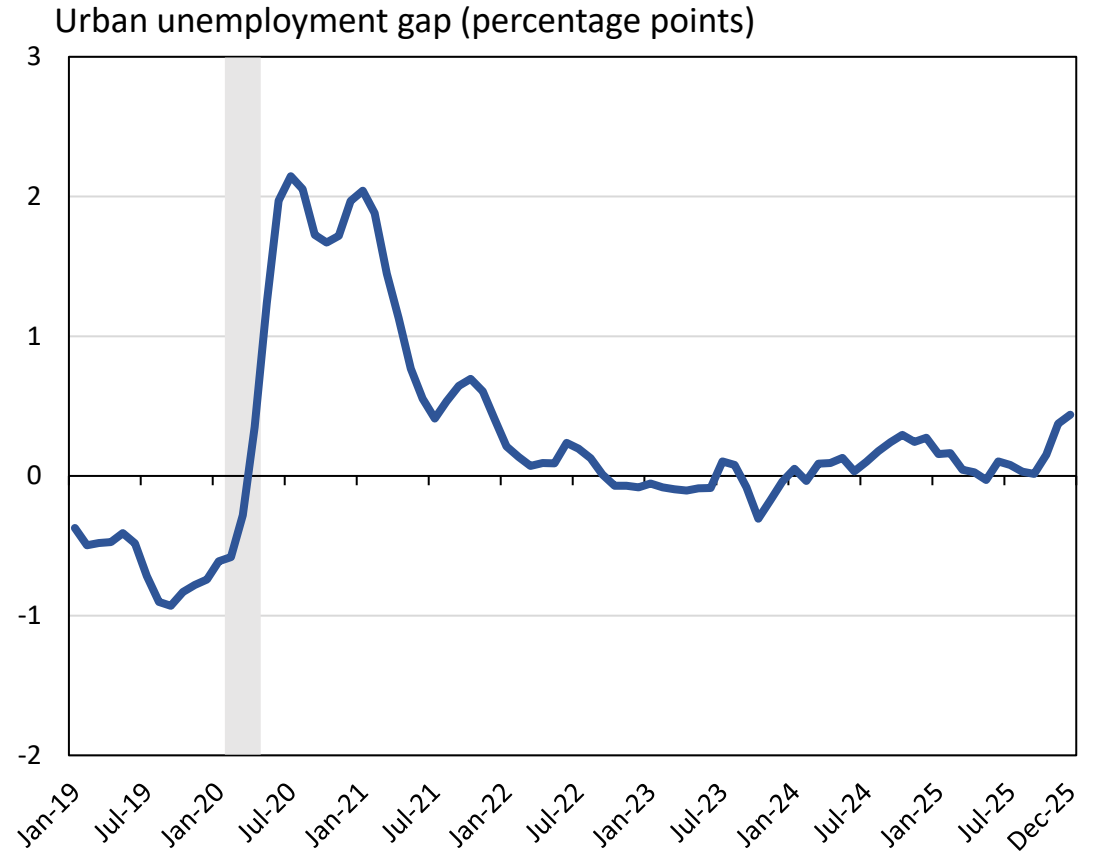
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Notes: Overall line uses prime-age (25-54) sample. Shaded region indicates the COVID-19 recession.

Unemployment Rate by Urban Status



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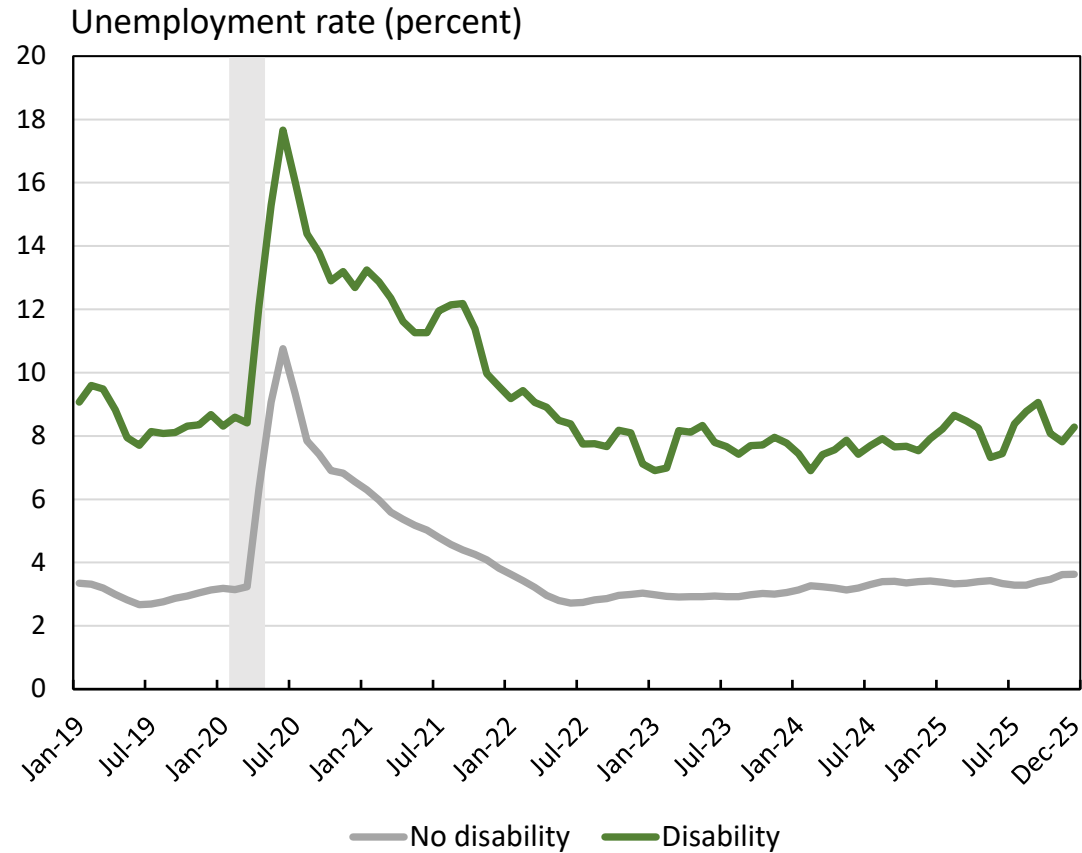
Unemployment Rate by Veteran Status



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.

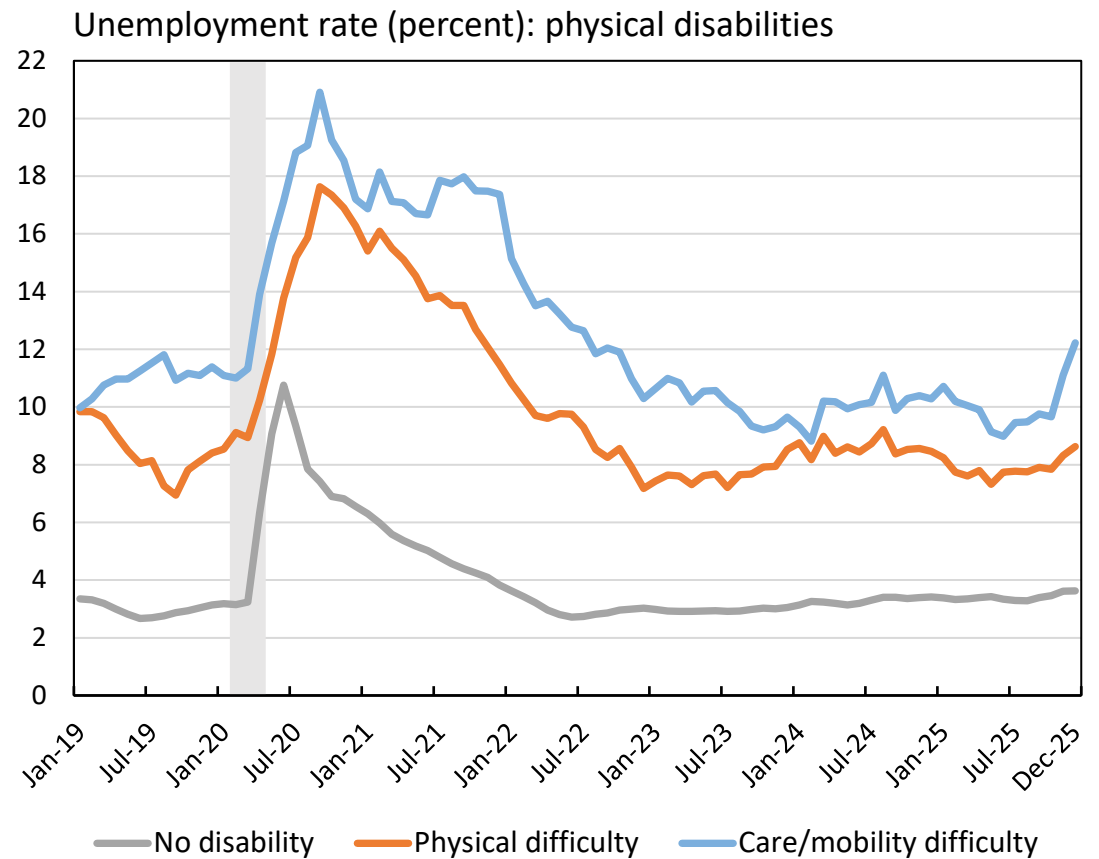
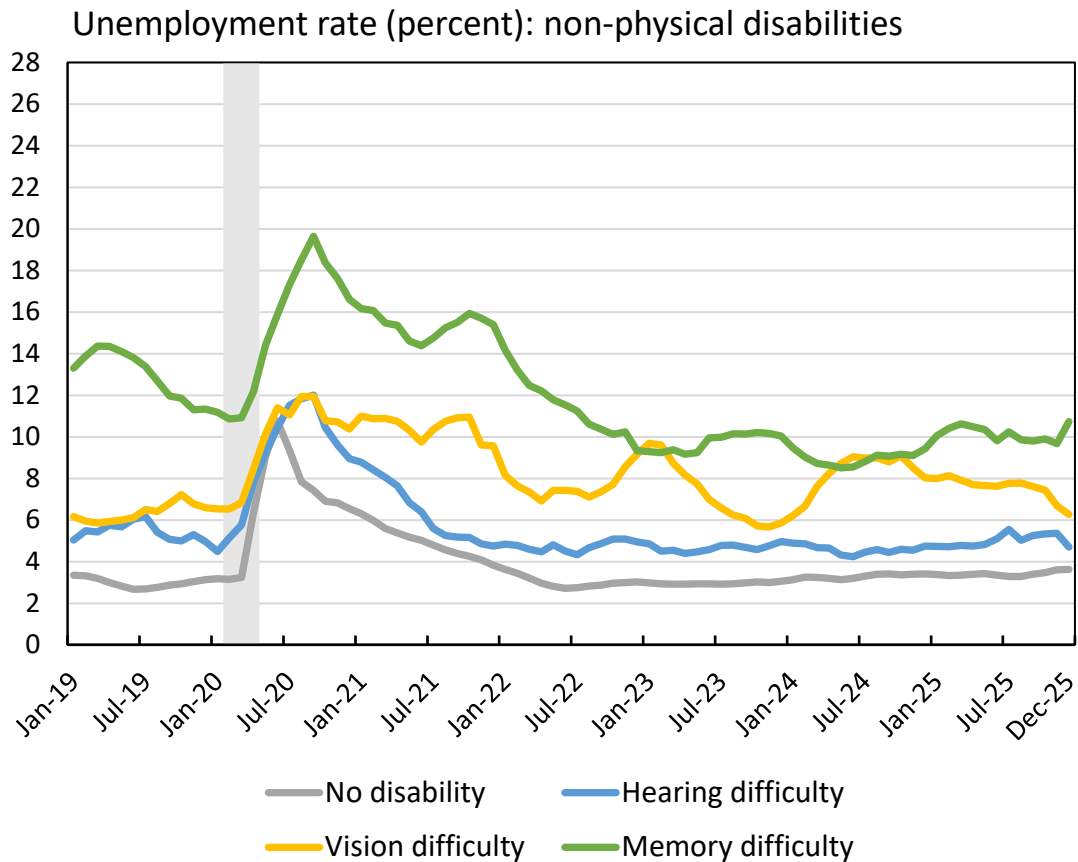
Unemployment Rate by Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

Unemployment Rate by Specific Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations. Series broken down by specific disability are six-month moving averages, while the "no disability" series is a three-month moving average. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. Those with a care/mobility difficulty have a physical or mental condition that makes it difficult to perform basic activities alone, both inside and outside the home. These two disabilities have been combined because they involve similar degrees of disability, and the combined category is more precisely estimated.



EMPLOYMENT: LABOR FORCE PARTICIPATION

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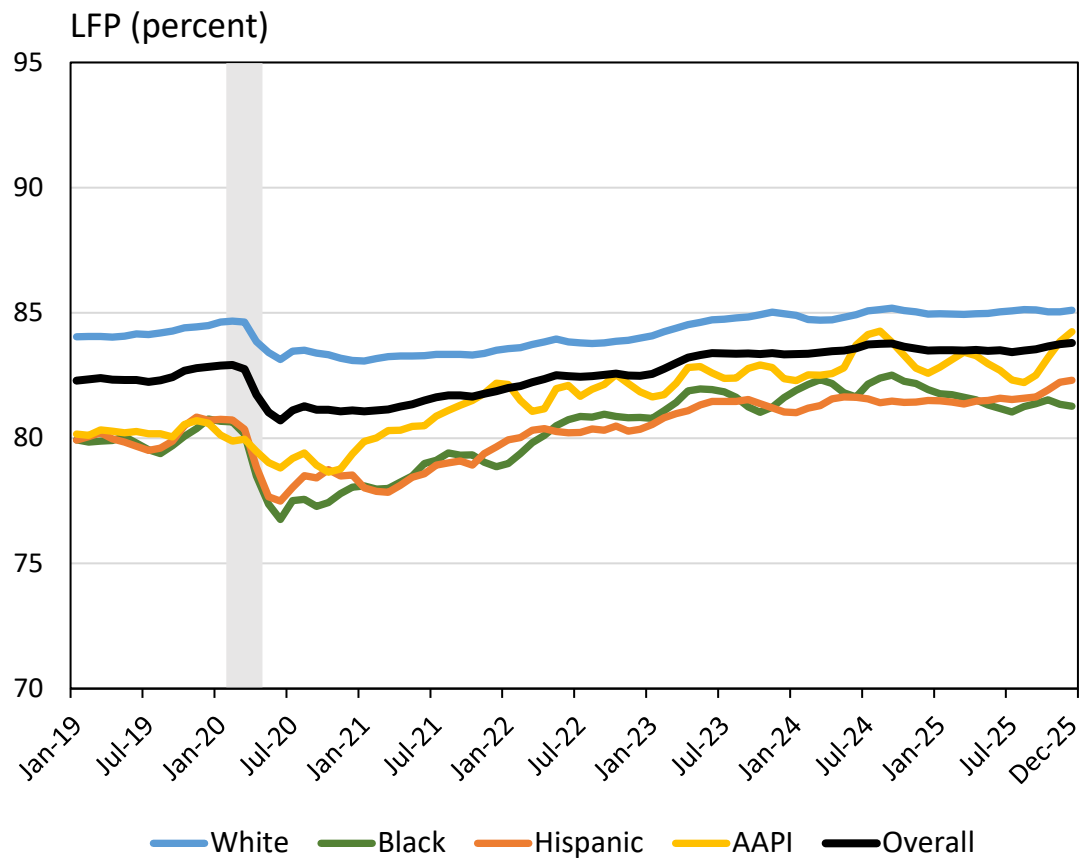
Rajashri Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Labor Force Participation

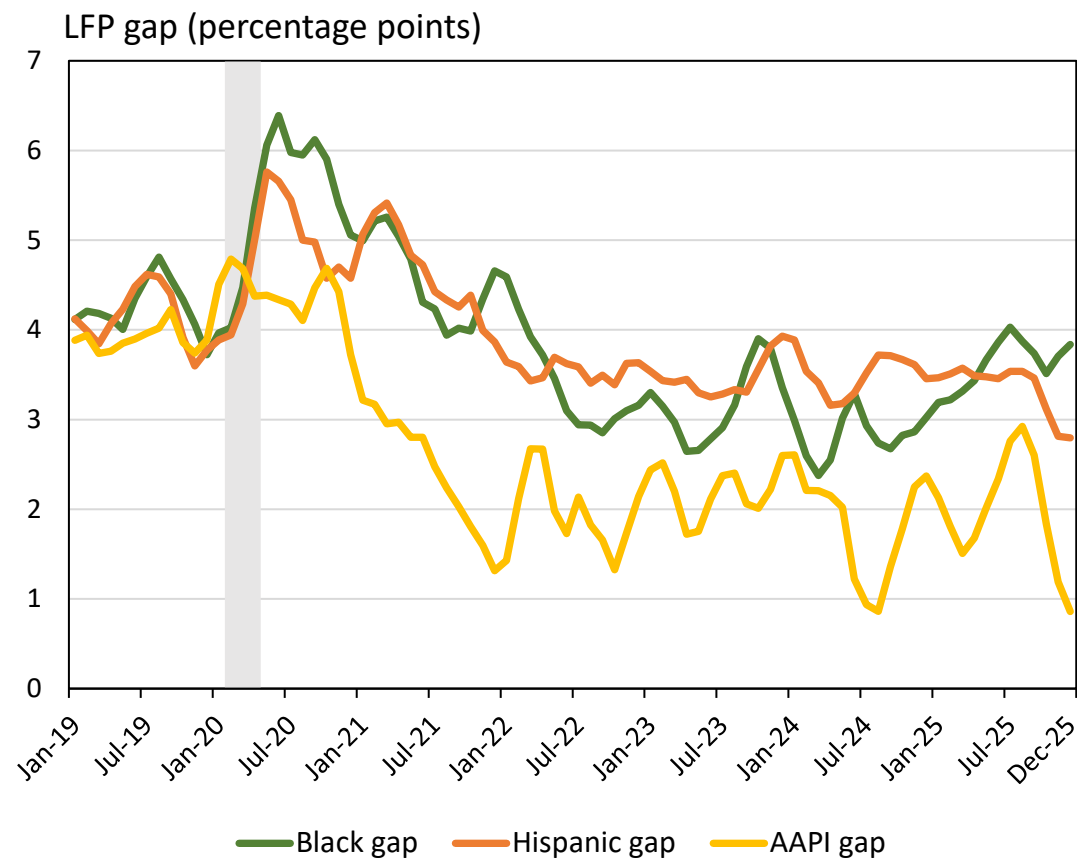
- Overall labor force participation (LFP) was slightly above its pre-pandemic level (83.8% in December 2025).
- LFP gaps tend to be similar in levels and trends to employment gaps.
- The college LFP gap has rebounded to 10.5 percentage points, above its pre-pandemic level but below its typical post-pandemic levels.
- The LFP gaps of Black men and women have changed little since 2025:Q2. In particular, the LFP gap of Black men relative to white men is still below its pre-pandemic level, while the LFP gap of Black women relative to white men has rebounded to its pre-pandemic values.
- The LFP rate of veterans has risen by over two percentage points between August and December 2025.
- Only 51% of workers with disabilities were in the labor force, compared to over 86% of workers without disabilities. The LFP rate ranges from 68% for workers with hearing difficulties to 27% for workers with care/mobility difficulties.

Gaps and all other relevant definitions can be found on the data and methods slide.

Labor Force Participation by Race/Ethnicity

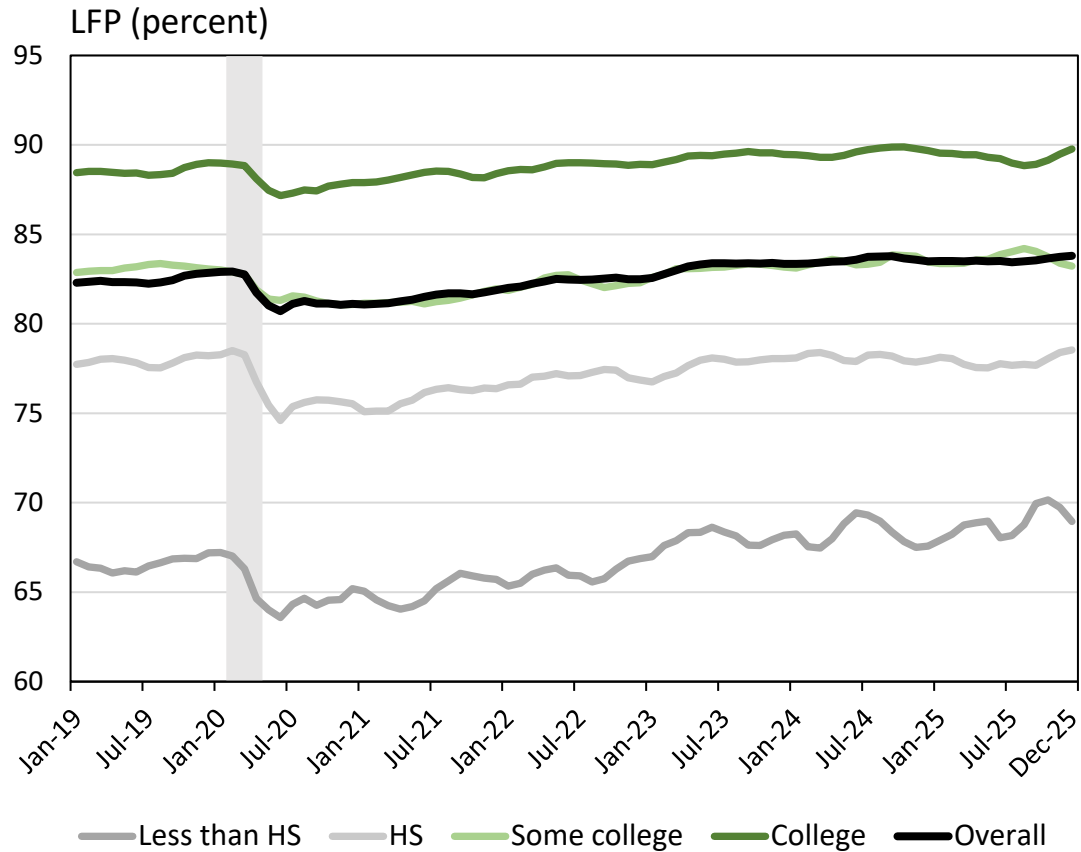


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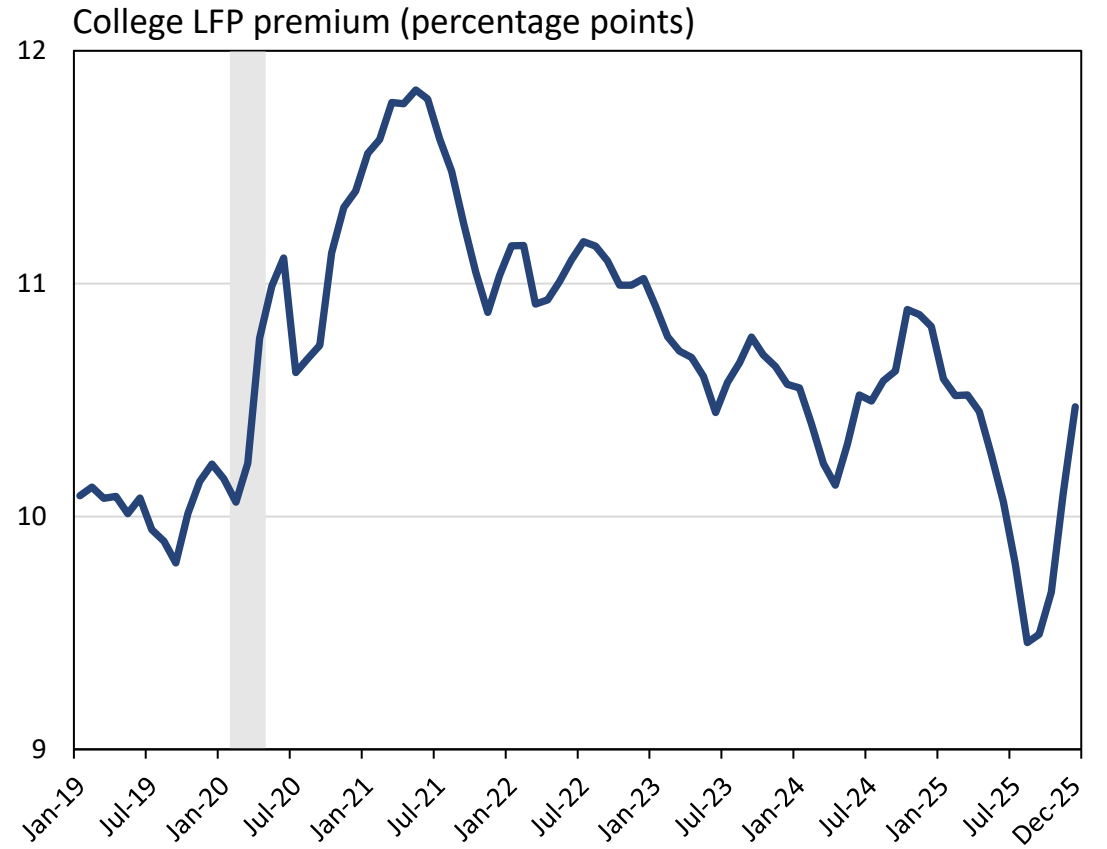


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Labor Force Participation by Education

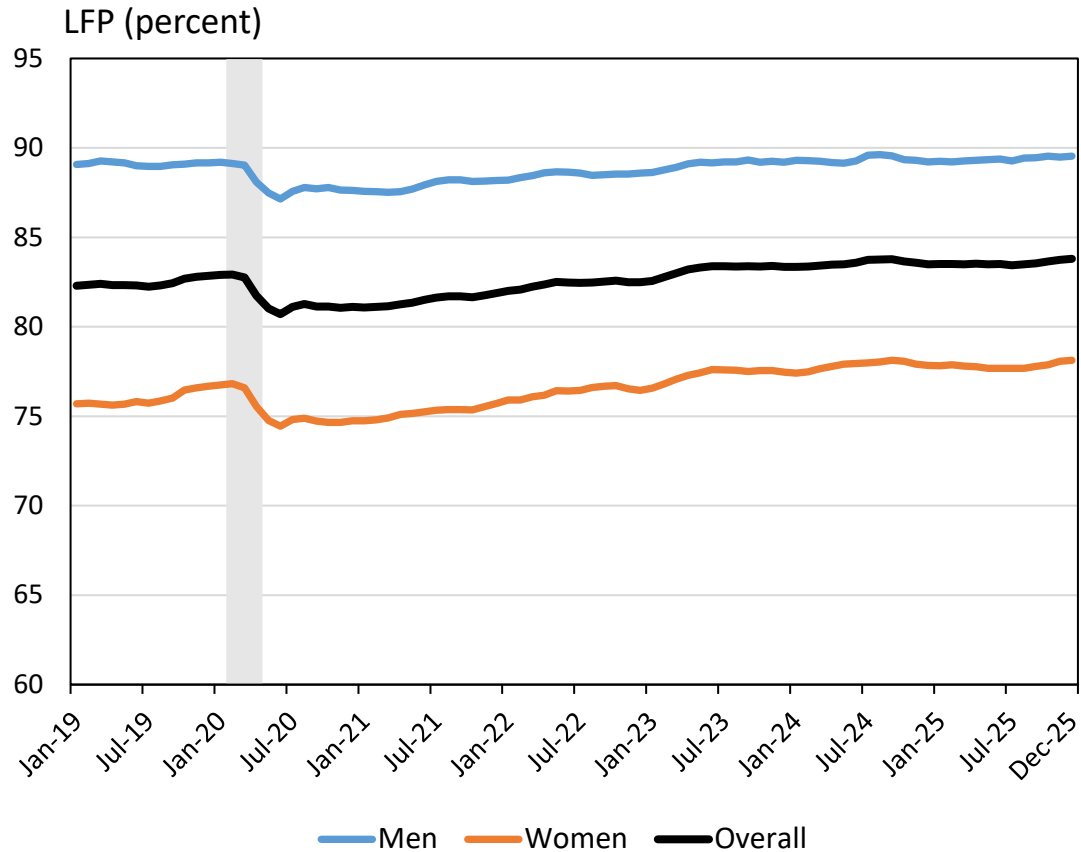


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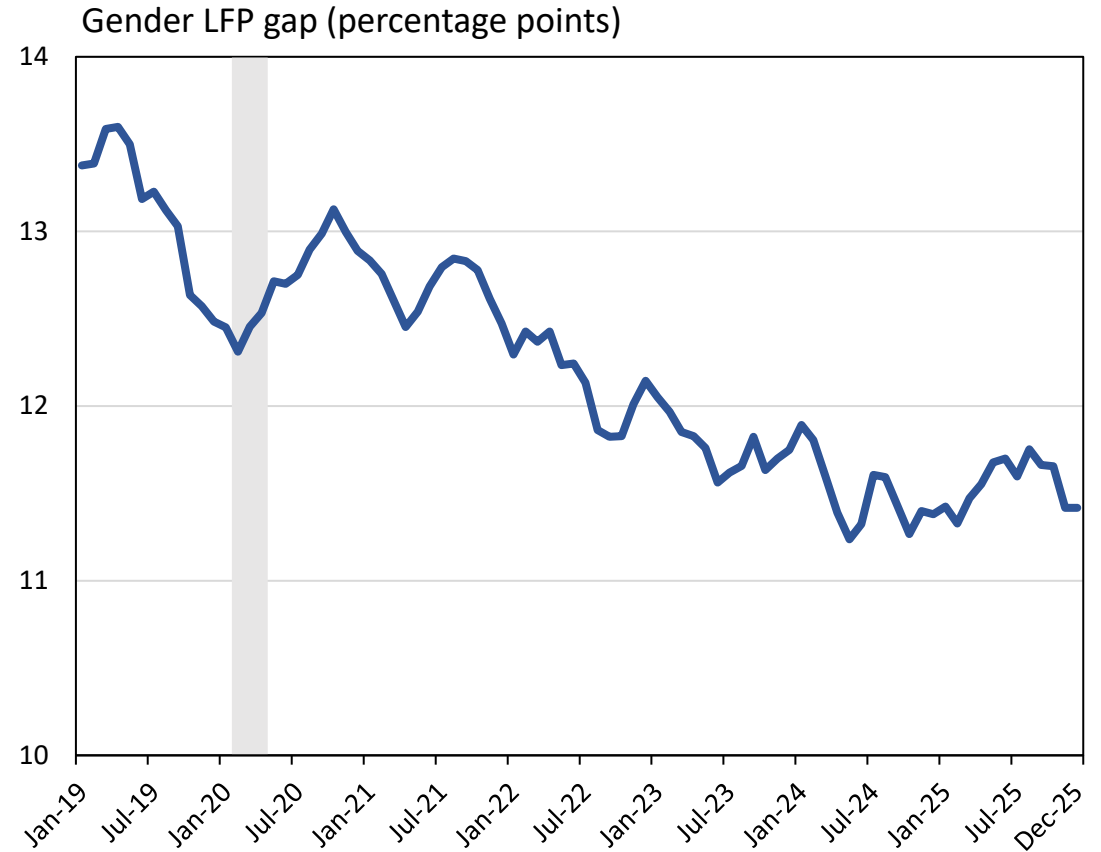


Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The college gap is the LFP of workers with a bachelor's degree minus the LFP of workers without one.

Labor Force Participation by Gender

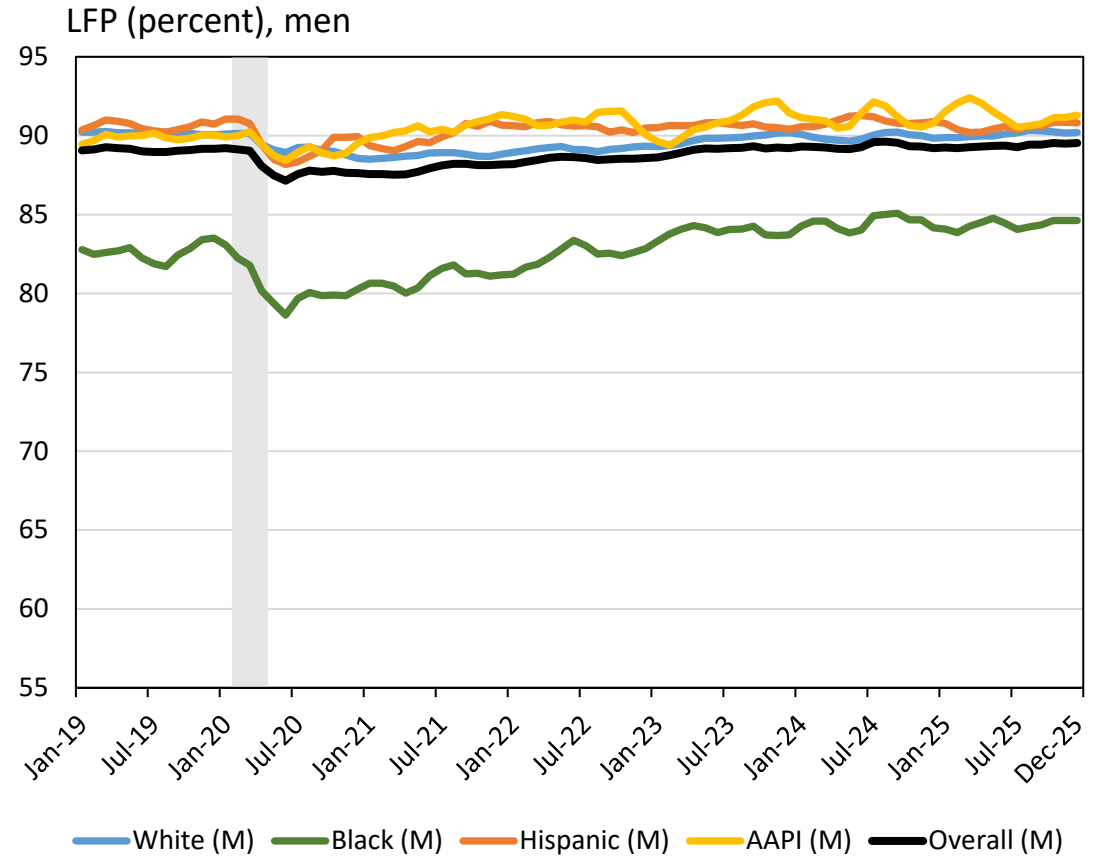
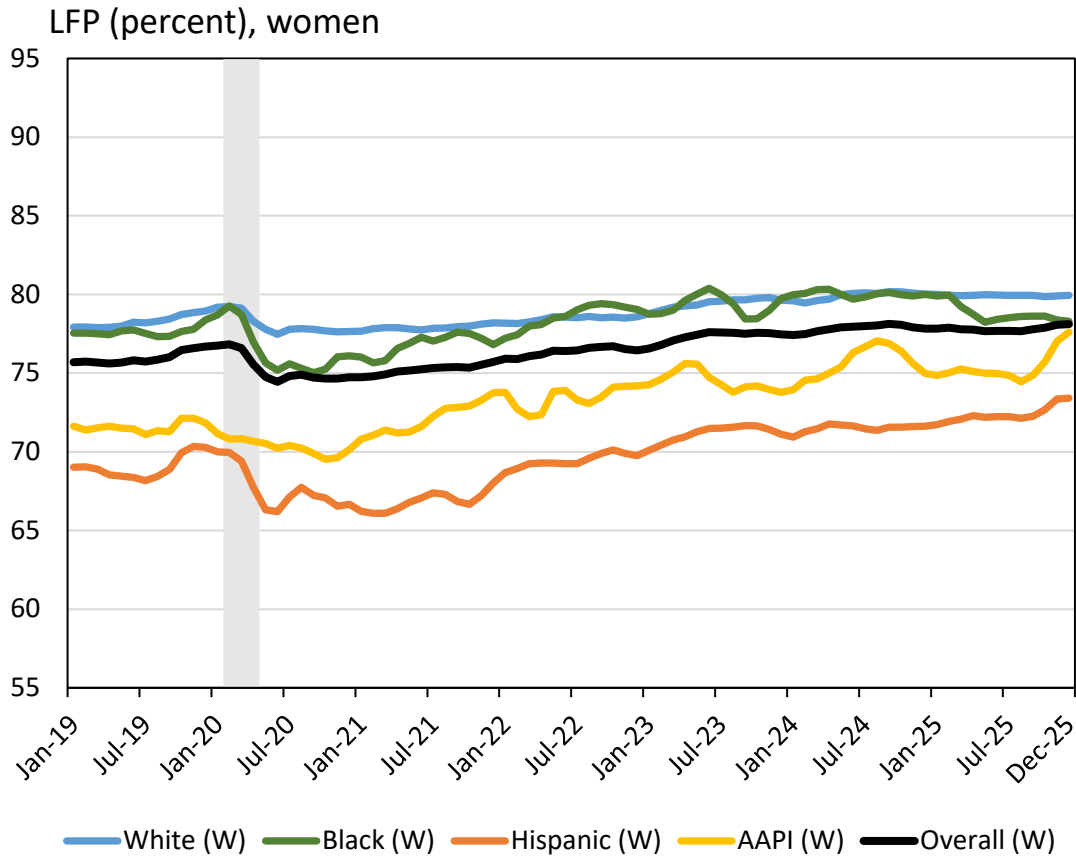


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The gender gap is defined as the LFP of men minus the LFP of women.

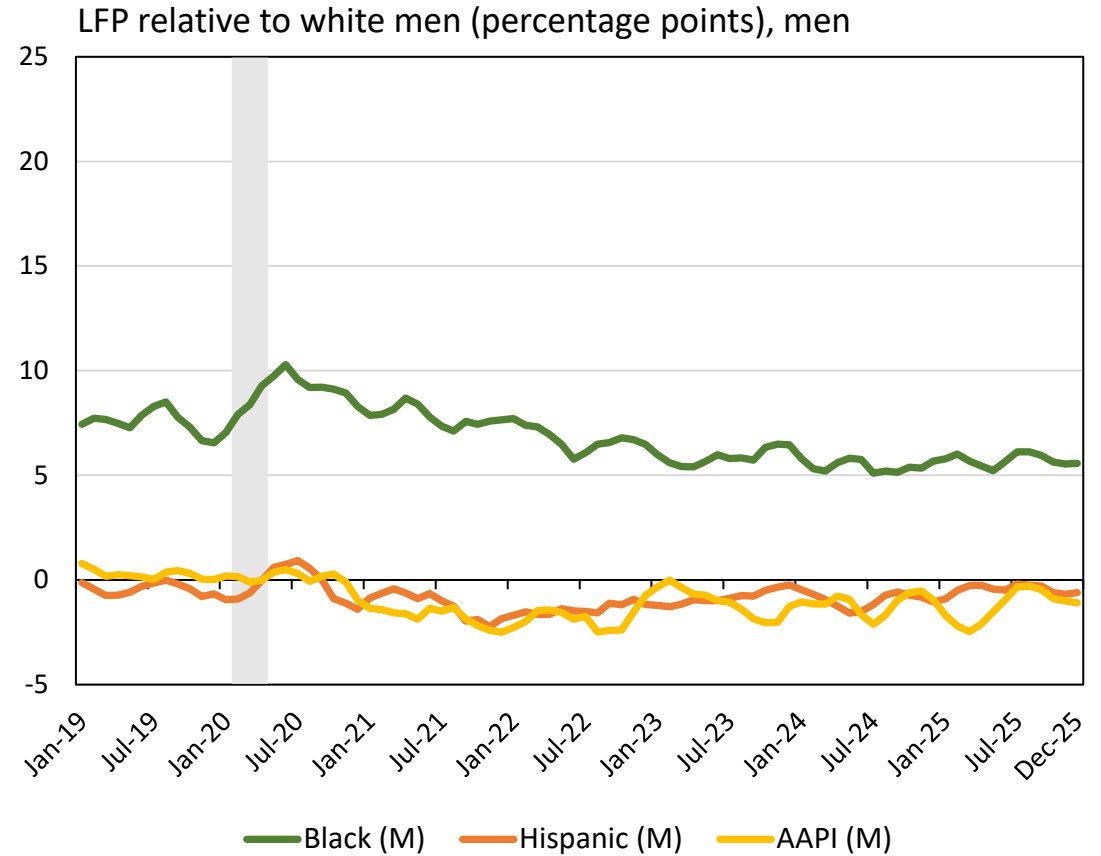
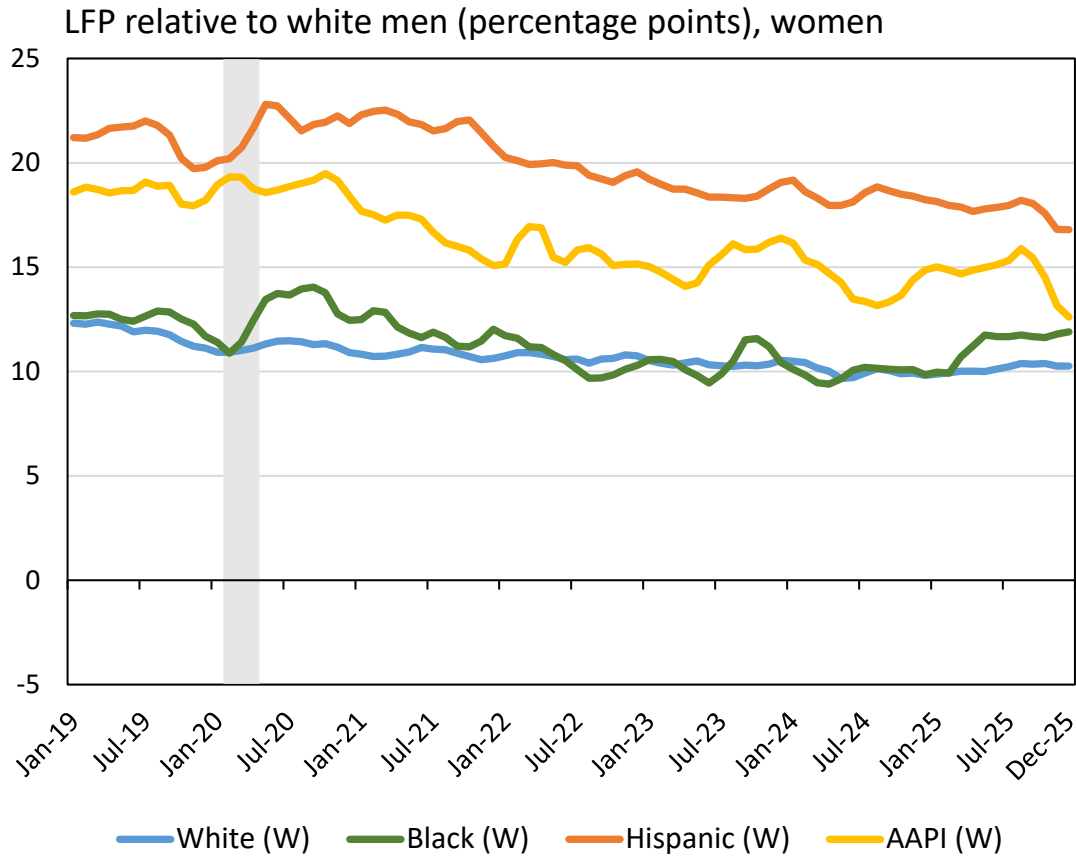
Labor Force Participation by Race x Gender



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

Labor Force Participation Gaps by Race x Gender

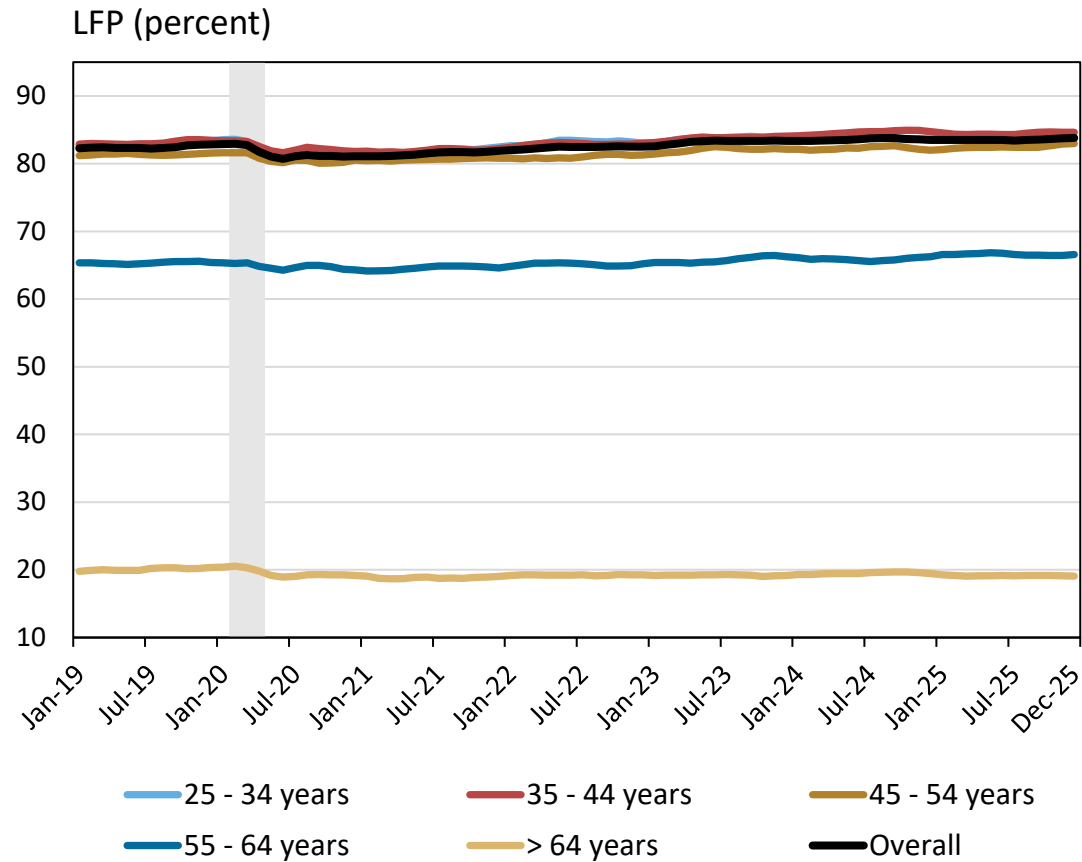


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

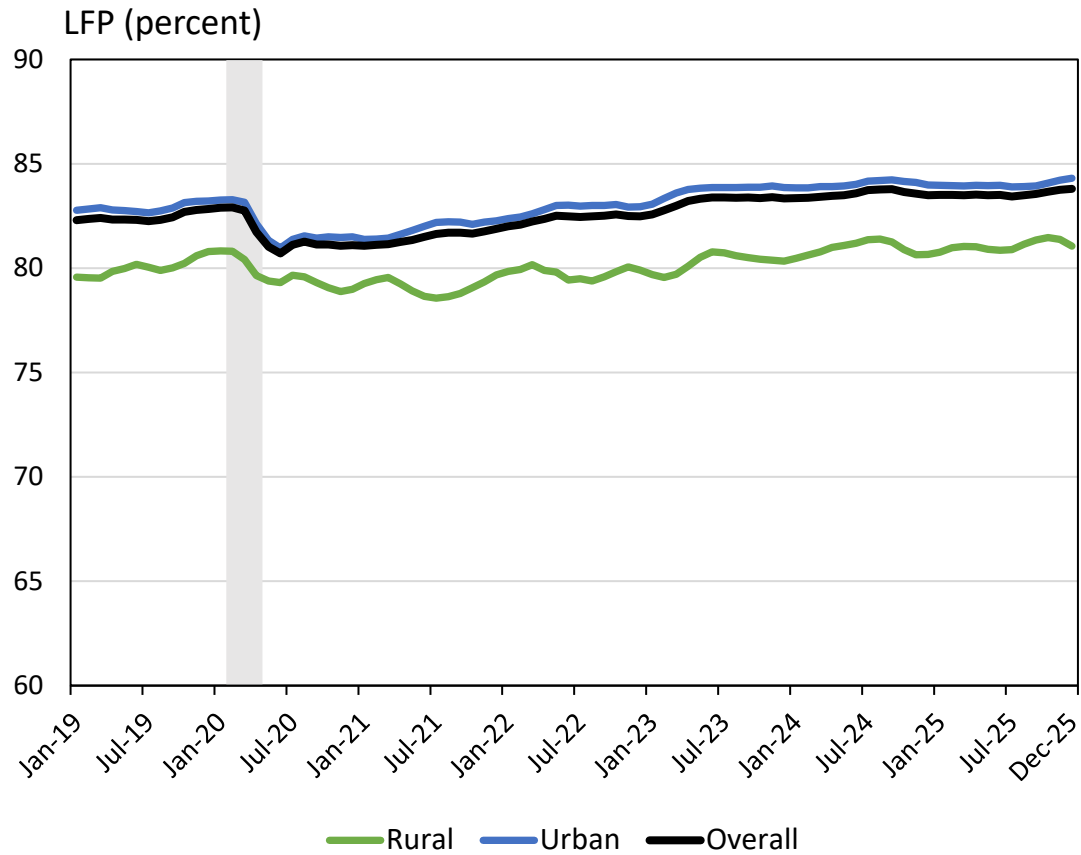
The race by gender gap is defined as the LFP of white men minus the LFP of women or men of the given race or ethnicity.

Labor Force Participation by Age

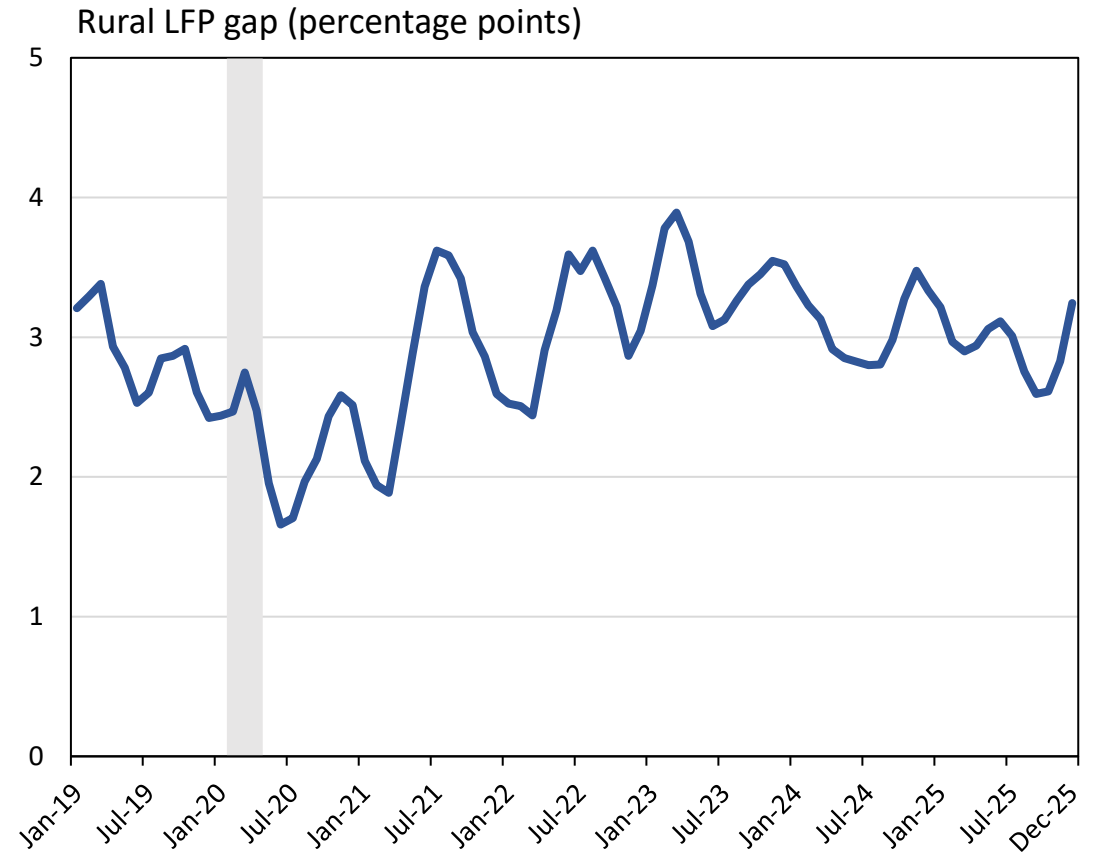


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
 Notes: Overall line uses prime-age (25-54) sample. Shaded region indicates the COVID-19 recession.

Labor Force Participation by Urban Status

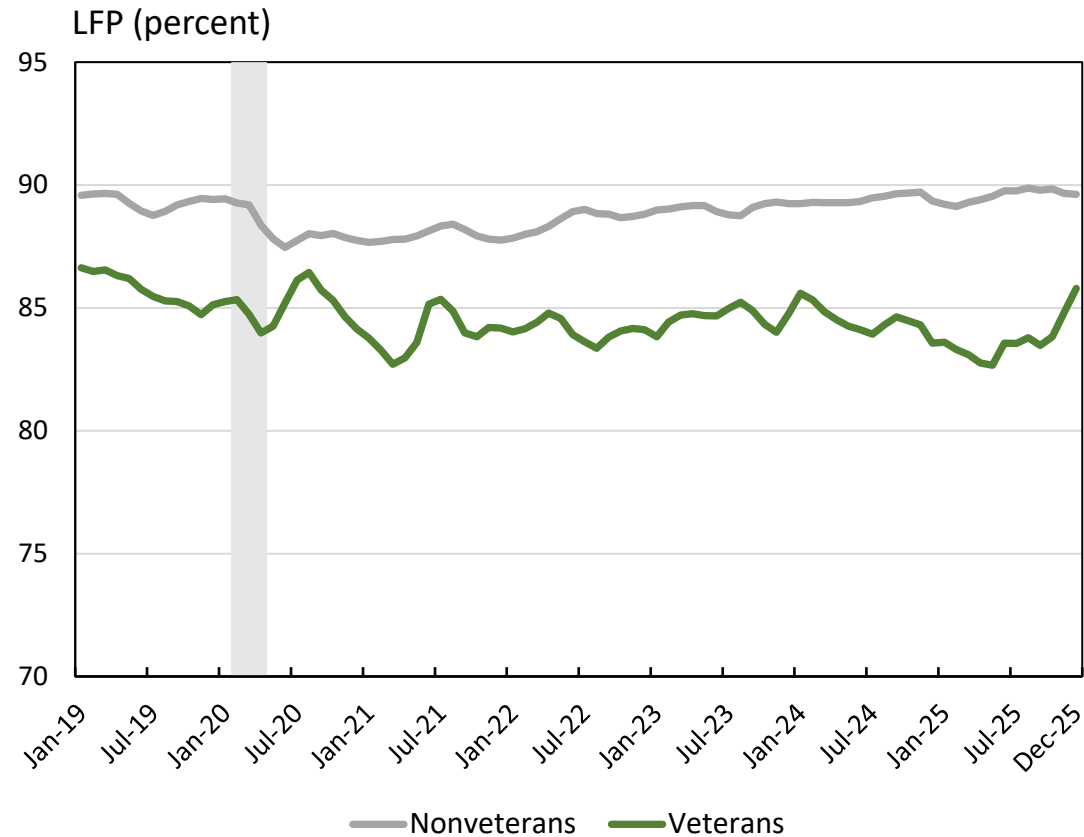


Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.



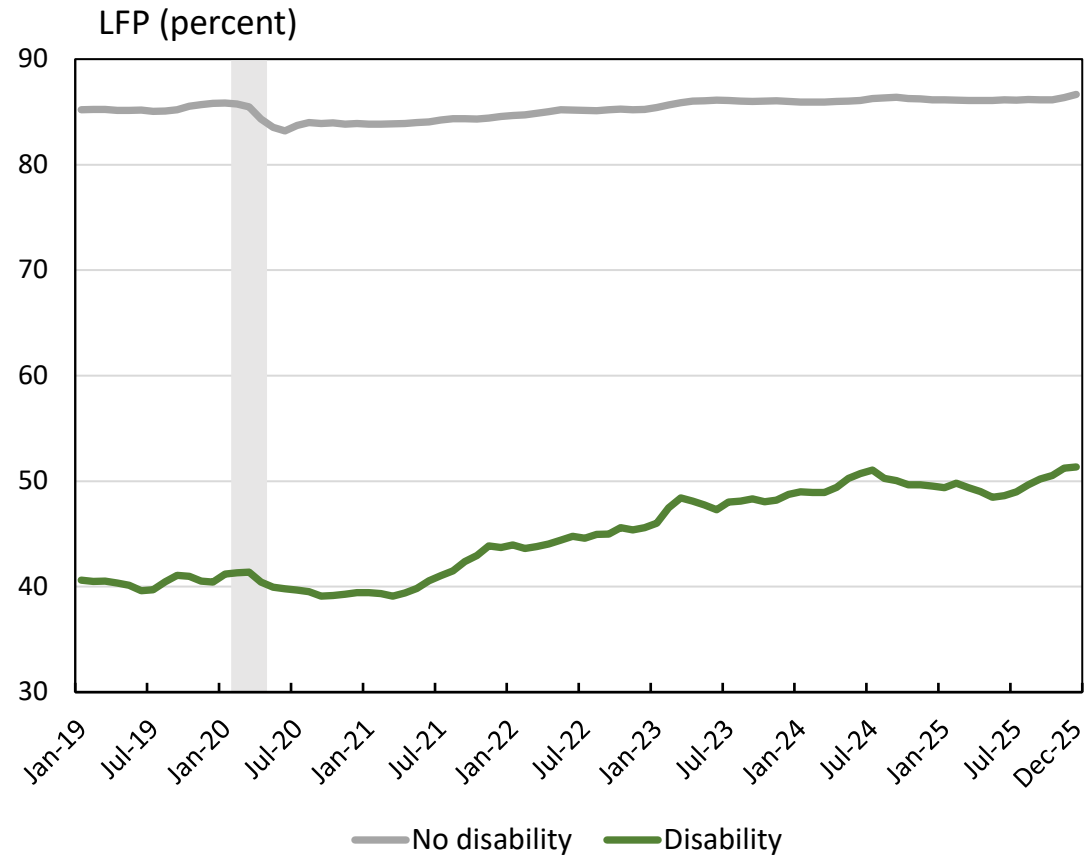
Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. The rural gap is the LFP of urban workers minus the LFP of rural workers.

Labor Force Participation by Veteran Status



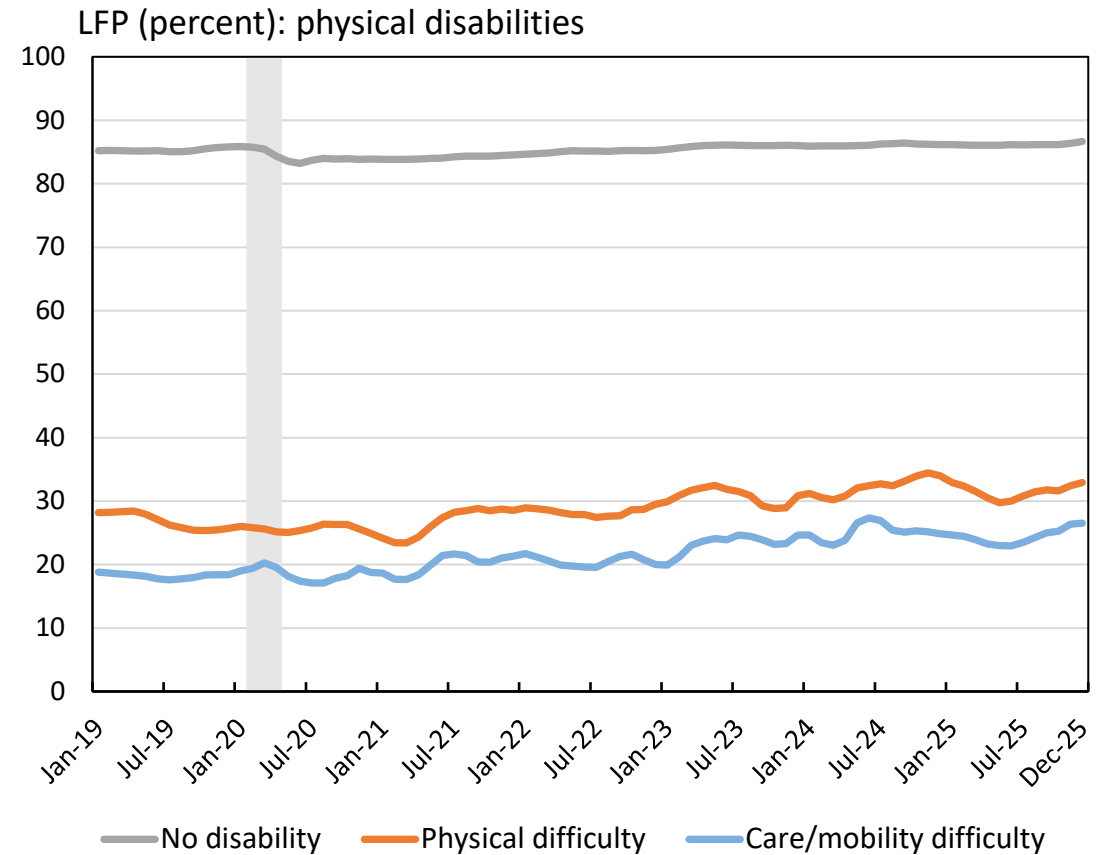
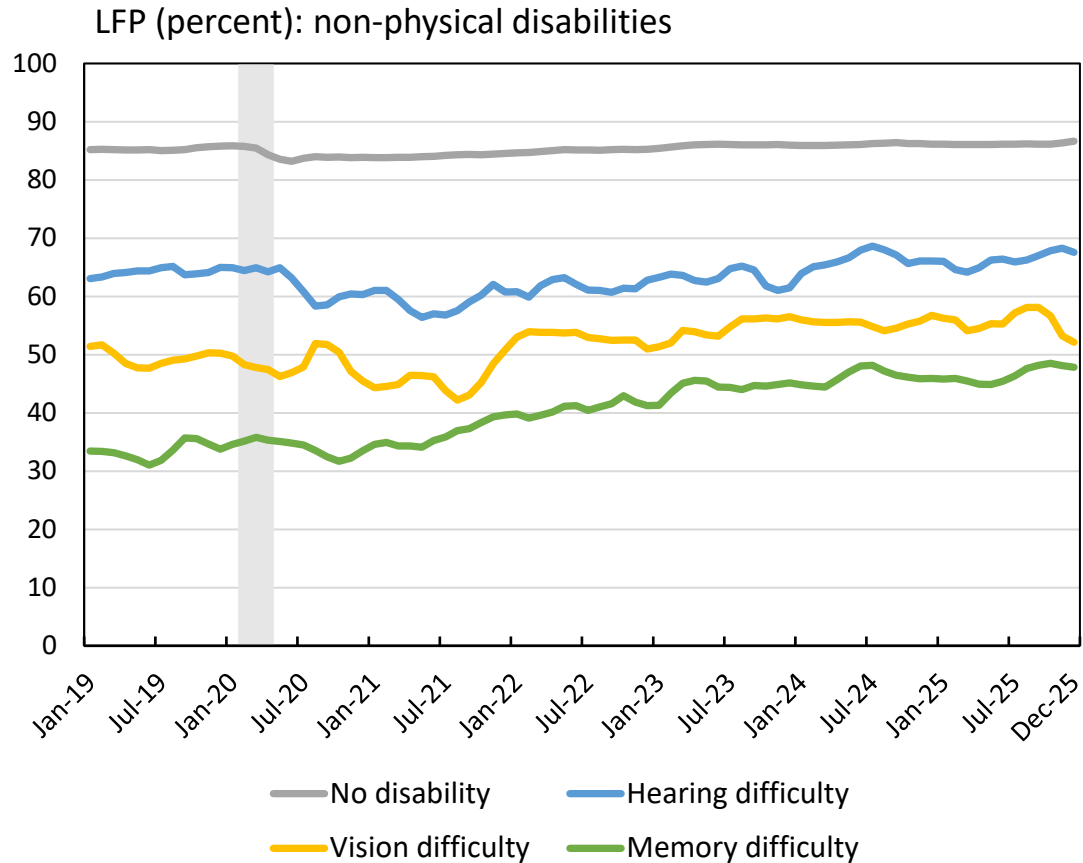
Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
 Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.

Labor Force Participation by Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.
 Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession.

Labor Force Participation by Type of Disability



Sources: U.S. Census Bureau/BLS - Current Population Survey (CPS) microdata; authors' calculations, three-month moving averages. The CPS covers the civilian noninstitutional population, which excludes active-duty members of the U.S. armed forces and people confined to, or living in, institutions or facilities.

Notes: Restricted to prime-age individuals (25-54). Shaded region indicates the COVID-19 recession. Those with a care/mobility difficulty have a physical or mental condition that makes it difficult to perform basic activities alone, both inside and outside the home. These two disabilities have been combined because they involve similar degrees of disability, and the combined category is more precisely estimated.