




ANNUAL JOBS REPORT 2025

Work in Motion is your front-row
seat to the forces reshaping work

 employment hero

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A note from our CEO

Ben Thompson
CEO, Co-Founder,
Employment Hero



When I first started my career, I didn't set out to work in employment. My plan was to build a technology-focused law firm. But very early on, a conversation with my father, who spent his career in HR, sent me down a very different path. He encouraged me to speak with small and medium-sized business owners who were his clients. So I did. I asked each of them a simple question: "What keeps you up at night?". To my surprise, nearly all of them gave the same answer: employment.

That moment changed everything for me. I realised that the people driving job creation in our economy, the very businesses that fuel growth, were fearful of employing people because of the complexity, cost and risk involved. That didn't sit right with me. So I shifted from my original ambition to focus on helping business owners navigate these challenges. Over time, that passion grew into a vision for something bigger: a world where employment could be easier, fairer and more valuable for everyone.

Fast forward to today, employment is more complex than ever but it's also more dynamic, interconnected and full of possibility. Across Australia, the UK, New Zealand and Canada, we see the same forces reshaping work on a global scale. Rising living costs are pushing employees to work multiple jobs or rethink their career paths and strategies. Younger generations, especially Gen Z, are looking at new ways to strategise their career paths, while employers everywhere are under pressure to adapt. They're competing for talent, managing productivity and responding to workforce expectations that are changing faster than ever before.

"Employment has always been at the heart of thriving economies and thriving people. It's been my life's work to make it easier, fairer and more valuable for everyone."

At Employment Hero, we have a unique vantage point. Our platform allows us to see both sides of the employment marketplace: how businesses are responding to these pressures and how employees are adapting in real time. By combining our first-party data from hundreds of thousands of businesses with insights from thousands of employees through our YouGov survey, we've built a comprehensive view of the forces driving change. That's what makes this *Annual Jobs Report* so valuable. It doesn't just capture what's happening, it reveals where we're heading next.

This year's findings show a workforce under pressure but also full of resilience and reinvention. Employees are adapting, businesses are innovating and the future of work is being rewritten before our eyes. While no two regions face exactly the same challenges, the themes are strikingly consistent: rising costs, shifting priorities, greater mobility, AI uncertainty and a shared desire among employees and employers to create workplaces that work better for everyone.

Employment has always been at the heart of thriving economies and thriving people. It's been my life's work to make it easier, fairer and more valuable for everyone, and the changes we're seeing today only make that mission more urgent than ever.

This report offers businesses and employees a guide to what's coming next in the employment marketplace. My hope is that it gives you clarity, sparks new ideas and helps you prepare for the opportunities and challenges ahead. ■

The Annual Jobs Report 2025

WORK IN MOTION

The world of work has never existed in isolation. Each headline that dominates the news cycle, whether geopolitical conflict, economic turbulence or technological breakthrough, ripples into the ways we live and earn.

Over the past twelve months, those ripples have become waves, with wars and shifting trade routes and reshaping supply chains and rising interest rates altering how households and businesses spend, save and plan. At the same time, the rapid rise of AI has disrupted every industry, forcing businesses and workers to adapt. It's a reminder that change is no longer on the horizon but already here.

The Employment Hero Annual Jobs Report is created from first-party data from across Australia, New Zealand and the UK. It provides an aggregated, anonymised real-time view of employee records from 350,000 small and medium-sized businesses employing over 2 million people across these three markets.

To this, we've added a snapshot of the lived employee experience, captured through a nationally representative YouGov survey of 3,635 workers across Australia, New Zealand, the UK and Canada, conducted in August 2025.

To bring the numbers to life, the report also includes case studies and personal stories from employees and employers navigating these shifting realities across all four markets.

Together, these perspectives offer a human portrait of work under pressure, but full of possibility. *The Annual Jobs Report 2025: Work In Motion* reveals where we stand today and charts where the world of work is heading next.

Into the cooker

At first glance, the data tells an encouraging story. Across Australia, New Zealand and the UK, employment is rising year-on-year (YoY): up 5.8% in Australia, 2.4% in New Zealand and 2.6% in the UK. Wages, too, are moving in the right direction: up 4.6% in Australia, 3.9% in New Zealand and 2.7% in the UK.

But a closer look reveals a more complex reality. In the UK, employment growth has slowed significantly throughout 2025. In Australia, wage growth is steady, but the pace lags far behind 2024. And when we listen to workers themselves, the story becomes more sobering still.

Amid a global cost-of-living crisis, employees' time is stretched-thin. Thirty-eight per cent report working extra hours to keep up, while one in three now hold more than one job just to earn enough.

Confidence in the labour market is fragile: nearly half of workers (45%) in Australia, New Zealand, the UK and Canada don't believe they could secure a new role within three months if they lost their current one. For a quarter of workers, AI is adding to the anxiety, with many believing that automation is eroding job opportunities already.

Small business owners feel the pressure too. In the UK, Anthony, founder of Qahwa House café, says rising costs and wage pressures mean he can't afford to expand his team. "Even with a loyal customer base, keeping the lights on and the doors open each month is a struggle," he admits.

It's little wonder that six in ten workers now prioritise security over ambition. The global pressure cooker is heating up and the numbers only tell part of the story.

Welcome to 'the multiverse': the multi-job market

The once-revered "job for life" disappeared long ago. Now, in a market straining under cost pressures and uncertainty, even the era of the 'single job' looks to be fading.

Our YouGov survey data show that one in three workers globally now hold more than one job to make ends meet. The highest rates appear in Canada (36%), with Australia (34%) and New Zealand (33%) close behind. Even in the UK, where regulations make multiple jobs less accessible, 21% of employees are juggling more than one role.



Young workers are leading this phenomenon: 47% of 18–24-year-olds are holding down more than one job. Yet the trend stretches far beyond early-career professionals: 20% of workers aged 55+ also say they've taken on additional work, often to cope with rising costs. As The Organisation for Economic Co-operation and Development (OECD) recently noted, "real wages have not kept pace with inflation in many economies, leaving households with less purchasing power despite headline wage growth."

In Australia, 32-year-old Liam exemplifies this new reality. A full-time instructional designer at one of Australia's biggest banks, he also spends evenings tutoring high-school students and developing training guides for music classes. "There's just no way we can afford the life we want in Sydney without extra income," he says.

Across our small and medium business (SME) dataset, the trend is clear. Part-time hours are up 1.3% year-on-year in Australia and 3.8% in New Zealand. Hours are up 3.1% in the UK, especially in retail, hospitality and tourism. As the International Labour Organization has warned, "non-standard work is becoming a defining feature of modern labour markets." For employers, that means confronting a new reality: the multi-job worker may soon be the norm, not the exception.

Release the pressure

Across markets and age groups, a consistent trend is emerging: stress and pressure are out, balance and ease are in. Workers are pushing back against the traditional career ladder – where every step brings more responsibility and higher stakes – and seeking jobs that allow them to follow a more manageable path.

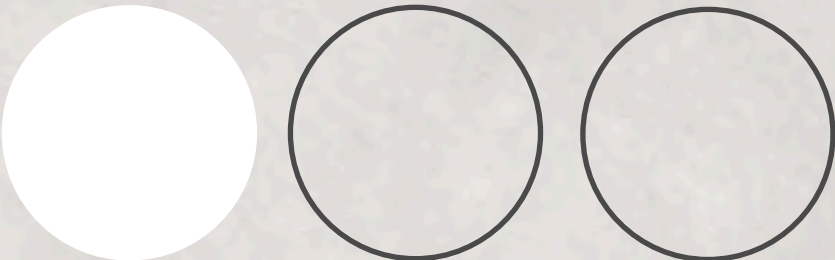
Confidence in the labour market is fragile

More than half of employees across Australia, New Zealand, the UK and Canada (56%) say they want a job "without too much pressure and responsibility." Just 19% disagree. The sentiment is strongest in Australia, where over 60% of workers reject high-pressure roles.

The desire for lower-pressure jobs isn't limited to experienced employees. It's consistent across age groups, with younger workers (18–24) just as likely to agree. Even 60% of those in their professional prime (25–34) agree, making this cohort the most likely to seek less stress at work.

According to Gallup's State of the Global Workplace 2025 report, 42% of employees globally report experiencing symptoms of burnout. Meanwhile, Deloitte's Global Human Capital Trends 2025 report indicates 68% of employees – and 81% of Gen Z workers – have left a job for mental health reasons, either voluntarily or involuntarily.

THE NEW NORMAL
1 IN 3 PEOPLE
NOW WORK
MULTIPLE JOBS



For today’s workers, the bottom line is clear: no salary or promotion is worth the long-term cost on health or wellbeing. Globally, the workforce is split on whether it's about working hard now for the future or working less now to enjoy other things. Four in ten favour the latter approach, further suggesting a desire for balance and healthier ways of working.

We found that people’s views on this topic are likely to be influenced by their perception of the market. Those who are not confident they would find another role in three months, if they needed one, are more likely to want to work less now to enjoy other things. If workers feel stuck in their current roles, the incentive to make the most of life outside work grows stronger.

Against a backdrop of economic and political turbulence, employees are re-examining their relationship with work and placing greater value on enjoying the present than the promise of future reward.

Security reigns supreme

Stability is a top priority for today’s workforce, with six out of ten (59%) globally valuing job security over ambition. As a result, the concept of the “ideal job” is shifting. When asked to choose just one type of business they would prefer to work for out of a list of options, only 1% selected “a startup”.

It’s a strikingly low figure for an option that many might expect to be popular. However, given the focus on security among today’s workers, it’s not especially surprising.

Even in stronger economic conditions, startups are vulnerable to significant challenges. According to Failory, 70–90% of new businesses fail within the first decade, with startup failure most common between years two and five.

In today’s market, joining a startup may simply feel too risky for many. Self-employment and entrepreneurship, on the other hand, tell a different story.

Being a business owner is the ideal job for 22% of workers, making it the most popular choice. The idea of a startup clearly holds strong appeal for people when they think about creating a business of their own.

More than a career path, being a business owner is aspirational. The appeal of self-employment spans generations: 18–24 year-olds and those aged 55+ were most likely to choose this option in our survey, 25% and 29% respectively. Studies indicate that the average age of founders in successful, fast-growing tech companies is around 45, and that a 50-year-old founder is nearly twice as likely as a 30-year old to achieve significant success.

Of course, not everyone wants to work independently: 30% would prefer a role in a small or mid-size business or a large corporation, indicating that traditional employment isn’t in any danger of going out of style.

These shifts in motivation naturally influence what workers prioritise in the jobs they pursue. Alongside salary increases, for 18–24s, passion and interest in their industry drive decisions, while older workers focus on control over their work life, including flexible hours.

Understanding these priorities helps explain how the “ideal job” is evolving in line with broader attitudes toward security, autonomy and work-life balance.

Gen Z are drafting a blueprint for the new workforce

To anticipate the future of the workforce, we need look no further than Gen Z: the 18–24 year-olds starting their careers at this unique moment in work culture.

Our data shows this cohort is highly open to change and willing to take bold steps to achieve it. Half of 18–24s (50%) agree they’d like a career change where they’d do something completely different, compared with 35% of the total population. Of this age group, two in three aren’t content with their current job.

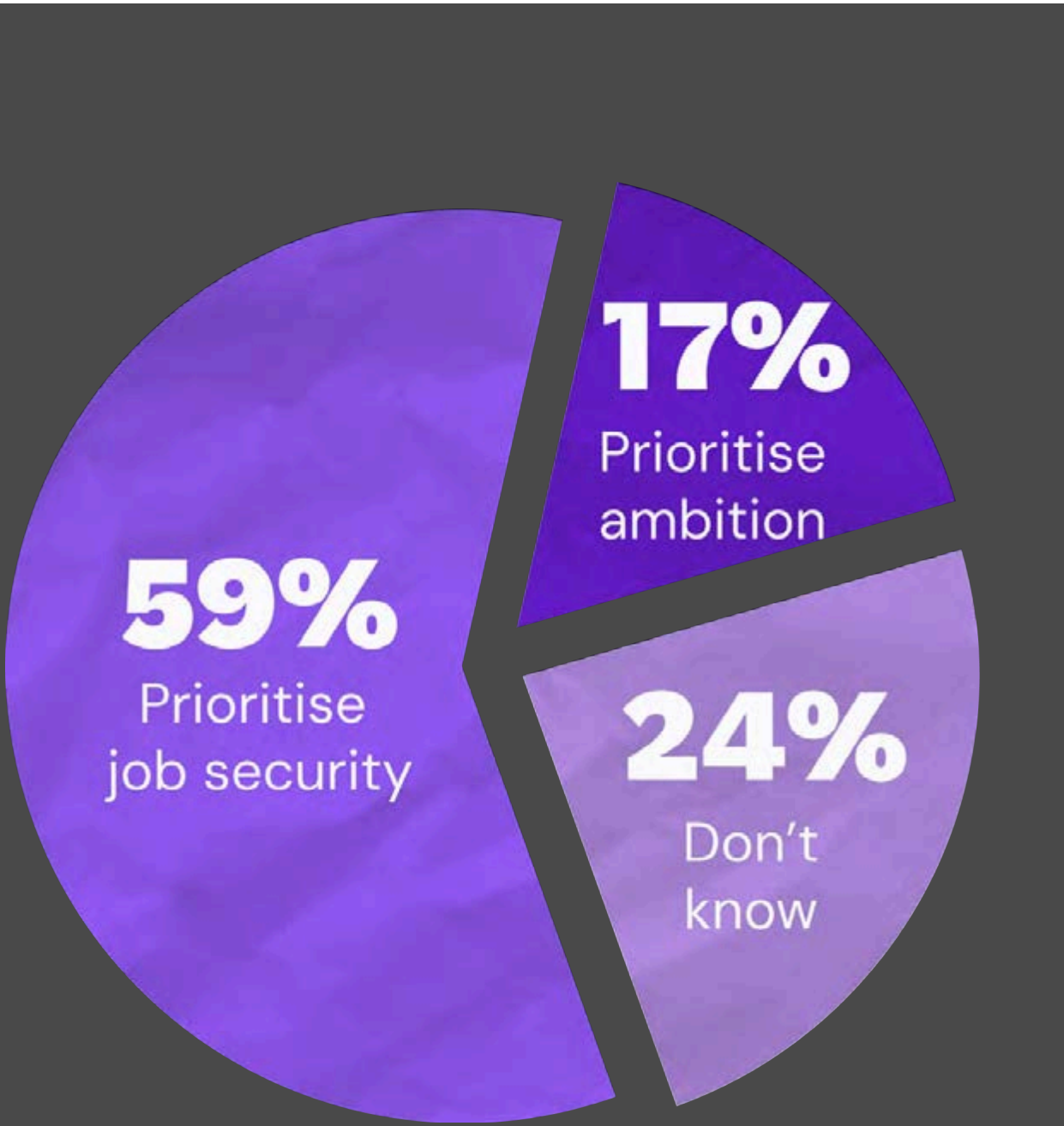
However, the ambition and confidence of this cohort are tempered by realism. Nearly half (45%) of Gen Z workers say they don’t feel confident they would find another role in three months if they needed to. Sixty five per cent of 18–24s currently prioritise job security over career ambition because of the cost of living crisis – the highest of any age group.

This sense of caution reflects the challenges 18–24s face in the jobs market: they are the most likely to perceive fewer job opportunities due to AI, report excessive competition for roles and describe recruitment processes as overly difficult.

Yet Gen Z attitudes towards security and ambition are polarised. While a majority lean toward security, 35% are willing to take risks to pursue ambition and fulfilment. This divided outlook reveals a cohort that is both pragmatic about today’s constraints and optimistic about the possibilities of shaping their careers on their own terms.

Far from a problematic generation that needs to be managed, Gen Z employees are the beta testers for the future of work. Their “job-hopping” behaviour, demand for flexibility, and transactional view of employment aren't signs of entitlement. They’re a logical and highly adapted response to a world of permanent instability.

Gen Z workers are the blueprint for the agile, portfolio-driven career that everyone will need to survive the age of AI and automation.





Work in motion

The world of work is in motion, shaped as much by global pressures as by individual attitudes. Employees are balancing multiple jobs, prioritising security, and approaching the “ideal job” in ways that reflect both caution and aspiration.

Gen Z’s combination of pragmatism and ambition hints at the workforce of tomorrow: adaptable, confident, yet mindful of risk. For SMEs, this creates three key priorities. First, they must compete for loyalty with agility and purpose, offering meaningful work and flexible arrangements that both attract and retain talent.

Employers must also prioritise stability and security in their employee value proposition, providing clear career paths, fair compensation and dependable support. Finally, SMEs must invest in skills and wellbeing to ensure their training and development offerings enable a productive and resilient workforce.

Taken together, these insights show why this year’s *Annual Jobs Report 2025: Work In Motion* captures far more than statistics. It reflects a global workforce that’s in transition, recalibrating priorities, and redefining what ‘work’ really means. ■

Summary of

AV



Commentary

AUSTRALIA



Saul Eslake
Independent Economist

Saul Eslake is a leading and respected independent economist in the Australian financial markets, known for combining rigorous analysis with clear, accessible commentary. He is the founder and principal of Corinna Economic Advisory. Saul has held senior roles at some of the country's most prominent financial institutions, including serving as Chief Economist of the Australia & New Zealand Banking Group and later as Chief Economist (ANZ) for Bank of America Merrill Lynch.

The latest results from Employment Hero's database of SME employers are consistent with overall employment growth stabilising at about 1.5% per annum.

That represents a significant slowing from the 2.75% pace recorded during 2023 and 2024. But it is in line with the slowing in the rate of growth of the labour force, as the post-Covid surge in immigration fades, and the labour force participation rate levels out at around 67% (about 1.5 percentage point above its pre-Covid level). That suggests that it is consistent with the unemployment rate remaining steady at 4-4.5%. It is also consistent with the Reserve Bank's recent forecast that employment will grow by 1.4% per annum over the next 2.5 years.

The Employment Hero database measures changes in average employment at small and medium-sized businesses using Employment Hero's payroll and HR management products and services. These businesses are typically expanding more rapidly than the economy as a whole, so employment growth at these businesses is typically faster than total employment growth.

By geography, the Employment Hero data indicates that employment growth in SMEs has slowed sharply in the Northern Territory and, to a lesser extent, in Victoria and the ACT. And it has weakened again in Tasmania after a brief upturn earlier this year. By contrast, SMB employment growth is picking up in New South Wales and (after a slowdown in the second half of last year) in Western Australia, while SME employment growth remains strong in Queensland and South Australia.

By contrast, employment in the retail, hospitality and tourism, and construction and trade services sectors is now growing more rapidly than in 2023 and 2024, consistent with other signs of an improvement in these sectors as interest rates begin to fall and cost-of-living pressures on households start to ease. Meanwhile employment growth in the manufacturing and trade services sectors remains slow but steady.

SMEs are continuing to employ increasing numbers of younger workers – although this rapid growth is from a smaller starting point than for older workers. The continued growth in employment of people aged under 25 may also owe something to the recent pick-up in employment in the retail, hospitality and tourism sectors – which typically employ relatively large numbers of younger workers – and to the rapid increase in the number of people in this age group since the re-opening of Australia's international borders at the end of the Covid-19 pandemic.

By contrast, growth in the employment of older workers at SMEs has continued to slow. Indeed, employment of people aged 55 and over has been declining slightly since the beginning of last year. This may indicate that 'ageism' constitutes a barrier to the employment of older Australians.

Median hourly earnings, as captured in the Employment Hero database, have been following a slightly different trajectory from the ABS wage price index for the private sector over the past 2.5 years. Growth in the Employment Hero measure slowed through 2023 and the first half of 2024, before gradually picking up during the second half of last year and then levelling out from March this year onwards, whereas the slowing in overall private sector earnings growth as measured by the ABS wage price index came later. ■

Work in Motion AUSTRALIA

The Australian labour market shows marked resilience, with steady employment growth despite the backdrop of economic caution. Younger generations are entering the workforce in large numbers, reshaping its composition and the behaviours and attitudes that drive it.

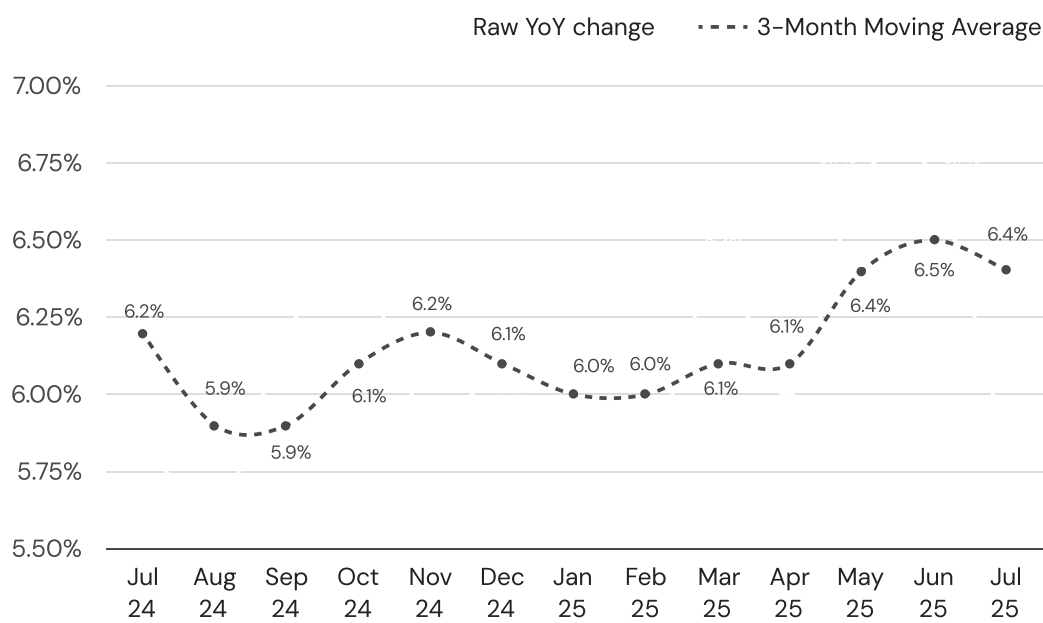
Resilience and transformation

Over the past 12 months, employment has grown consistently, between 5% and 7% year-on-year (YoY). July 2025 saw a slight softening from previous months, yet growth remained strong at 5.8%.

Wages rose 4.6% YoY, though momentum has started to slow. After a brief surge in April, growth in Australia decelerated across full-time, part-time and casual roles.

With five generations now in the workforce, outlooks vary. Sixty-one percent of 18–24 year-olds believe conditions are improving for employees, compared with just 34% of the overall workers surveyed. Despite this, the majority of younger workers in Australia prize security above ambition. In reality, they're far less willing to risk stability than their outward confidence in the market might suggest.

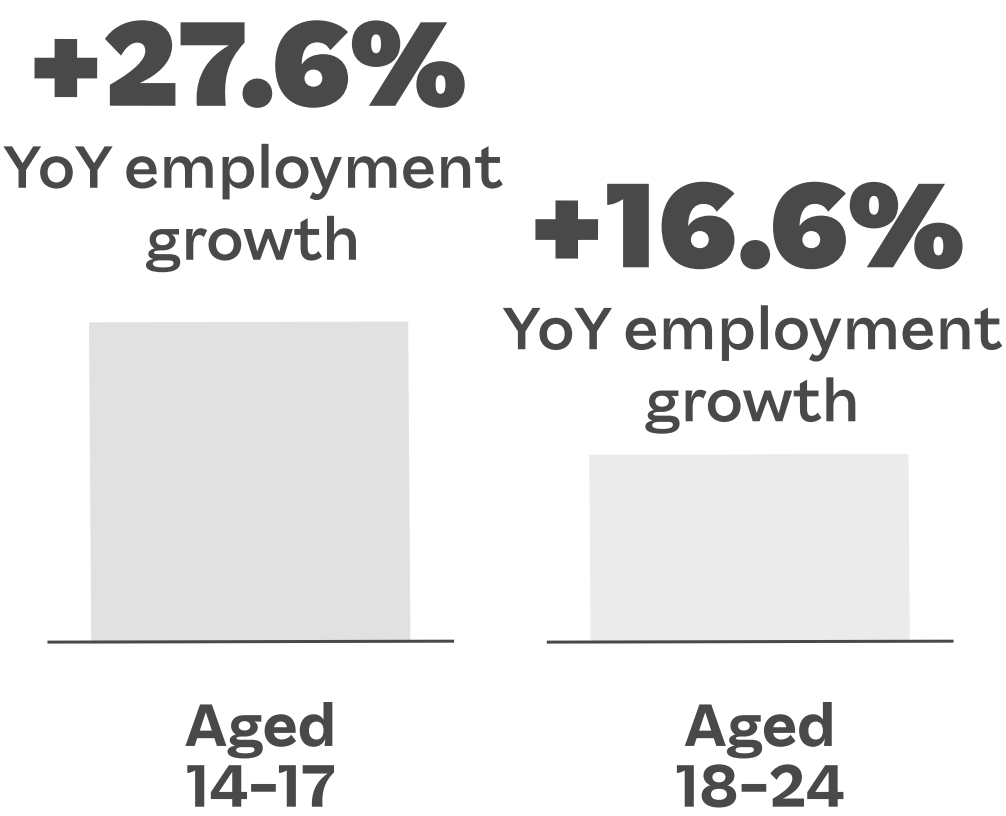
Employment Growth – YoY Change – Total Market



Gen Z leads the way on employment growth

SMEs are undergoing a noticeable workforce shift as younger employees enter in record numbers. The number of working teens (aged 14–17) has soared in the last 12 months, with every month showing a YoY increase of at least 25%. Hiring of 18–24 year-olds has also accelerated, ending July 16.6% higher than the same point in 2024. In contrast, employment among those aged 55+ has declined by around 2%, reinforcing the generational tilt.

This trend likely reflects both supply and strategy. A greater number of younger candidates are available, while SMEs facing rising costs may be leaning into entry-level hiring as a cost-effective solution. With their growing presence, Gen Z are beginning to influence workplace expectations in Australia.



‘Poly-employment’ is the new normal

In Australia, ‘poly-employment’ has become both a survival strategy and, for some, a deliberate choice. One in three workers surveyed now juggle multiple jobs to balance financial, personal and professional demands. The trend is most pronounced among 18–24 year-olds, 56% of whom rely on more than one income stream. Even among older Australians, the pattern is spreading: one in five (20%) over-55s are holding down multiple roles to make ends meet.

It isn’t only those in their early careers who are piecing together work. Liam, 32, a Sydney-based instructional designer at one of Australia’s largest banks, tutors high school students and develops music education materials in the evenings. He explains: “We recently purchased our first apartment. There is just no way that we can afford all the things we want in life and to stay close to our family. This has forced me to take on additional work.”



“There’s just no way we can afford the life we want in Sydney without extra income. Flexibility helps me switch from my day job to my side work but it also means long hours and constant prioritising.”

Even Australians with a single role are stretching themselves further. Over four in ten workers (43%) report putting in extra hours to cope with the cost of living. For younger Australians, time spent working is climbing the most, with 14–17 year-olds increasing their hours by nearly 20% year-on-year, while 18–24s are up 13%.

Together, the rise of poly-employment and the ‘extra-hours economy’ capture a defining feature of work in 2025: Australians are adapting to pressure. For SMEs, it signals a new reality: if retention matters, providing growth, flexibility and purpose will be just as vital as pay in keeping people committed.

Geography of opportunity

Career opportunities in Australia are increasingly shifting north and west. Queensland leads on employment expansion, with each month since October 2024 seeing YoY growth between 5% and 8%. Interstate migration and subsequent demand in housing, healthcare and construction, alongside heavy public and private investment in infrastructure and energy have positioned the state as Australia’s new growth engine.

Western Australia has also delivered strong, if less consistent, results. After an early surge and subsequent slowdown, steep recovery since May 2025 suggests the state successfully navigated a short-term adjustment to market conditions. By contrast, employment growth is slowing in the economic powerhouses of New South Wales and Victoria.

Queensland leads in JOB GROWTH



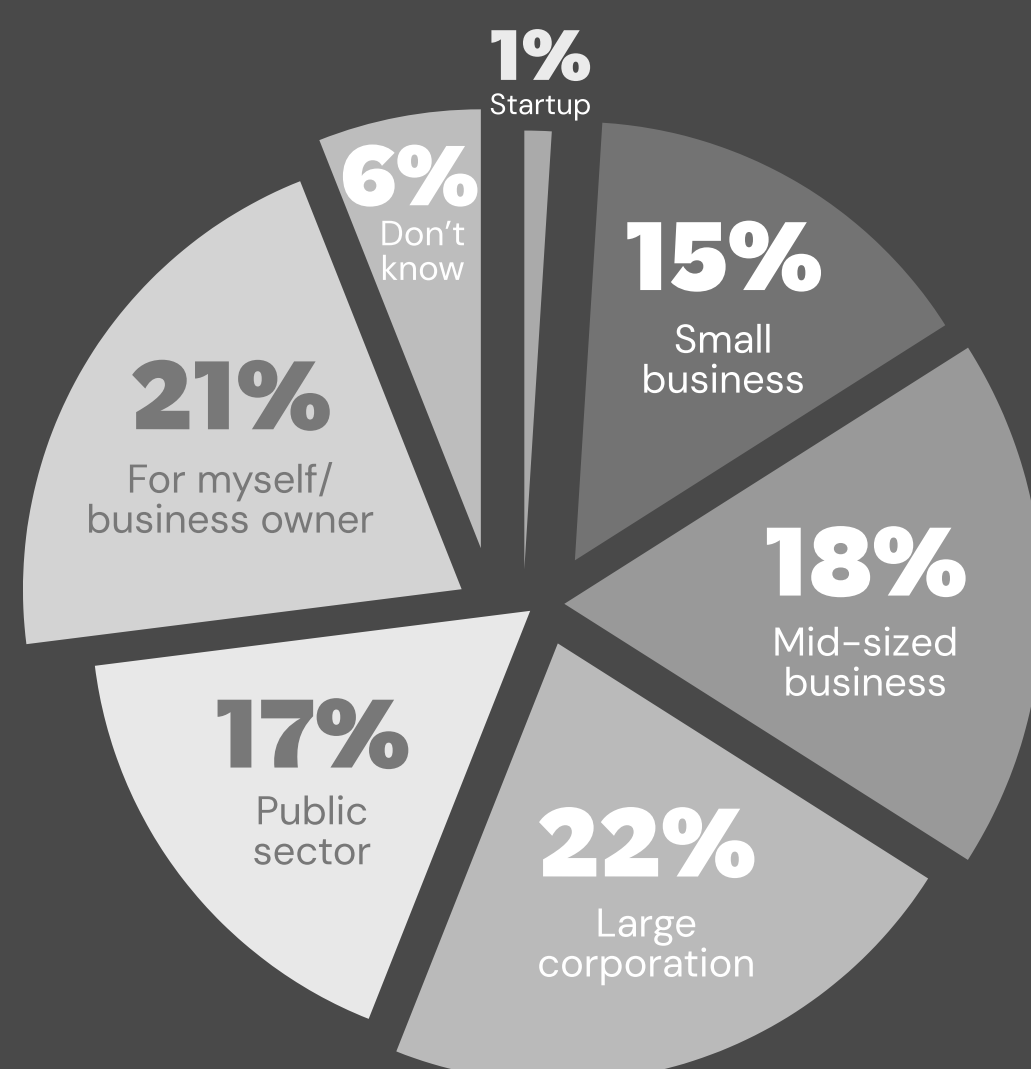
Security reigns supreme

For Australian workers today, security reigns supreme. The majority surveyed (57%) say they are prioritising security over ambition, a sentiment strongest among 18–24 year-olds. Two in three workers in this age group (68%) feel this way.

Rather than seeking pastures new, workers are holding on to what they have. Organisational consultancy Korn Ferry has coined a term for this behaviour: “job-hugging”.

With cost-of-living pressures and political uncertainty, this strong sense of caution is hardly surprising. Appetite for risk is low: just 1% of Australian workers surveyed would choose a startup as their preferred job, a reluctance reinforced by recent high-profile layoffs in the sector.

Barriers in the job market speak to this cautious mindset. One in three (35%) believe competition for jobs is too high and the same proportion say recruitment processes are too difficult. AI adds to the unease: 24% of Australian workers think there are fewer jobs because of it. Among younger workers, this figure rises to 34%.



Workers want to learn to earn

Small and medium-sized enterprises are the backbone of Australia's economy but many are struggling to keep pace with the relentless march of technology. On paper, the picture looks bright: 71% of those surveyed say they feel confident adapting to new technologies.

Scratch a little deeper, though, and the confidence isn't universal. Among employees aged over 55, that number drops to 58%. Larger organisations are also more assured than smaller businesses, pointing to a growing capability gap.

And while three-quarters (76%) of full-time workers feel ready for technological change, only 59% of part-time employees say the same, a sign that businesses may not be investing enough in upskilling for all.

For employers, training is proving to be the hinge on which loyalty swings. Nearly two-thirds (60%) of workers who are satisfied with their professional development feel settled in their jobs, compared with just 9% of those who are unhappy with the training they receive.

For Kylie, a speech pathologist who runs a practice on the New South Wales Central Coast, those numbers are more than statistics. She employs 99 people, half of whom now work a nine-day fortnight or alternate week patterns. She embraces flexibility but knows it comes with costs. "We've always taken pride in supporting professional development," she says. "But with tighter margins, every course or new tool feels like a gamble even when we know it's a win for the business in the long term."



"We take pride in supporting professional development. With tighter margins, courses feel like a gamble, when we know it's a win for the business in the long term."

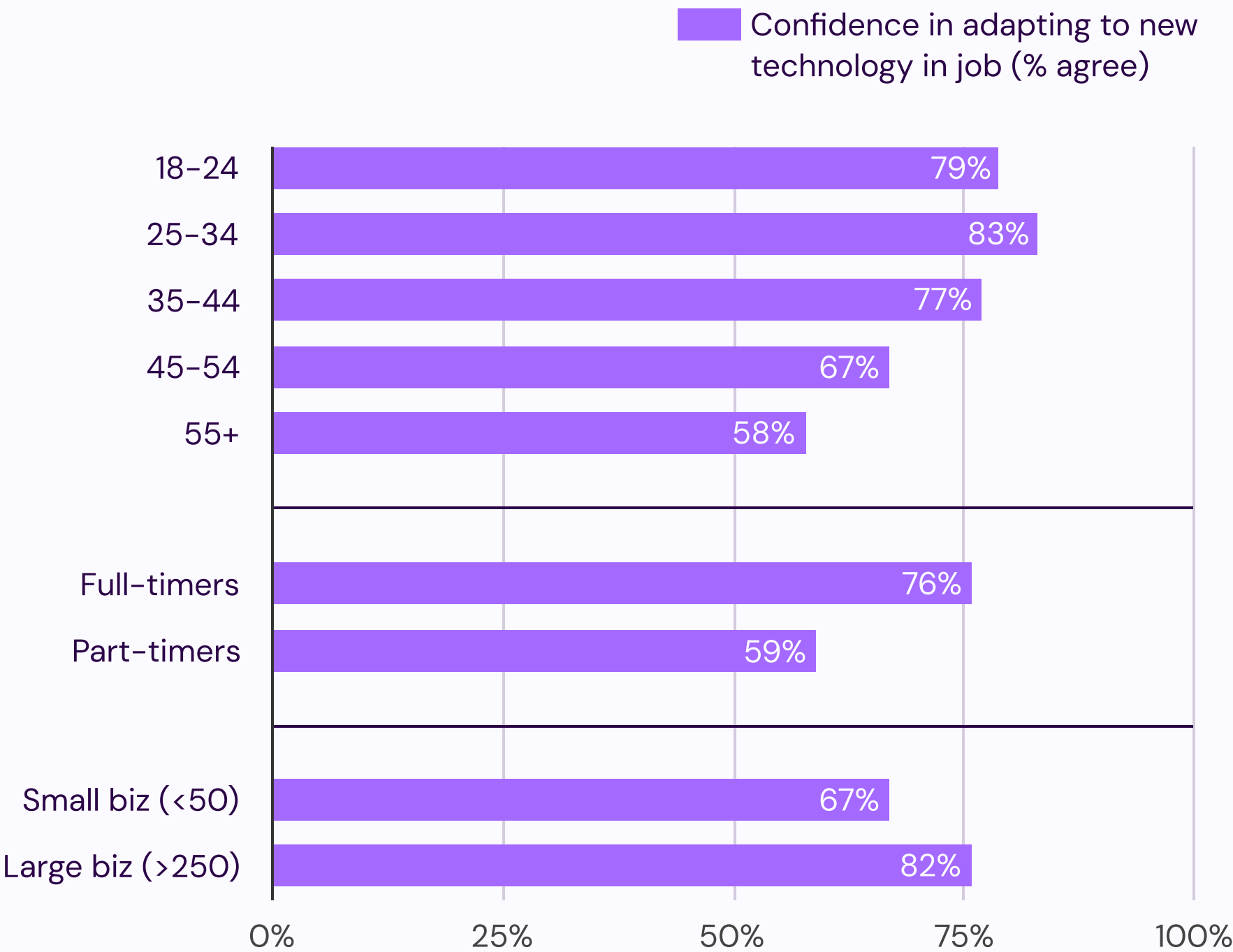
Kylie
Speech Pathologist, Central Coast

A workforce in flux

Australia's labour market is in flux, shaped by cost-of-living pressures, rising business expenses, wage inflation, new legislation, technological disruption and evolving worker expectations. Geographical shifts are also reshaping the map, with new regions emerging as growth hotspots.

Amid these pressures, our data shows workers may be cautious about risk but they have a clear appetite for upskilling and adapting to thrive in a challenging economy. ■

Confidence in adapting to new technology in job



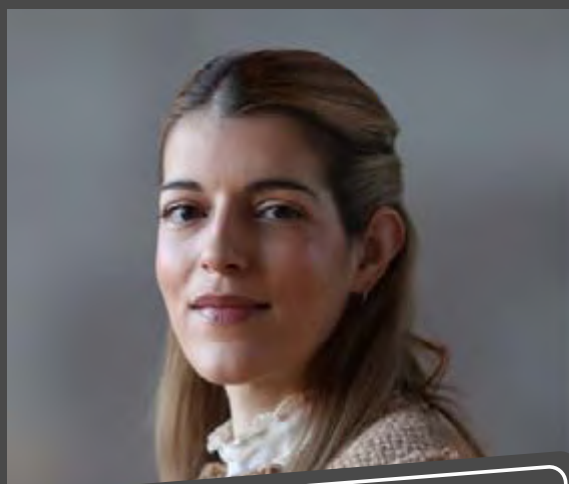
Summary of

THE UK



Commentary

UK



Nina Skero
CEO, Cebr

Nina Skero is the Chief Executive of Cebr, one of the UK's leading economics consultancies. She oversees the firm's operations and client relationships while continuing to contribute to its influential forecasting work. Previously Head of Macroeconomics at Cebr, Nina has led major projects across sectors, from analysing WeWork's impact on the UK economy to exploring the role of the 'Bank of Mum and Dad' for Legal & General. A trusted voice in both national and international media, she is a regular commentator on economic trends and a sought-after speaker at events across the UK, Europe, Asia and the Middle East.

After a sustained period of resilience, the labour market has lost some steam in 2025. Job vacancies have dropped below pre-pandemic levels, while employment growth lags behind the labour force expansion, pushing the unemployment rate higher. As businesses scale back on hiring, the ratio of vacancies to jobseekers has fallen to a near-term low, a clear signal of cooling.

However, some comparative context is needed. The unemployment rate may be rising but it still lies far below historical averages. Meanwhile, earnings growth remains robust, as elevated inflation continues to push workers to ask for higher wages.

The strong earnings growth landscape poses a conundrum for employers. This is increasing costs, especially for SMEs, whose operations tend to be more labour-intensive than larger entities. Recent policy changes including a rise in employers' National Insurance Contributions and the National Living Wage have exacerbated this issue.

Various headwinds are sapping business confidence, as illustrated by five consecutive negative readings on the FSB Small Business Index.

Other indicators corroborate this view. Employment Hero's annual Jobs Report brings together 12 months of data gathered from SMEs. Tracking the average business headcount, the data reveals the responsive nature of employers to changing economic conditions. In late 2024, average headcount fell as confidence declined. While average headcount growth has since turned positive again, by July the annual rate of growth was less than half of that a year earlier.

The discussion of the labour market landscape is further enriched by a YouGov survey of employees commissioned by Employment Hero. The results suggest that workers are concerned about their ability to secure new employment quickly, while lingering financial pressures continue to guide behaviour, with 55% of respondents indicating that they seek job security over ambition due to the cost-of-living crisis.

The path ahead for SMEs and the people they employ will hinge on a range of factors, including measures in the upcoming Autumn Budget. For now, the labour market is showing relatively stable dynamics and remains well outside of the danger zone. Nevertheless, it remains to be seen if it will follow other economic indicators into substandard territory. ■

Work in Motion

UK

The UK labour market is running out of steam. Growth is slowing, costs are climbing and employers and workers alike are feeling the squeeze. Security trumps ambition, with many employees clinging to their roles, working longer hours or juggling multiple jobs just to stay afloat. Yet beneath the strain there are signs of fresh momentum. Young workers are powering ahead, regions beyond London are stepping up and entrepreneurial energy is bubbling to the surface.

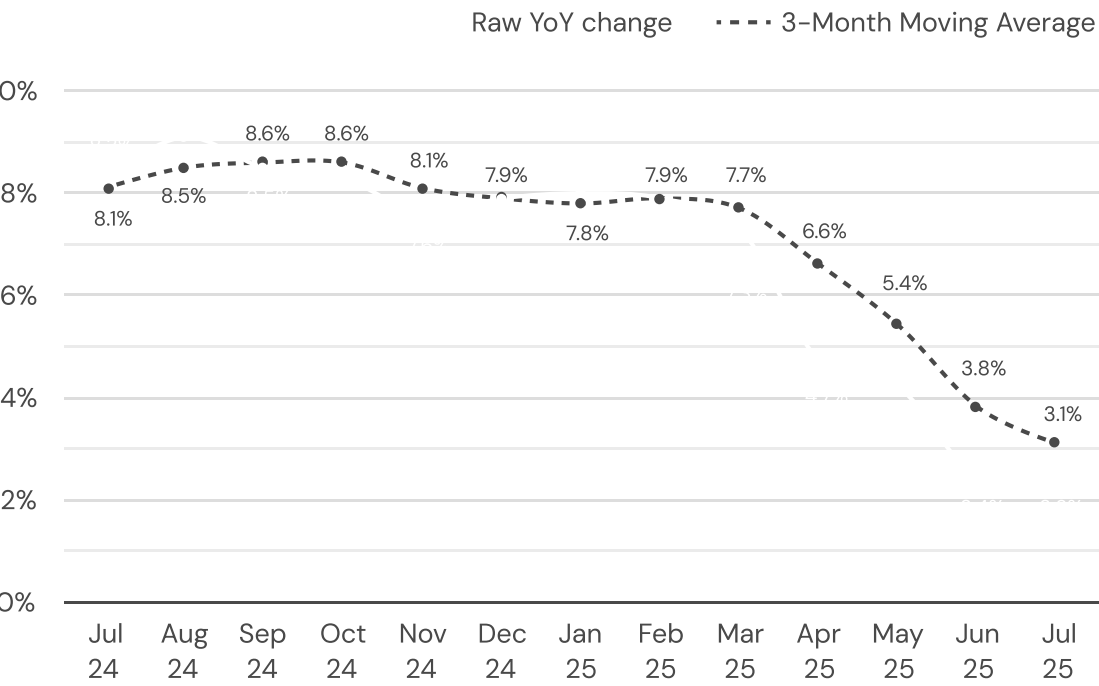
Slowing but not stalling

On paper, UK employment is still moving in the right direction: up 3.1% year-on-year (YoY). Momentum has, however, faded considerably compared with 2024. Employers are showing signs of caution. April's National Insurance hike, combined with persistent inflation, have pushed up labour costs to make the market even more competitive.

The Office for National Statistics (ONS) reports a sustained decline in job vacancies, corroborating that employers are playing it safe. When we dig into the details, full-time employment has been resilient, with growth up 5.4% YoY as of July 2025. By contrast, part-time and casual roles have faced a sharp decline since January, with YoY growth falling to 1.4%.

Younger workers are leading the way. Employment among 18–24s is up 6.8% YoY – the strongest growth of any age group. While the overall slowdown has affected this cohort, the rate of decline is slower, suggesting relative buoyancy at the entry-level end of the workforce.

Employment Growth – YoY – Total Market



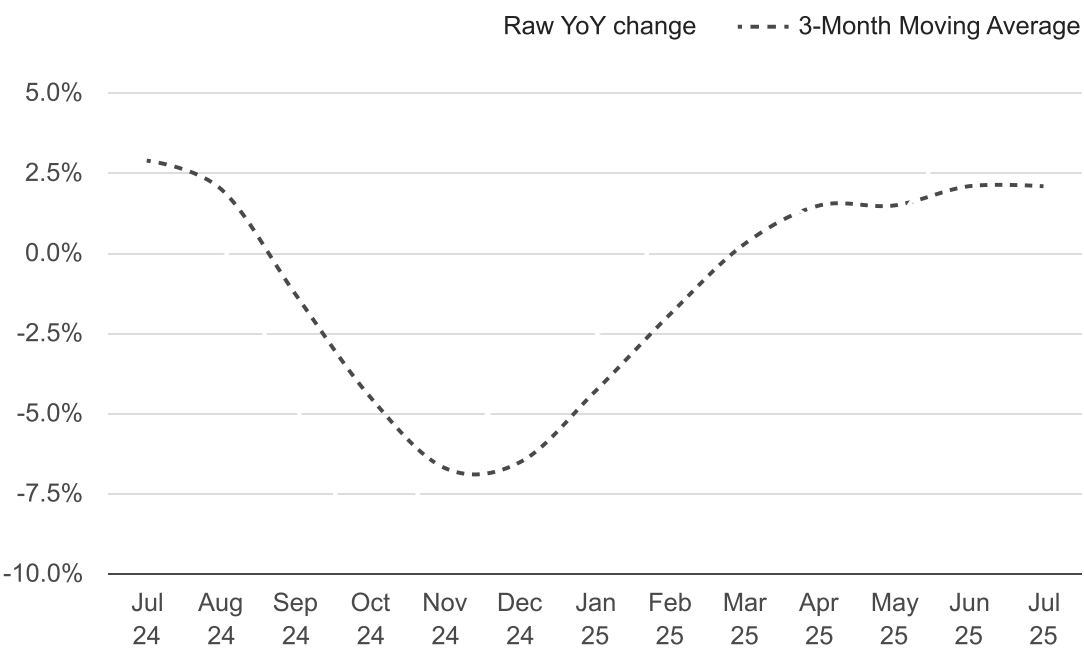
Wages under pressure

Nominal wage growth has followed a steady upward trajectory after a sharp winter dip linked to the Autumn Budget. By July 2025, wages were up 2.6% YoY. While this growth lags behind inflation, the recent trend is encouraging.

Young workers have seen the biggest gains, with wages up 5% YoY among those aged 18–24, driven largely by increases in both the National Minimum Wage and the National Living Wage.

Despite this, our YouGov data shows that only 56% of employees surveyed have received a pay rise in the past year. In London the figure drops to just 45%, while the North leads the way at 60%.

Median Wages – YoY Change – Total Market



A year of swings

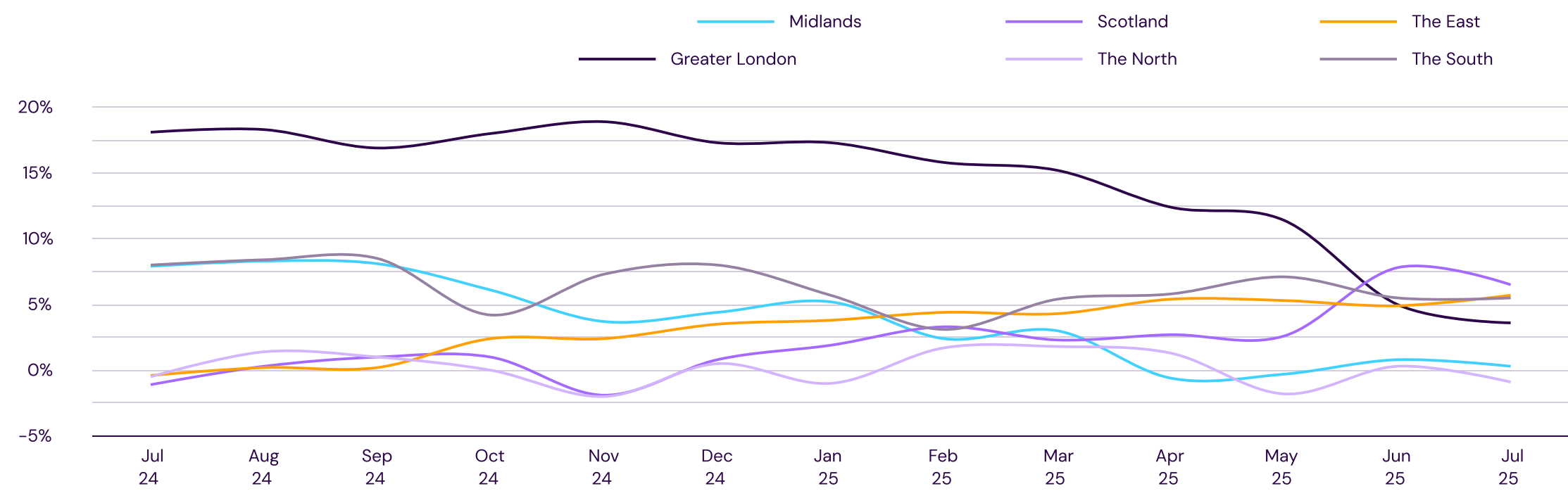
The UK jobs market has traced a clear U-shaped path over the past year: stability through the middle of 2024, a sharp slump following the Autumn Budget and gradual recovery since February.

Pre-Budget, there was a period of relative stability. Employment then fell to a low of -0.9% MoM in December 2024 before rebounding to +1.7% by July 2025. Wages followed a similar pattern, dipping shortly after the employment slump and then recovering in parallel.

While this recent momentum is positive, the bigger picture shows that the recovery has not yet been sufficient to maintain the higher YoY employment growth levels seen a year ago.

Younger workers have felt the rollercoaster most acutely: they led pre-Budget growth, suffered the steepest decline and bounced back the fastest. Their experience mirrors the wider labour market: volatile but far from collapsing.

Employment Growth - YoY - By UK Region



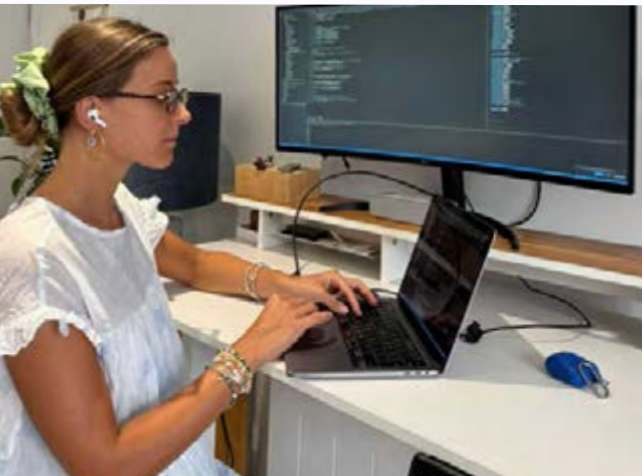
Regional balancing

While London remains dominant, its job market is cooling. Since April, employment growth in the capital has declined significantly and wages are down 0.8% YoY.

While the rest of the UK is not exempt from the overall slowdown, the rate of decline is less severe. The North is leading wage growth at 8.7% YoY, with The East close behind at 7.7%. Employment in these regions is proving to be more resilient, suggesting a narrowing of the long-standing North-South divide.

For 30-year-old Jess, a move out of London was both practical and personal. After retraining as a software engineer, she built her career in the capital but found the rising cost of living untenable. Now working remotely from Cambridge – on the same salary but with lower living costs – she says the move has given her a better quality of life and more freedom to travel.

Jess’s experience mirrors a broader trend. One in three workers surveyed say they would relocate for the right role and more than half (52%) of Londoners are open to moving – a sign of frustration with high costs and limited opportunities in the capital.



“I was working as a full-stack engineer in London but life was getting too expensive. I’ve moved to Cambridge. The living costs here are slightly cheaper and I’m still earning the same, so overall I have a much better quality of life.”

Jess, 30
Front-End Engineer, Cambridge

Confidence is running low

Many UK workers share a somewhat pessimistic outlook. Nearly six in 10 employees surveyed (59%) believe the jobs market is getting worse, while only 12% think it’s improving.

Over half (51%) say they would struggle to secure a new role within three months if they lost their current one. This insecurity is compounded by a lack of training opportunities: 44% of workers surveyed report their employer doesn’t provide enough support to develop skills.

When asked to describe the employment landscape, workers painted an overwhelmingly negative picture, using words like “scarce”, “competitive” and “difficult”. Concerns about finding relevant roles, intense competition, rising cost-of-living pressures and challenging recruitment processes – including AI screening – are significant.



- "Very competitive currently."
- "Harder for young people to get jobs."
- "Salaries not great. Cost of living keeps rising."
- "Uncertain and lacking direction."

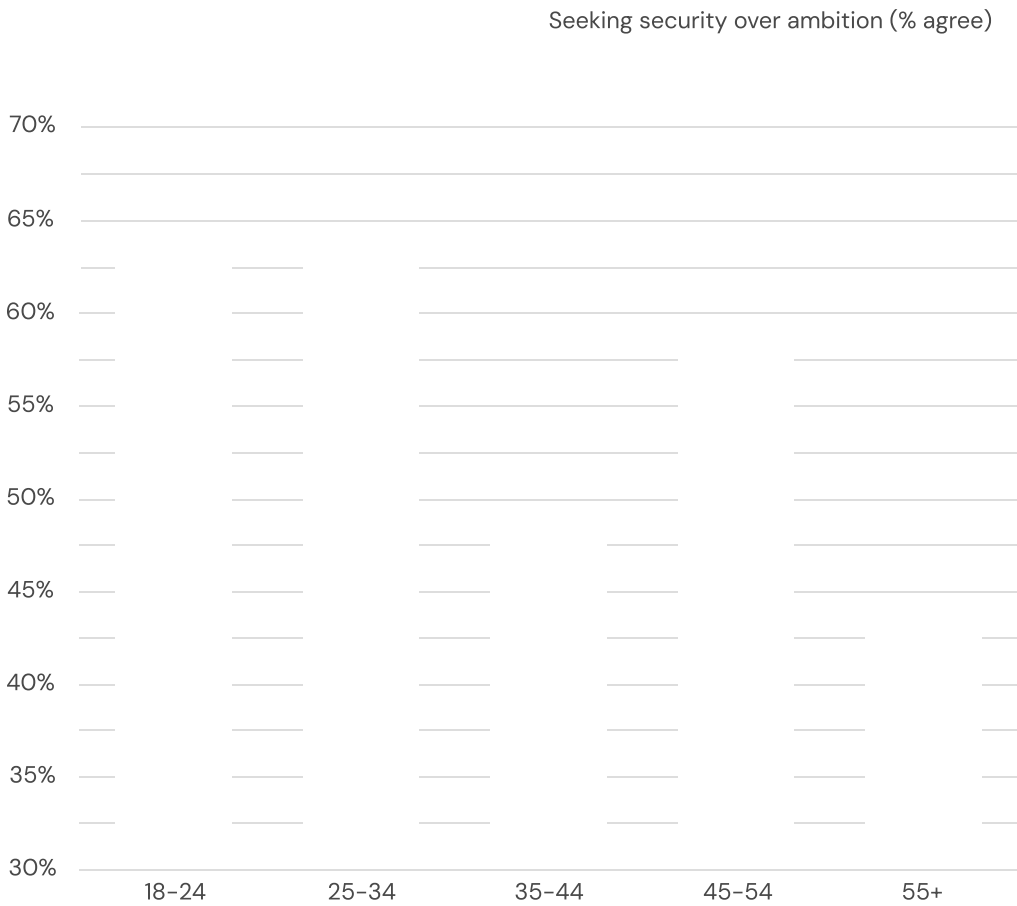
The extra-hours economy

Faced with these realities, UK workers are adapting. Twenty-nine percent are putting in more hours, while one in five hold more than one job. This isn't just a part-time phenomenon: full-time employees are also picking up side gigs to make ends meet.

At the same time, employees are clinging on to the jobs they have. Over half (55%) say they are prioritising security over ambition, a strong indicator of a trend business consultancy Korn Ferry has dubbed “job-hugging”, where people play it safe. Younger employees aged 18–34 are driving this sentiment, showcasing a sense of risk aversion that will shape cautious career choices.

Over half (55%) say they are prioritising security over ambition

Seeking security over ambition



Entrepreneurial instincts

The good news is that the UK hasn't lost its entrepreneurial edge. Nearly a quarter of UK workers (24%) say their ideal job is to work for themselves or be a business owner. This appetite isn't limited to young workers. Employees aged 45+ are significantly more likely to see self-employment as their ideal role. This view may be driven by experience, stability and a desire for greater control over their working lives.

Enthusiasm for working at someone else's startup is negligible. Just 1% of workers would choose a startup role, preferring to invest their energy into their own vision rather than another founder's idea.

NEARLY

1/4

of UK workers say their ideal job is to be a business owner



"When I graduated, I realised that a CV alone wasn't enough. I had to jump into freelance content work to build a portfolio. If I hadn't done that, I wouldn't have even made it to my first interview."

A workforce in flux

Looking ahead, the UK labour market will continue to be shaped by these complex and multifaceted pressures. Employers who prioritise stability, flexibility and upskilling will be best positioned to meet the challenges ahead, while employees will need to strengthen their adaptability and resilience in an increasingly competitive landscape. Together, these trends paint a picture of a workforce in transition: cautious but resourceful, challenged yet full of potential. ■

Summary of

NZ



Commentary

NZ



Saul Eslake
Independent Economist

Saul Eslake is a leading and respected independent economist in the Australian financial markets, known for combining rigorous analysis with clear, accessible commentary. He is the founder and principal of Corinna Economic Advisory. Saul has held senior roles at some of the country's most prominent financial institutions, including serving as Chief Economist of the Australia & New Zealand Banking Group and later as Chief Economist (ANZ) for Bank of America Merrill Lynch.

The latest results from Employment Hero's database of SME employers suggest that the sharp slowdown in employment growth in New Zealand – which began in early 2024 and continued through the first half of 2025 – in response to the sharp tightening of monetary policy by the RBNZ, has run its course, and that employment growth is likely to pick up moderately in the second half of this year.

Given the significant slowing in population and labour force growth in New Zealand over the past two years, even a modest pick-up in employment growth to around 1-1.25% per annum would likely be sufficient to prevent any further increase in New Zealand's unemployment rate, which reached a nine-year high of 5.2% in the June quarter of this year.

By geography, the Employment Hero data indicates that the pick-up in employment growth has been concentrated in the South Island (in particular, in the Otago region), whilst employment growth has remained static in the North Island (with continued weakness in the Wellington region offsetting a pick-up in employment growth in the Waikato region and continued moderate growth in and around Auckland).

By industry, the improvement in employment growth has been led by a gradual pick-up in employment in construction and trade services, and a turn-around in employment in manufacturing, transport and logistics and, more recently, in health and community services.

Employment is still declining in agriculture, and in science and technology, but has continued to show modest growth in retail, hospitality and tourism.

SME employers in New Zealand have been active in using changes in working hours as an alternative to 'hiring and firing' as a means of managing labour costs in response to changes in the business environment. Employment Hero's measure of average monthly hours worked has been more volatile than the Statistics NZ measure of average weekly hours derived from its Quarterly Employment Survey, although the two have moved in broadly similar directions over the past three years. ■

Work in Motion

NZ

New Zealand's job market has cooled significantly. Workers feel squeezed by the high cost of living, prompting them to prioritise job security. Youth employment is bucking the trend and regional differences highlight a labour market in transition.

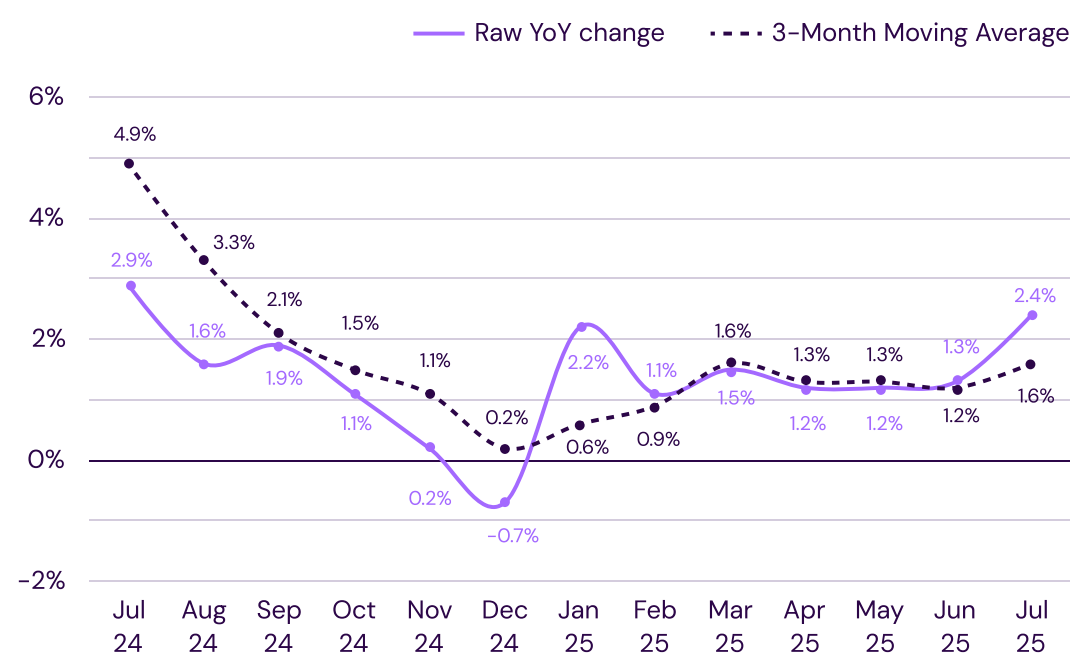
Renewed stability

After a sharp and steady decline through 2024, employment growth in New Zealand has stabilised. A rebound in 2025 has brought a return to positive figures, with monthly uplifts averaging around 1% YoY and increasing to 2.4% in July.

The landscape has shifted from a candidate-driven market to one that's more employer-favoured. Stats NZ reports that job advertisements are down significantly YoY, leading to stiffer competition for available roles.

Wage growth stands at 4% YoY – down from 5% to 6% during the summer – and public sentiment remains cautious. Over half of employees surveyed (55%) believe job availability, pay and conditions are worsening, while just 17% think it is improving. Only 58% of workers received a pay rise in the past year, a figure that underscores ongoing financial pressure.

Employment Growth - YoY Change - Total Market



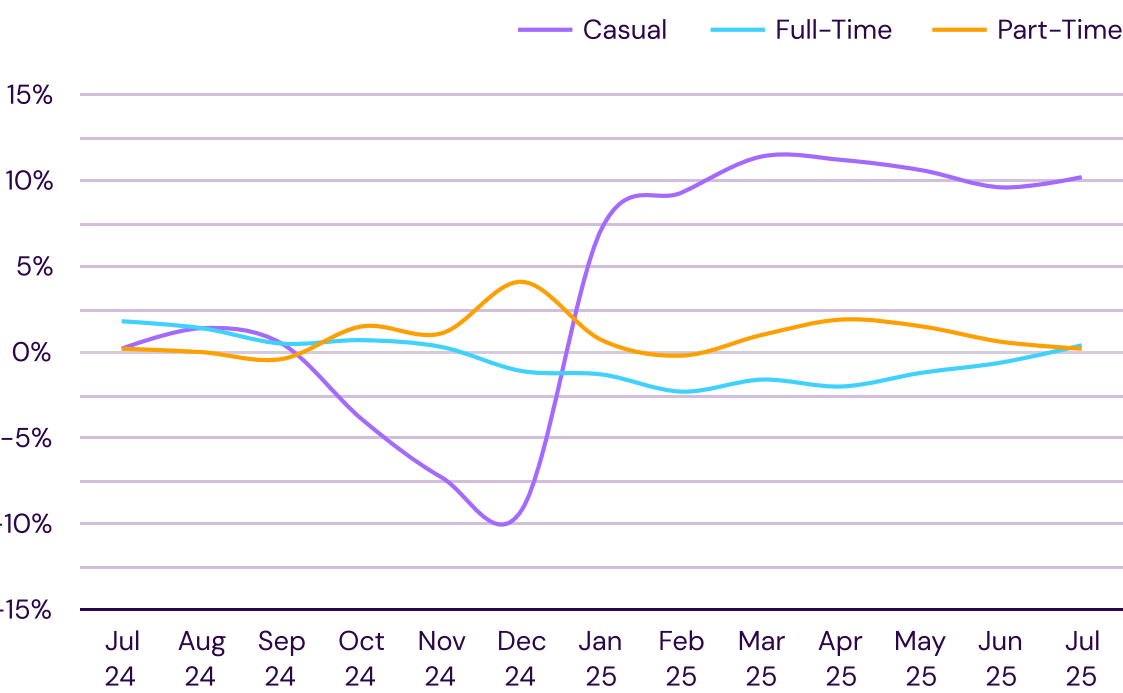
The casual work paradox

At the start of 2025, New Zealand experienced a surge in casual employment. Full-time positions grew modestly at around 1% YoY each month while part-time roles contracted slightly. Casual and gig-style work now make up a growing share of the labour market, offering flexibility to both workers and employers.

But there's a clear trade-off: pay stagnation is most pronounced among casual staff, whose wages rose just 0.6% YoY in July. By comparison, part-time employees secured 5.7% wage growth and full-time workers saw a 4.6% increase. The disparity highlights how unevenly wage gains are being distributed.

Unless employers pay fairly, casual staff may start to reject this style of working, despite the flexibility it offers. But for many, it may be the only option.

Employment Growth - YoY Change - By Employment Type



Youth employment: rising but precarious

Across New Zealand, a new generation is shaping the workforce. Over the past 12 months, employment growth has been led by 18–24-year-olds, up 13.8% YoY by July 2025. For SMEs, these young workers represent an attractive solution in a difficult climate: they bring digital fluency, adaptability and, in many cases, access to government hiring subsidies. They also tend to accept lower starting salaries, making them a cost-effective choice for employers facing tighter margins.

Although youth employment is rising, it's often precarious. Many of these new roles are casual or low-paid. Wage growth for under-24s has slowed, leaving this group trailing behind older cohorts. The perception of opportunity doesn't always match reality: nearly half (49%) of New Zealanders aged 18–24 agree they struggle to find relevant roles.

For 22-year-old Rachel, a graphic designer from Auckland, that tension is real. After graduating with a degree in media design, she applied for up to 10 jobs a week for months, competing against hundreds of candidates, many of them far more experienced. Rachel only recently secured her first in-house design role. “Since getting the job I finally feel like I have direction,” she says. “But a lot of my friends are still struggling. Some are even applying for unpaid internships just to get a foot in the door.”



“Since getting the job I finally feel like I have direction. But a lot of my friends are still struggling. Some are even applying for unpaid internships just to get a foot in the door.”

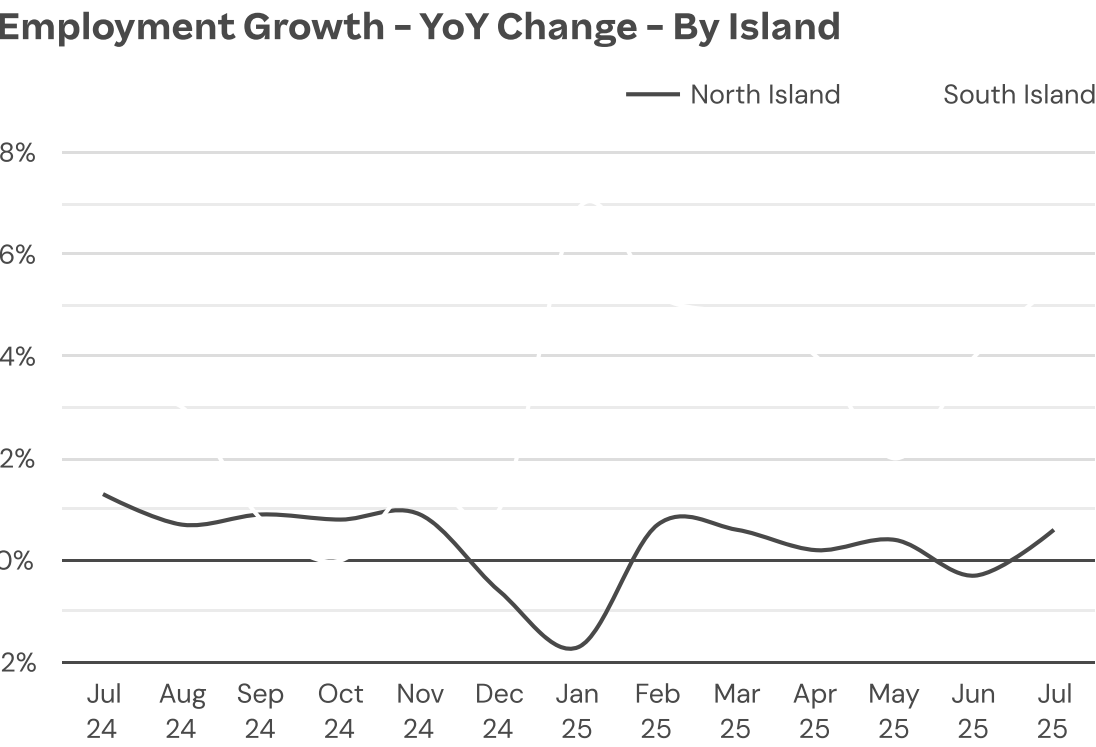
Rachel, 22
Graphic Designer, Auckland

A tale of two islands

The South Island is currently driving New Zealand’s employment expansion, underscoring the growing importance of opportunities beyond Auckland and Wellington. Starting from a smaller base, the South Island is punching above its weight with strong job creation, while the more established North Island has recorded steady but subdued gains.

Over the past 12 months, the South Island delivered impressive employment growth, ending July at 5.4% YoY, compared with 0.6% for the North Island.

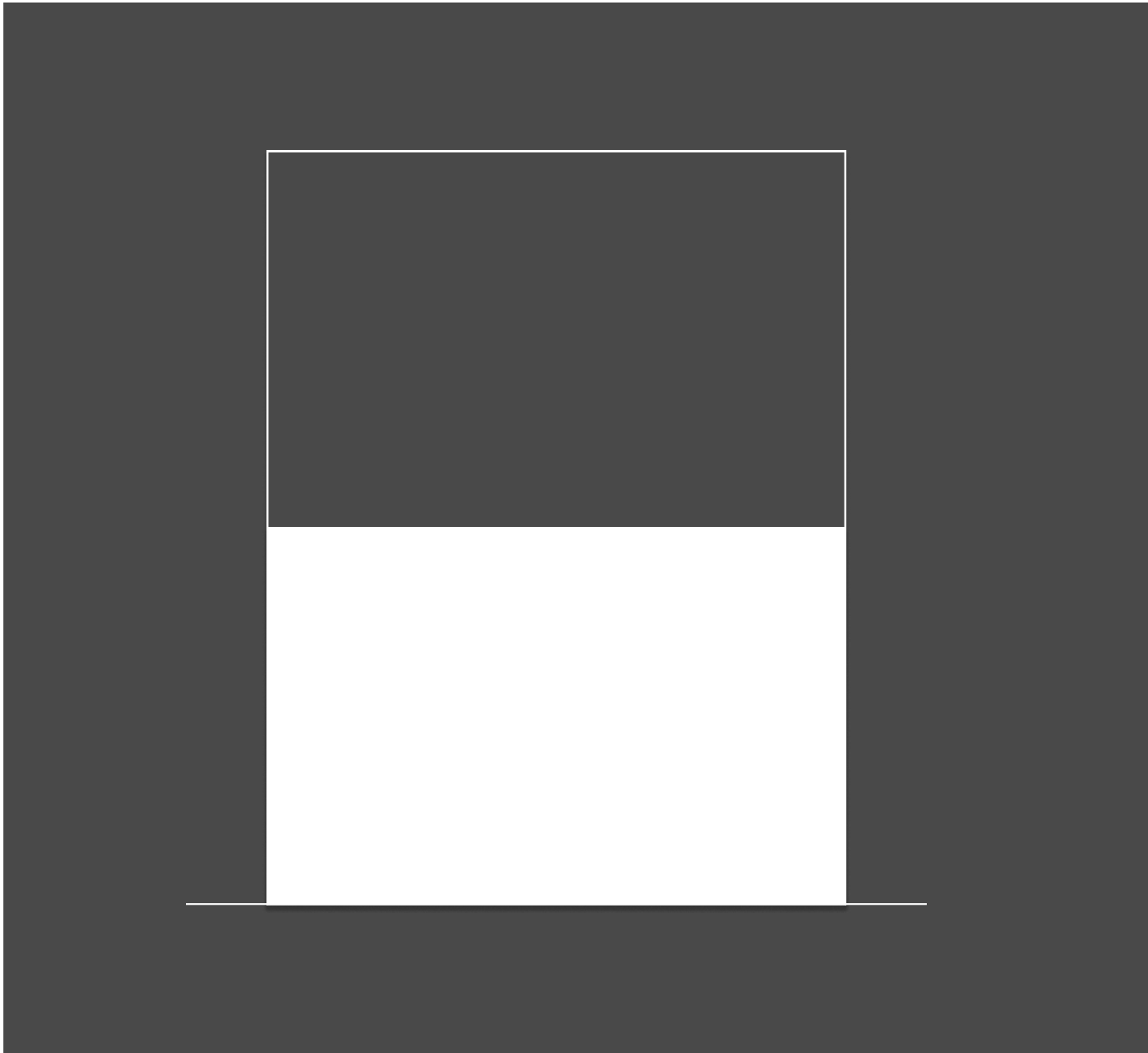
Otago, in particular, has emerged as an unexpected hotspot. After a quiet 2024, the region surged to 19.4% YoY employment growth by July 2025 – the fastest in the country. This illustrates the extent to which regional economies are now shaping New Zealand’s labour market.



The confidence crisis

Over half of New Zealanders report low confidence in the job market, with 53% believing they would be unable to secure a new role within three months if they lost their current job. Confidence is especially weak among part-time workers (68%) and those aged 55+ (64%).

The cost-of-living crisis is also shaping career priorities: 62% of workers surveyed value security over ambition, a view most pronounced among 18–34-year-olds. With long careers ahead, younger workers appear to be more risk-averse than those nearing retirement.



Given a choice of working hard now for the future or working less now to enjoy other things, New Zealanders swing towards the former – they’re 40% more likely to prioritise working hard now. Yet those actively seeking jobs face tough conditions: 50% report excessive competition and 29% describe recruitment processes as difficult.

These challenges reinforce workers’ low confidence and contribute to the conservative approach to career decisions we see in our data.



Upskilling is the new path to higher pay

Only half (52%) of New Zealanders surveyed say their employer provides good training and upskilling opportunities. Younger employees are more likely to agree, with 63% of 18–34-year-olds reporting good provision. By contrast, just 43% of those aged 45+ agree, highlighting the risk of older workers being left behind.

Full-time employees are more positive, with 56% agreeing their employer does a good job of developing skills, compared to 45% of part-time workers. A significant ‘training gap’ exists between small and large businesses, with employees at larger firms reporting much stronger upskilling opportunities.

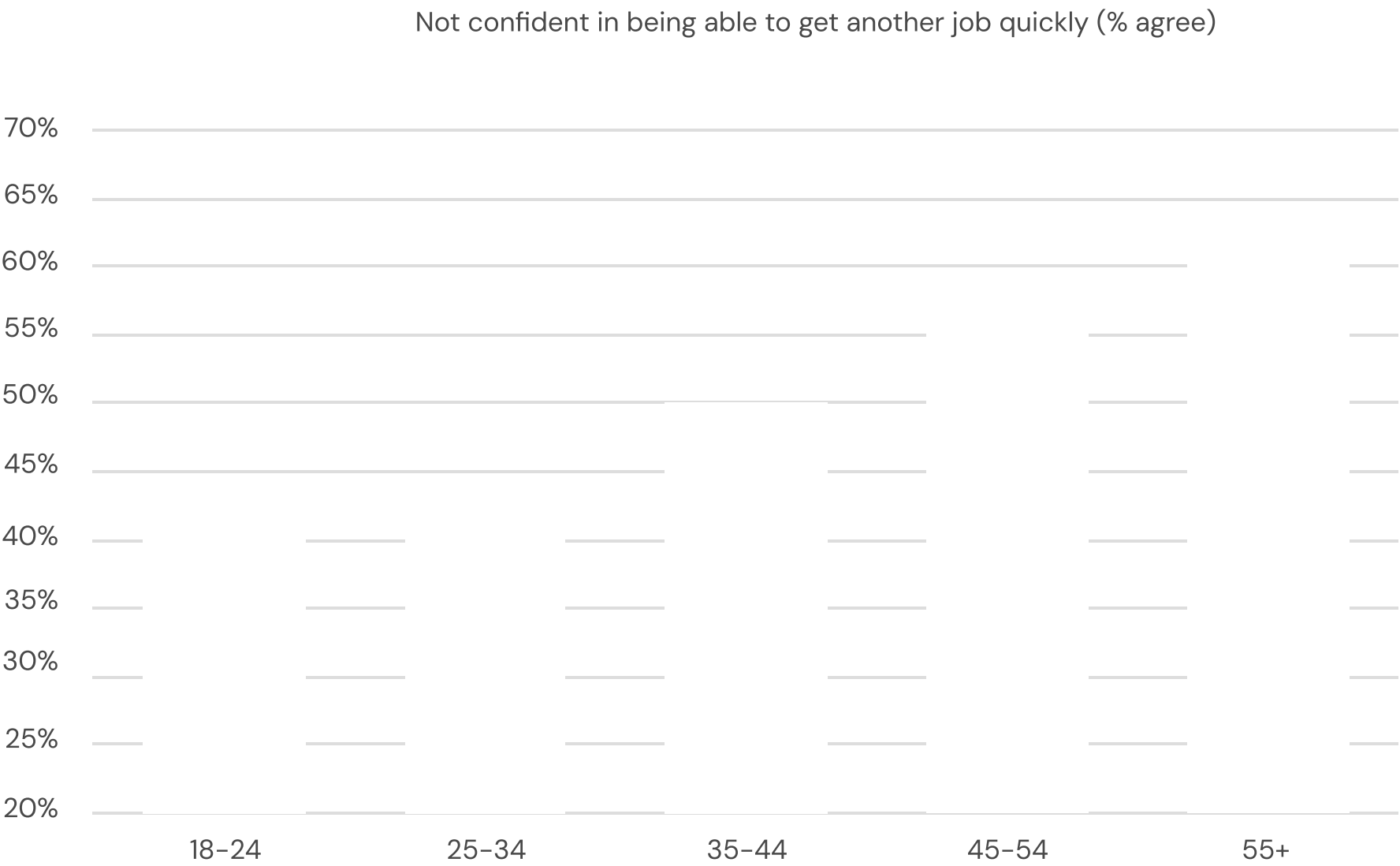
Kate, HR Manager at a Christchurch engineering firm, sees the divide first-hand. For one recent role, she received 280 applications, many from Gen Z candidates using AI tools to mass-produce CVs. “We’re inundated with early-career applicants,” she says. “But the real challenge is finding experienced staff and making sure we can afford the professional development everyone now expects.”

A workforce in flux

New Zealand’s labour market is stabilising, with youth employment and regional growth driving much of the rebound. Full-time roles remain modest, while casual positions are expanding, leaving many workers with limited pay growth and progression opportunities. ■



Not confident in being able to get another job quickly



Summary of

CA



Work in Motion CANADA

Canadian workers are redefining employment, blending full-time jobs with side hustles and late-career shifts. Rising costs, new priorities and cautious optimism are fuelling 'poly-employment', where balance, flexibility and mobility often matter more than ambition. Across generations, the Canadian workforce is pragmatic and adaptive, charting its own course in a changing world of work.

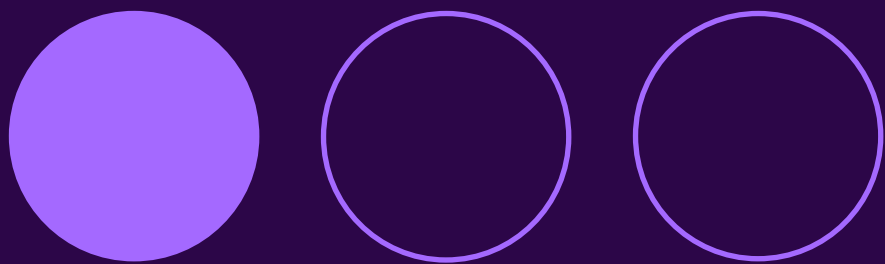
Full-time is not enough

One-third (35%) of Canadians working full-time are holding down multiple jobs, raising questions about whether "full-time" still guarantees financial security. In fact, Canada is leading this phenomenon on the global stage, outpacing other markets in the rise of poly-employment. Increasing living costs are the main driver, pushing people to prioritise survival over career advancement.

Younger workers are driving the trend, with half of 18–24s juggling multiple roles. For them, poly-employment may influence ideas of stability, loyalty and career progression. If the trend persists, it could fundamentally redefine Canadian workplace culture.

1/3

of full-time Canadian workers
are working multiple jobs



"My full-time salary alone does not cover all my expenses, so additional work is non-negotiable. The number of supplemental hours I work in a month directly determines whether I can afford basic necessities such as groceries."

Brigitta, 30
Education Co-ordinator, Calgary, Alberta

Rejecting the career ladder

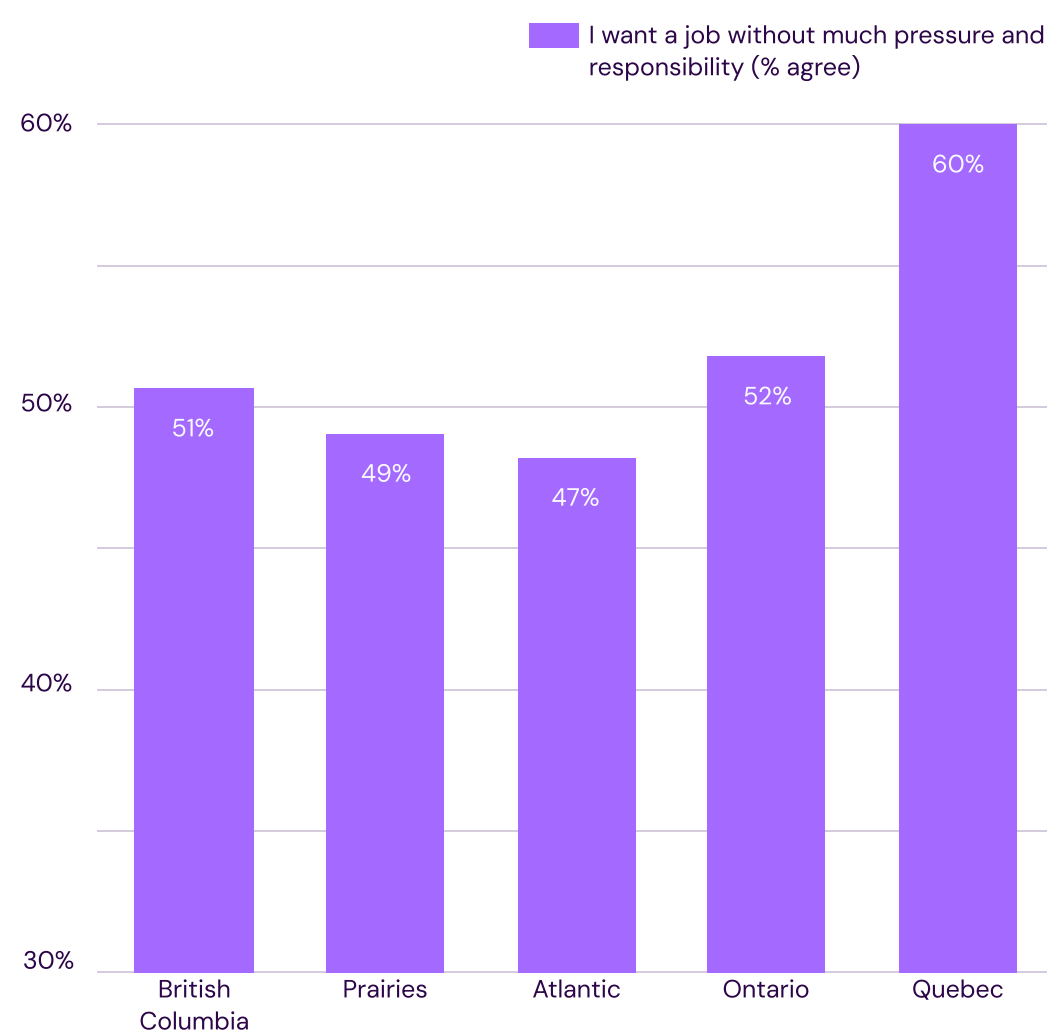
Over half of workers (53%) say they want a job without much pressure and responsibility. This sentiment is strongest in Quebec (60%) and lowest in the Atlantic region (47%), highlighting regional and cultural differences in work ambition.

The trend is particularly pronounced among 25–34-year-olds, who are prioritising wellbeing over promotions. Yet traditional expressions of ambition persist in younger cohorts. 18–24s continue to work longer hours to advance their careers (62%), which begs the question: are they truly striving for growth or simply responding to the demands of an increasingly overwhelmed workforce?

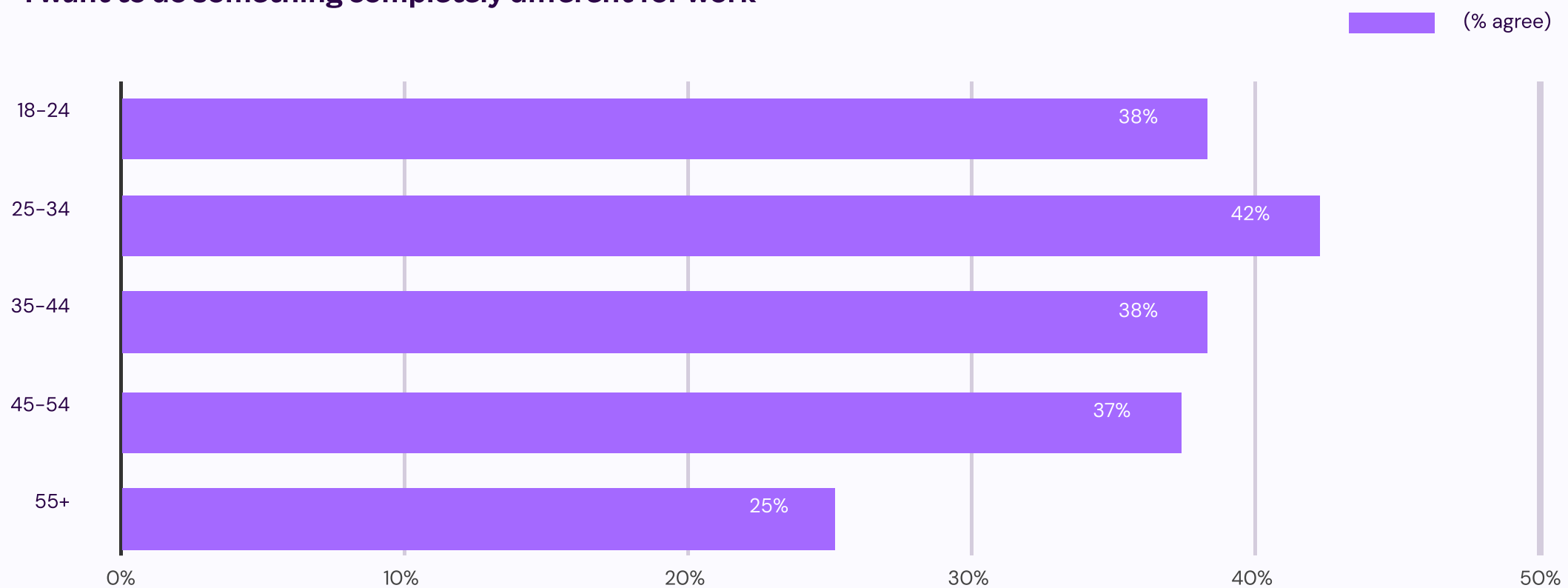
For Canadian employers, the widespread rejection of the traditional career ladder presents a clear challenge: how to engage and retain staff who may not aspire to climb. It creates a clear opportunity to design career paths that reward employees with growth, impact and balance – not just promotion.

Over half of workers (53%) say they want a job without much pressure and responsibility

I want a job without much pressure and responsibility



I want to do something completely different for work



Appetite for change

Canadian workers of all ages are showing a strong appetite for change. One in three (35%) want to do something “completely different”. Even among those aged 55+, one in four (25%) are seeking new opportunities, challenging the notion of “winding down”. The desire for reinvention is strongest among 25–34-year-olds, however, at 42%.

This trend highlights the need for employers to offer flexible pathways, including late-career training and lateral moves. By supporting employees at every stage to leverage their skills in new ways, companies can retain experienced talent, energise younger workers and foster a culture that embraces growth and adaptability.

Steering their own path

Canadians are overwhelmingly drawn to self-employment. Only 2% view joining a startup as the most desirable work option, while 22% say working for themselves or being a business owner is their ideal job. This preference is especially strong among those aged 55+, with 32% seeing self-employment as their goal.

The appeal may lie in control and predictability: startups can feel risky, with unclear career paths and limited benefits, while running your own business offers the chance to shape the future. Yet in today’s cost-of-living crisis, that desire for independence is tempered by the need for security in steady employment, creating real tension between ambition and practicality for many Canadians.

The Gen Z work revolution

Gen Z workers in Canada are challenging stereotypes. Over half of 18–24-year-olds (55%) would relocate for the right job, with Ontario leading the way in interest (62%). Affordability could be a major factor, as the province’s soaring cost of living makes staying put increasingly difficult.

Only 27% prioritise remote or hybrid work

Sixty-two percent are choosing longer hours to prove themselves and advance in their roles. Contrary to media portrayals, few prioritise remote or hybrid work (only 27%) when thinking of changing jobs, seeking in-person mentorship and connection instead.

1 in 4 believe there are fewer jobs available due to AI

While confident with new technology, one in four (27%) believe there are fewer jobs available due to AI – reflecting a mix of optimism about AI’s possibilities and insecurity about its impact on employment. For employers, the key is to let go of assumptions about Gen Z and offer clear growth paths, learning opportunities and engaging office experiences.

A workforce in flux

Canadian workers are open to change but cautious in a tough job market. From poly-employment to late-career pivots, ambition now takes many forms. Younger workers are busting stereotypes with their focus on mobility and growth, while older employees are embracing reinvention.

The challenge for employers is clear: they must meet evolving needs with flexibility, skill-building and autonomy to retain talent and foster resilience. Those who adapt won’t just keep pace – they’ll lead the future of work in Canada. ■

When asked to choose just one type of organisation as an ideal job:

2%

view joining a startup as most desirable work

22%

say being a business owner is their ideal job

Methodology



The Employment Hero *Annual Jobs Report 2025: Work in Motion* provides a real-time snapshot of the labour market in Australia, New Zealand and the UK, powered by anonymised, aggregated data from the Employment Hero platform. Covering more than 2.5 million active employees across 350,000+ small and medium businesses, the report reflects actual payroll and workforce records, offering an immediate view of employment activity among small and medium-sized businesses.

The report focuses on three core metrics:

1. Employment growth: change in the average number of active employees across billed businesses.
2. Wages: total median earnings calculated from payroll data.
3. Hours worked: average weekly hours recorded for employees.

Each metric can be broken down by state/region, industry, employment type and age group, providing insight into workforce dynamics at a granular level.

Scope and coverage

The dataset includes verified, active employees aged 14 years and over (18 years in the UK), identified through unique employee IDs on the platform (eliminating double-counting). To ensure reliability, calculations are restricted to billed businesses only. Detailed measures have been applied to the raw data to remove any personally identifiable information (PII) to ensure the total anonymity of individuals.

For employees to be included in hours worked and wage calculations, at least one genuine payslip must be recorded in the reporting month. Outliers are excluded to ensure accuracy, including:

- Annual salaries below \$1,000 or above \$1 million.
- Hours worked below 1 or above 744 in a given month.

After these adjustments, the reporting sample covers approximately 350,000 employees per month.

Calculation approach

- Employment growth: Measured as the percentage change in average employees per business, using a ‘cohort approach’ (only businesses billed in both periods are included). This is applied across monthly, quarterly and yearly comparisons.
- Wages: Annualised from payslips over the past 12 months, using only employees with at least six months of valid records to avoid skew from sign-up bonuses or probationary rates. For ANZ, hourly rate is computed by dividing the sum of earnings from eligible payslips by the total hours worked (both normalised for full-time employees, and a simple summation for casuals).
- Hours worked: Aggregated from payslips, then normalised for pay frequency (weekly, fortnightly, monthly). No normalisation is applied to casual workers.

Additional considerations

- Employment growth: Measured as the percentage change in average employees per business, using a ‘cohort approach’ (only businesses billed in both periods are included). This is applied across monthly, quarterly, and yearly comparisons.
- Wages: Annualised from payslips over the past 12 months, using only employees with at least six months of valid records to avoid skew from sign-up bonuses or probationary rates. For ANZ, hourly rate is computed by dividing the sum of earnings from eligible payslips by the total hours worked (both normalised for full-time employees, simple summation for casuals).
- Hours worked: Aggregated from payslips, then normalised for pay frequency (weekly, fortnightly, monthly). No normalisation is applied to casual workers.

YouGov survey

For this report, Employment Hero partnered with YouGov to conduct a survey that captured the lived experience and point of view of employees. We surveyed a sample of 3,635 full-time and part-time workers across Australia, New Zealand, the UK and Canada.

Fieldwork was carried out between 4th–12th August 2025 as an online survey.

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