

Employers added 50,000 jobs in December, capping off slow 2025

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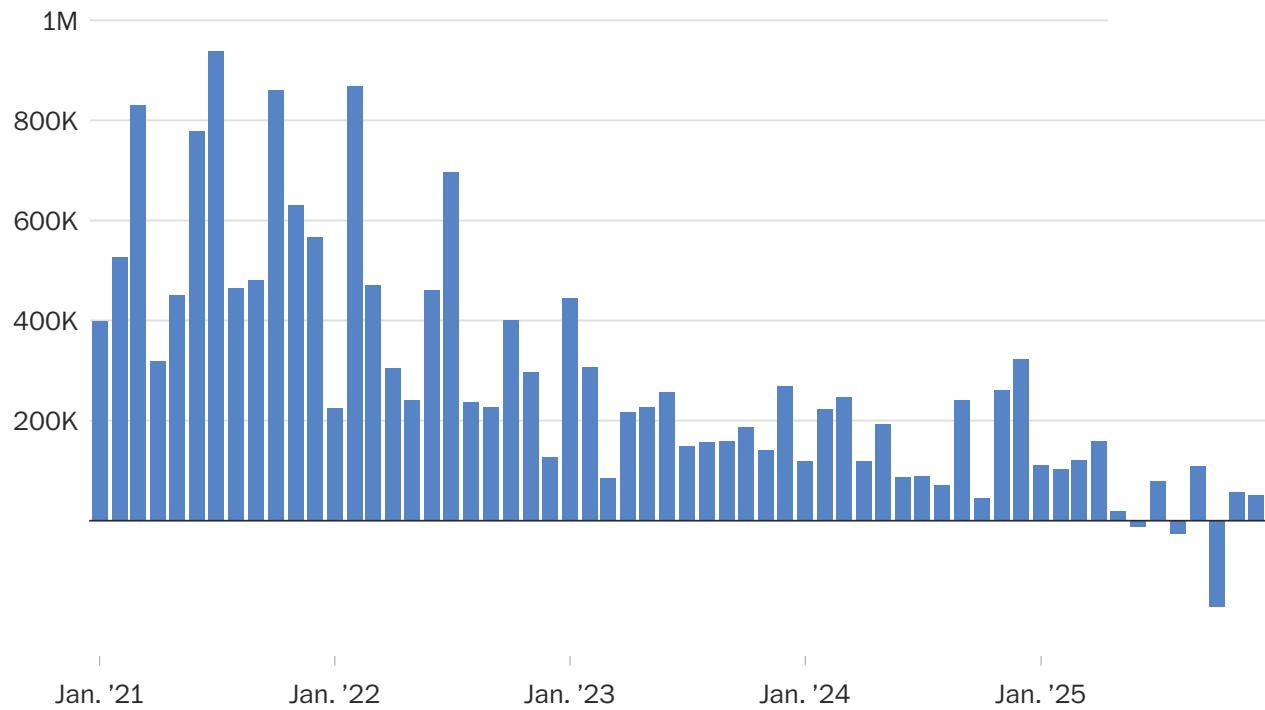
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By [Lauren Kaori Gurley](#)

Employers added 50,000 jobs in December, notching a moderate gain for the economy but ending the worst year for the labor market since the pandemic-era recession.

Monthly change in non-farm jobs



Seasonally adjusted; the figures for the most recent two months are preliminary

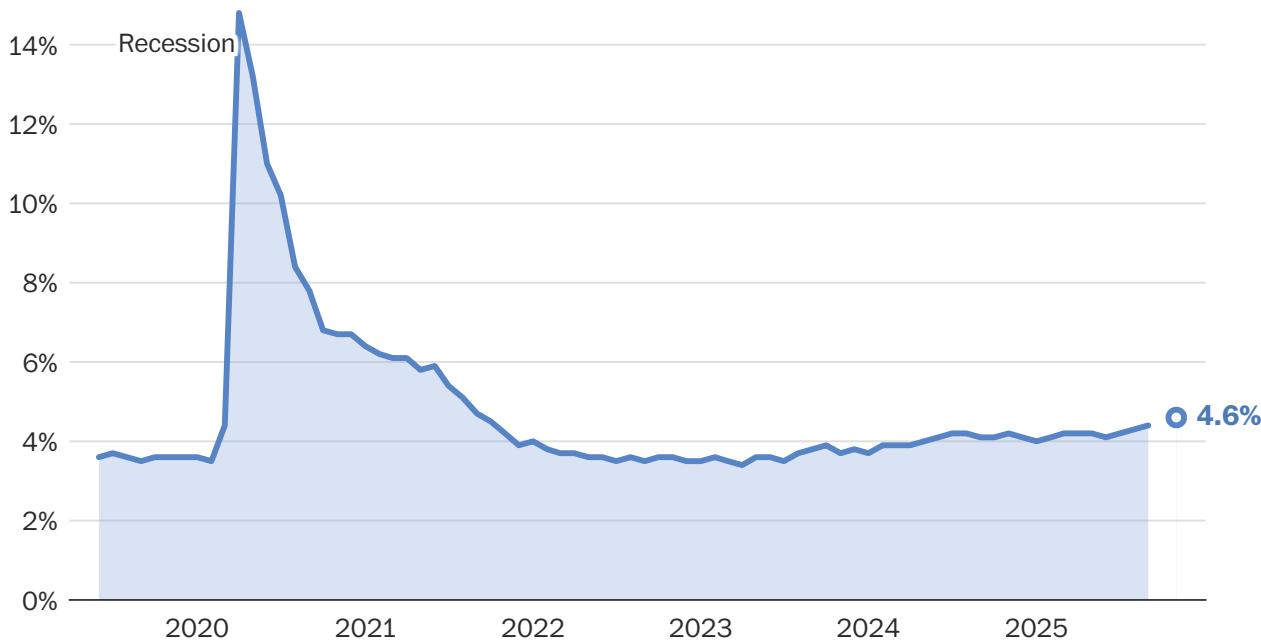
Source: Bureau of Labor Statistics

The unemployment rate ticked down to 4.4 percent, according to Labor Department data released Friday, as layoffs remains low despite meager job creation.

However, 2025 marked the fewest jobs gained for workers since 2020 and the second worst year since the Great Recession. Employers added 584,000 jobs in 2025, an average of 49,000 jobs per month in 2025. That's a significant drop from the 2 million jobs added over 2024 or 168,000 per month.

U.S. unemployment rate

Share of the labor force actively seeking jobs



Note: Seasonally adjusted

Source: [Bureau of Labor Statistics/FRED](#)

Job gains for October were revised down, showing the economy lost 173,000 jobs that month as tens of thousands of federal workers took a deferred resignation package. November job creation was also revised down slightly.

Meanwhile, wage growth picked up in December, beating inflation in a boost to workers' pocketbooks. Average hourly wages have risen by 3.8 percent over the past 12 months, to \$37.02 an hour.

"This was a miserable year for employment," said Diane Swonk, chief economist at KPMG✓ in an analyst's note. "It's a perfect storm of events. Over-hiring in the wake of the [pandemic] reopening which was a hiring frenzy. We've seen changes in trade and immigration policy both squeezed profit margin and limited the supply of workers and aging demographics. We're just at the beginning of all that really starting to bite."

Meanwhile, the unemployment rate climbed steadily this year, hitting a four-year high in November before dropping in December, partially due to workers exiting the labor market and the end of temporary layoffs related to the government shutdown in the fall.

“This is a very uncomfortable low unemployment rate,” said Swonk, noting that slow job creation means there isn’t much padding in the labor market if employers continue to hold off on hiring.

Economists had estimated that employers added some 73,000 jobs in December buoyed by a later-than-typical start to the holiday season and a hiring spree by federal law enforcement.

Still, the modest jobs gains and improving unemployment rate should ease labor market concerns at the Federal Reserve. Fed officials cut interest rates at three consecutive meetings at the end of 2025, signaling that they are more focused on cushioning a softening job market than fighting still stubborn inflation. The Fed will meet next at the end of January.

“It looks like the Fed can be on a wait and see mode,” said Beth Ann Bovino, chief economist at U.S. Bank, citing stronger wage growth and falling unemployment.

In 2025, the labor market weathered Trump administration policies better than expected by some economists and policymakers. Tariff and immigration enforcement policies are still rippling through the economy but layoffs appear to be contained for now, hitting a 17-month low in December, the consulting firm Challenger, Gray & Christmas said Thursday.

December job creation was concentrated in healthcare, restaurants and bars and social services. The retail sector lost jobs in December.

Economists did not expect a December bump in job creation to make up for a year that became increasingly gloomy as the months progressed.

“It’s more difficult to get a job right now, because corporate America looks to be in an extended hiring pause,” said Joe Brusuelas, chief economist at RSM US. “The duration of unemployment is slowly rising.”

The number of job openings hit the lowest level in more than a year and hiring slowed in November, according to a separate jobs report released Wednesday by the Labor Department.

“A lot of job openings are ‘ghost openings,’ ” said Dan North, senior economist for North America at Allianz Trade. “They’re positions that are posted that were never really meant to be filled unless a really awesome candidate comes along.”

The Trump administration’s aggressive immigration crackdown and deportation efforts could mean that fewer jobs are needed to keep the unemployment rate steady compared to previous years. Economists say it’s possible that around 50,000 jobs a month is enough to maintain a healthy labor market, as net immigration to the United States plummeted in 2025.

Brusuelas, the RSM economist, said that slowing job growth is also an effect of “the [hiring] pause that the corporate sector is engaged in as they assess the impact of their investment” in artificial intelligence. That could spell solid economic growth and corporate profits in 2026 even with a weak labor market.

“Corporations are rightsizing their workforce and they’re being rewarded for it in terms of their stock share prices,” Brusuelas said. “I think this is where we’re going to be at for a good period of time.”

In 2025, health care and social services buoyed the entire labor market, as demand from aging baby boomers grew. Economists warn that a labor market dependent on just one or two sectors remains more vulnerable to one-off shocks.

Elsewhere, hiring stagnated with the federal government leading job losses this year.

Fed Chair Jerome H. Powell warned in December that official statistics could be overstating job creation by 60,000 jobs a month, calling jobs data “a complicated, unusual and difficult situation.”

Abha Bhattarai contributed to this report.