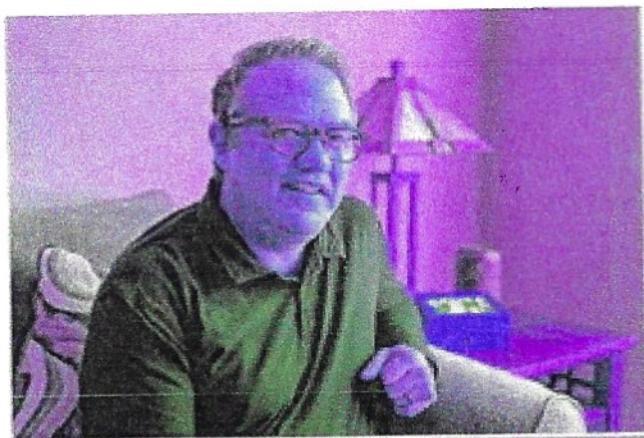


WSJ Print Edition



Monique Battiste, above, in her Dallas home, holds several jobs. Jeff Lind, at left, says he has applied to more than 800 roles without luck, including hourly delivery and retail jobs. FROM LEFT: MOIRA LIND, SHELBY TAUBER FOR WSJ

Job Seekers Feel Stuck in Stagnant Labor Market

BY TE-PING CHEN

America's unemployment rate is low. But so is its job growth. That means Americans without stable, full-time work are locked out of a job market that has settled into a low-hire, low-fire stasis.

Job data released last week shows that the U.S. entered the new year with an unemployment rate of 4.4%, after the lowest monthly pace of job gains outside a recession since 2003. People without jobs are enduring longer searches, and millions of people are stringing together multiple gigs to get by.

Monique Battiste's workday isn't what she imagined when she completed two masters degrees in human-resources management and marketing.

By 4:30 a.m., she arrives at a client's Dallas apartment to lead an hour-long personal training session. She speeds home by 6 a.m., takes her 10-year-old daughter to school, tries to nap, then logs online at 9 a.m. to work as a part-time marketing assistant. At 3 p.m., she is back at school to pick up her daughter. She prepares dinner, then hurries to an Amazon warehouse for a 6½-hour shift. Her workday ends at 10:30 p.m.

"It's very tiring, it's not healthy, but there's nothing else I can do," said Battiste, 40, who lost her full-time job as a senior marketing specialist nearly a year ago.

Note

Last month, more than 5.3 million Americans were working part time because they couldn't get more work. Though the number was down from November, the year ended with about 3.1% of the U.S. labor force stuck in these parttime jobs, up from 2.6% 12 months earlier.

Note

For those out of work, the median unemployment time reached 11.4 weeks in December, the highest level since December 2021. And job seekers who have been out of work for 27 weeks or more now make up 26% of all unemployed workers, up from 22% a year ago.

"It's not a robust job market by any means," said Mike Taiano, vice president of the financial institutions group at Moody's Ratings. "It looks like a stagnated labor market."

Corrie O'Banion, 39, lost her \$120,000-a-year job administering federal grants for a federal contractor last February. In September, she took a fulltime job as a paraprofessional for a local school, making just \$14 an hour. Her husband, who does cable and security system installations, has struggled to find a job after recovering from a 2024 workplace injury.

The family, which includes five children ages 7 months to 18 years, now relies on food stamps. "We can't live off \$1,300 a month for seven people forever, it's not gonna happen," said O'Banion, who lives in Pawhuska, Okla. For Christ--mas, they gave handmade gifts like a puppet theater and downloaded free Star Trek fan fiction.

The cost of being out of work so long tends to compound over time, as workers miss out on the chance to contribute to retirement accounts, dip into savings and lose opportunities to develop skills that can translate into higher pay. "There are long-term scarring effects," said Brad Hershbein, senior economist at the W.E. Upjohn Institute for Employment Research.

Until October 2024, Jeff Lind, 55, made \$250,000 as a head of institutional sales for an injectable-drugs maker. Since getting laid off, he has joined a networking group for people who have held the title of director or above. It has "become an emotional support group," he said.

To date, he has applied to more than 800 roles without luck, including hourly delivery and retail jobs. To cover his bills, he has taken \$100,000 out of his 401(k), paying \$40,000 in taxes and early-withdrawal penalties.

"I'm at the age where I'm supposed to be making the most and really contributing to my future and my household's future, and it's just not happening," said Lind, who lives outside Chicago.

Pessimism among white-collar professionals has risen as high-profile employers have announced big job cuts, with some executives saying they anticipate artificial intelligence can do more workers' jobs. Among workers age 25 and older with a bachelor's degree or more, 2.8% are now unemployed, up from 2.5% a year earlier.

In some ways, today's economy is "a story of two labor markets," said Robert Shimer, a University of Chicago economics professor. Those who have jobs, houses and investments are holding on to them and continuing to spend. At the same time, though, those struggling to find work are feeling the squeeze, trying to hold on to what they have.

Glenn Jones, 33, worked his way up with nothing more than a high-school education to a sales job that paid \$90,000 a year. But he has been relying on periodic gig work and family help since a layoff in May 2024, and he's worried about keeping up with his \$2,400 monthly mortgage.

His home, which he purchased in 2018, has "turned from this huge blessing into this huge fear I have on my shoulders," Jones said.

He has applied to over 1,000 jobs and counting, including DoorDash. He said the food-delivery company put him on a waiting list, since there were too many interested drivers in his area.

"We just want work," Jones said. "Any work."

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