



Labor Market & Economy Report

February 2026

Sharp insights for well-rounded people.

Actalent's monthly Labor Market and Economy Report connects important dots between data and trends in engineering and sciences. The report corresponds with the monthly release of the U.S. Bureau of Labor Statistics Employment Situation, though lends further insight into specific employment trends in engineering and sciences. Specifically, readers can expect to learn about:

- + Job growth in engineering and sciences by industry
- + Unemployment trends in engineering and sciences labor categories and industries
- + Labor force participation
- + Job quits and layoffs
- + Engineering and sciences employment trends by industry
- + Wages
- + Other important news stories impacting the labor market overall and engineering and sciences specifically



Jobs Lost in February

U.S. employment declined by 92,000 jobs in February. Healthcare employment declined, reflecting strike activity, while other major sectors such as construction and manufacturing also experienced declines.



Labor Force Participation Rate

New population estimates resulted in a downward revision to the LFPR, which was 62.0% in February. The estimated share of the population that is working or actively seeking work is lower than previous reports estimated.



Unemployment Rate

The unemployment rate increased slightly from 4.3% in January to 4.4% in February. Unemployment rates for STEM worker categories remain below 4.0%, indicating limited talent supply.



January Layoffs

Layoffs decreased to 1.6 million in January from 1.7 million in December (revised down from 1.8 million). Quits declined to 3.1 million from 3.2 million. Quits and layoffs data lag one month behind other employment data.

February 2026 Market Trends

A closer look at
unemployment by industry
and labor category



Overall Unemployment Rate

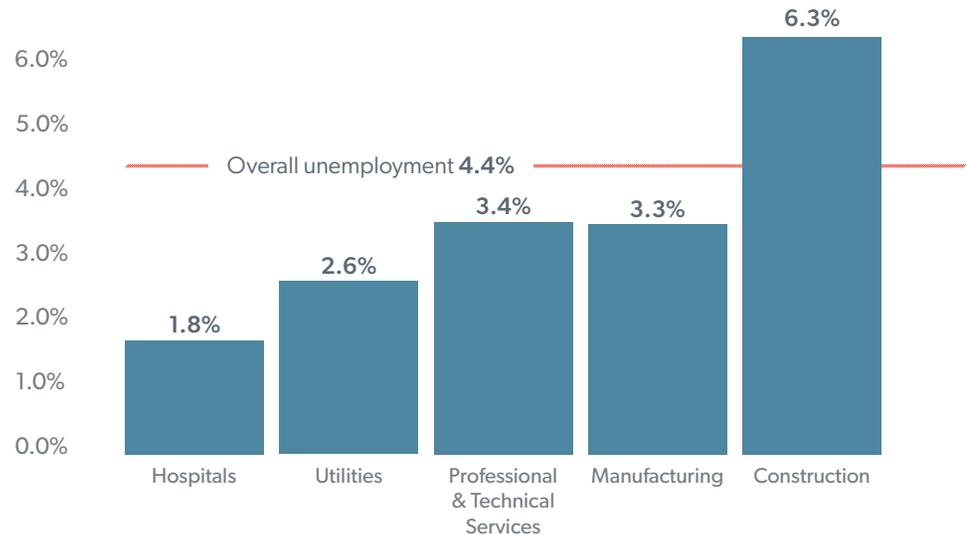


Unemployment Rate for
Degreed Workers

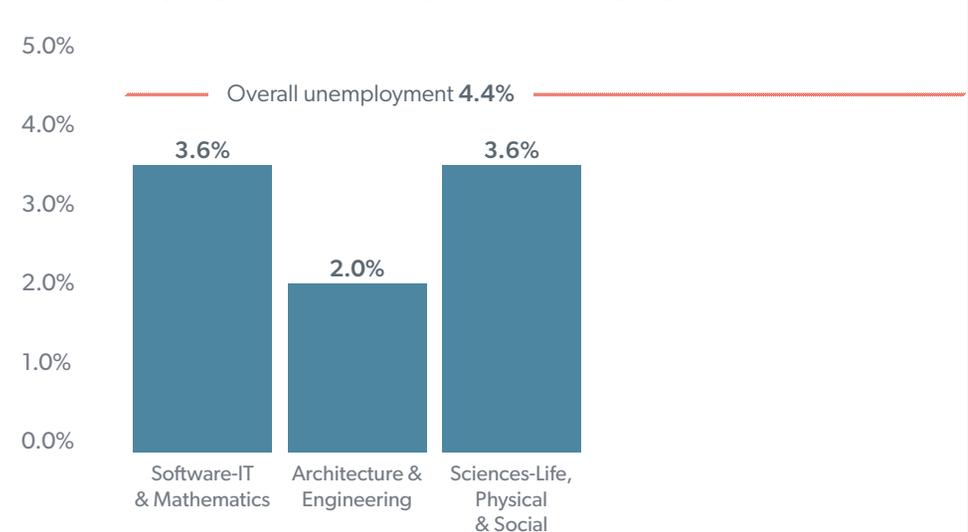


Ratio of unemployed workers
(Software-IT & Mathematics,
Architecture & Engineering,
Sciences) available per job
opening.

Unemployment rates by industry



Unemployment rates by labor category



Due to frequent data revisions and statistical noise on a month-to-month basis, Actalent employs a rolling 3-month average to best represent unemployment by labor category or industry.

Industry Trends

OVERALL ECONOMY

In February, U.S. employment fell by 92,000 jobs, and the unemployment rate ticked up to 4.4%. Healthcare, the largest contributor to recent job growth, declined due to strike activity, while other major sectors also posted losses. As part of its annual process, the BLS incorporated updated Census population estimates into the household survey. The update reflected a historic decline in net international migration, fewer prime-age men (ages 25–54), and an increase in women ages 65 and older. These adjustments increased the number of people not in the labor force by 1.2 million, reduced both the labor force and employment level by 1.4 million each, lowered the participation rate by 0.4 percentage points and the employment-population ratio by 0.5 percentage points, while leaving the unemployment rate unchanged.



UTILITIES

The anticipated uptick in utility capital expenditures is materializing, with Consolidated Edison (ConEd), Consumers Energy, Dominion Energy, DTE Energy, Duke Energy, Evergy, Exelon, FirstEnergy, PPL and Southern Company outlining spending plans during February earnings calls. According to Utility Dive, firms' priorities include large load tariffs, transmission, grid hardening, wildfire mitigation, gas-fired generation, renewables and energy storage. At \$103 billion, Duke Energy's five-year capital plan is the largest among regulated utilities and includes upgrades to existing infrastructure and new builds to support customers as large new loads are added. Data center growth is not the sole driver of expansion; for example, most of ConEd's near-term load growth expectations are related to building and transportation electrification.



CONSTRUCTION

Private nonresidential construction spending declined 1.8% year-over-year (YoY) in December (latest data available), driven by an 11.4% drop in manufacturing, while public nonresidential spending rose 3.4% YoY, with strong gains in sewage and waste disposal, water supply and conservation and development. Manufacturing-related spending could decline for several quarters due to trade policy uncertainty and fading CHIPS Act impacts, according to ABC. Despite these headwinds, several large projects broke ground and major contracts were awarded in February, including multibillion-dollar data centers, healthcare facilities and logistics investments supporting thousands of construction jobs nationwide. Notably, Meta's \$10 billion data center in Indiana is expected to support about 4,000 construction jobs at peak.



ARCHITECTURE & ENGINEERING

The latest AIA Architecture Billings Index indicated slowing business conditions among architectural firms, with most survey respondents reporting declines in billings, new project inquiries and values of newly signed design contracts. On the other hand, ACEC Research Institute's Q1 2026 Engineering Business Sentiment report found strong conditions among engineering firms, although the industry is experiencing stabilization more than rapid acceleration. Labor shortage pressures have eased slightly among engineering firms, but 65% still expect hiring to increase in the next year, and one in five firms report that 10% or more of their positions are unfilled, threatening their ability to expand. 89% of firms reported an increase in the average salary for existing employees in the past year, with an average increase of 6%.



MoM = Month over month
YoY = Year over year

Industry Trends, continued

AEROSPACE & DEFENSE

Submarine manufacturer General Dynamics Electric Boat reportedly plans to hire 8,000 new employees in 2026, including at least 1,000 engineering-design roles, many of which it has already begun posting. To strengthen future talent pipelines, many defense firms are investing in workforce development. Electric Boat is offering paid jobs with structured on-the-job training to high school graduates, while Lockheed Martin recently opened its LAUNCH Career Center in Alabama to provide students with work-based learning programs. Meanwhile, defense demand is intensifying. Northrop Grumman and the U.S. Air Force are accelerating B-21 Raider production capacity, and Raytheon has entered several agreements to increase munitions output while investing in its workforce to sustain such high production rates.



HEALTHCARE

Healthcare employment fell by 28,000 jobs in February, largely reflecting a four-week strike by over 30,000 UNAC/UHCP workers which ended late in the month. Gibbons Advisors reported that overall healthcare bankruptcy filings fell 21% from 2024 to 2025, though hospital filings rose 60% (from 5 to 8 filings). Pharmaceutical filings have declined (10 in 2025 versus 20 in 2023) but still account for roughly one-quarter of total filings. The report highlights ongoing headwinds, such as financial pressures, high labor costs and workforce shortages. Financial stress often constrains health systems' ability to hire more staff. Indeed Hiring Lab found that, despite a broader pullback in signing bonuses, healthcare continues to utilize them. In 2025, 8.1% of medical technician postings offered signing bonuses, compared with 3% of all U.S. job postings.



SCIENTIFIC R&D

Restructuring, site closures and shifting market demand drove February layoff announcements across the life sciences sector, including GSK (fewer than 70 U.S. workers), Thermo Fisher (up to 80), Integra LifeSciences (65), Medtronic (81), Bristol Myers Squibb (247) and Merck (150+). As patent expirations loom, Merck is splitting its Human Health business into two units, while GSK is leaning on its HIV portfolio and AstraZeneca on its oncology business. Others are partnering with AI companies to accelerate drug discovery. Meanwhile, Novartis broke ground on a new San Diego research facility slated to support 1,000 jobs by 2029, and Johnson & Johnson announced a \$1 billion cell therapy manufacturing site in Pennsylvania, generating more than 4,000 construction jobs and 500 biomanufacturing roles.



AUTOMOTIVE

Automakers have spent the last year recalibrating after an aggressive EV buildout. In February earnings presentations, GM, Ford, Stellantis and Honda disclosed billions in EV-related write-downs, while tariffs added further financial pressure. Ford reported a \$2 billion net tariff impact in 2025, and Honda forecast a ¥310 billion (\$1.98 billion) hit for its fiscal year ending March 2026. While automotive employment declined by 1,600 jobs in February and is down 3.1% year-over-year, job postings rose 4% month-over-month, led by companies such as GM, Tesla, Ford and Stellantis. Postings increased for software, full-stack, machine learning and quality engineering roles, suggesting OEMs are selectively adding headcount in strategic growth areas or backfilling critical positions.



C&IP *Manufacturing of Durable Goods, Technology, Chemicals, Food Products, etc.*

Early signs of stabilization have emerged in the manufacturing sector, though the outlook remains clouded by economic uncertainty. ISM and S&P Global manufacturing indexes showed modest expansion in February. U.S. manufacturing output rose 0.6% in January, the largest monthly gain since February 2025, with growth across industry groups. Still, manufacturing employment fell by 12,000 jobs. The Supreme Court struck down tariffs enacted under the IEEPA, and the president imposed a temporary 10% global tariff shortly after. With trade policy still in flux, many manufacturers remain cautious, delaying major capital investments and holding back on significant hiring plans.



MoM = Month over month
YoY = Year over year

Wages in the United States

How they've changed

+2.4%



Consumer Price Index

The consumer price index (CPI), a measure of inflation, increased by 2.4% for the 12 months ending February, essentially unchanged from the CPI in January. "Core" inflation (all items excluding volatile food and energy categories) increased by 2.5% year-over-year. Inflation remains above the Federal Reserve's 2.0% target, which could result in continued hesitancy around cutting interest rates at its next meeting.

+3.8%



Wage Increases

Average hourly earnings increased by 3.8% for the 12 months ending February. This was slightly higher than January's year-over-year increase of 3.7%.

+1.4%



"Real" Earnings

Real average hourly earnings increased by 1.4% between February 2025 and February 2026. In other words, despite average hourly earnings increasing by 3.8% year-over-year, workers may only feel as if they're making about 1.4% more, on average, due to inflation.

References

Read more about trends in Engineering & Sciences

UTILITIES: [Utilities' spending spree continues...; ConEd eyes \\$38B in capital spending through 2030; Consumers Energy \\$17B Plan; Dominion Energy \\$65B Plan; DTE Energy \\$36.5B Plan; At \\$103B, Duke claims largest spending plan of any regulated US utility; Evergy \\$21.6B Plan; Exelon \\$41.3B Plan; FirstEnergy \\$36B Plan; PPL \\$23B Plan; Southern Company \\$81B Plan](#)

CONSTRUCTION: [Monthly Construction Spending, December 2025; Nonresidential Construction Spending Plunges in December, Says ABC; Tippmann Group and Ahold Delhaize USA Break Ground...; STACK Infrastructure Announces Data Center Developments...; Amazon to invest \\$12 billion in first data center campuses in Louisiana; Mortenson, Turner win \\$10B Meta Data Center in Indiana; PCL Construction to build North Dakota's largest power plant for Basin Electric](#)

ARCHITECTURE & ENGINEERING: [ABI January 2026: Billings remain soft to start 2026; ACEC Research Institute Engineering Business Sentiment Q1 2026](#)

AEROSPACE & DEFENSE: [EB to hire 8,000 this year; GDEB Careers – Engineering & Design; GDEB Application Days; LAUNCH Career Center hosts grand opening celebration; DAF increases B-21 Raider production capacity...; RTX's Raytheon partners with Department of War...](#)

HEALTHCARE: [Kaiser Permanente workers end monthlong strike in California, Hawaii; Healthcare Bankruptcy Filings Decline for a Second Consecutive Year; Healthcare Hiring Keeps Signing Bonuses Alive in a Cooling Labor Market](#)

SCIENTIFIC R&D: [GSK plans to lay off up to 350 R&D workers across US, UK; Thermo Fisher trims Mass. head count with Franklin site closure; Integra LifeSciences Reduces Staff in Latest Medtech Downsizing; Medtronic to cut 81 employees at California diabetes site; Bristol Myers Squibb discloses 247 more layoffs in NJ \(updated\); Merck to wind down Gardasil production at N.C. plant, lay off 150-plus; Merck Evolves Human Health Operating Structure to Support Portfolio Execution; GSK's oncology and HIV drugs drive 7% sales rise in 2025; AstraZeneca bets on continued oncology demand for 2026 growth; Pharma eyes AI deals to stem lost revenues from patent expirations; Novartis breaks ground on new global Biomedical Research center in San Diego...; Johnson & Johnson Expands U.S. Footprint...](#)

AUTOMOTIVE: [Automakers regroup as market shifts after \\$50 billion EV debacle; EV reckoning drags Ford to worst loss since Great Recession; Honda's mounting EV losses force 'fundamental review'...; Earnings roundup: Tariffs hit automaker profits; Lightcast Job Posting Analytics](#)

C&IP: [February 2026 ISM® Manufacturing PMI® Report; S&P Global US Manufacturing PMI®; Industrial Production and Capacity Utilization; Tariff Tumult Risks Torpedoing Factory Recovery](#)

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