WSI RECRUITMENT AND STAFFING

HIRE WIRE

JUNE 2025

LABOR MARKET SOFTENS

Michigan is feeling the effects of a softening U.S. labor market as new unemployment claims rose to a seven-month high last week, driven largely by auto-related layoffs across key manufacturing states. The U.S. Department of Labor reported that initial claims climbed by 8,000 to 247,000, with Michigan, Kentucky, and Tennessee seeing the sharpest increases. These were attributed to downsizing in the motor vehicle and parts industries.

In Michigan, where the auto sector anchors the economy, job cuts are mounting as manufacturers face uncertainty tied to federal tariff policy. Layoffs in auto assembly and supply plants suggest growing caution among employers despite a post-pandemic trend of labor hoarding.

Nationally, continuing claims dipped slightly to 1.904 million. Economists warn of a gradual slowdown in hiring. The Federal Reserve's Beige Book echoed these concerns, citing hiring freezes, reduced hours, and delayed staffing decisions across multiple regions.

UNEMPLOYMENT	FEB	MAR	APR
Kalamazoo	5.0	4.9	4.5
Battle Creek	6.6	6.2	5.7
Grand Rapids	4.9	4.8	4.4
Detroit	5.5	5.3	3.7
Michigan	5.4	5.5	5.5
USA	4.1	4.1	4.2

There was a silver lining. The U.S. trade deficit narrowed by a record 55.5 percent in April to 61.6 billion dollars, largely due to a steep drop in imports. Economists say this could significantly lift second-quarter GDP, possibly by as much as five percent depending on inventory effects.

Still, for Michigan's workforce, the near-term outlook remains cautious as economic uncertainty clouds growth.

EMPLOYMENT HOLDS AMID UNCERTAINTY

In May, the U.S. economy added 139,000 jobs, which was more than economists expected. However, it marked a slight slowdown from April's revised gain of 147,000. The unemployment rate held steady at 4.2% for the third consecutive month. Federal agencies cut 22,000 jobs, though many displaced workers aren't yet counted as officially unemployed because they remain on payrolls during severance periods and legal transitions.

Stock market futures rose after the report. Dow futures climbed 0.7%, S&P 500 futures increased by 0.8%, and Nasdaq futures were also up 0.8%. Small-cap stocks, represented by the Russell 2000, posted even stronger gains, rising over 1%. The VIX "fear gauge" dropped closer to normal levels, signaling that traders feel less concerned now that hiring remains relatively stable.

Still, fewer people are actively looking for work, and wage growth continues to outpace what many businesses would prefer. Average hourly earnings rose by 0.4% from April to May and are nearly 4% higher than a year ago. This combination of slowing job growth, rising wages, and lower labor-force participation suggests companies may face increasing labor costs and a tighter hiring environment through the rest of 2025. Many firms are also monitoring trade and tariff developments, which could impact hiring and investment decisions if uncertainty grows.

Looking ahead, businesses should plan for steady but moderate increases in labor costs, pay close attention to consumer demand, and remain flexible in case global trade tensions return.

Steady Unemployment: Jobless rate holds at 4.2%

Wage Pressure: Hourly earnings are up nearly 5% year-over-year.

Ongoing Challenges: Wage increases, lower profits,and trade wars are increasing uncertainty.

STRONG WAGE GROWTH REPORTED IN EARLY 2025

Recent data from the U.S. Bureau of Labor Statistics provides an encouraging look at worker earnings in the first quarter of 2025. According to the report released on April 16th, the median weekly earnings for the nation's 120.9 million full-time wage and salary workers stood at $1,194. This figure represents a substantial increase of 4.8 percent compared to a year earlier.

Notably, this wage growth significantly outpaced the rate of inflation. Over the same period, the Consumer Price Index for All Urban Consumers (CPI-U) rose by 2.7 percent. This means that, on average, full-time workers saw their earnings increase faster than the cost of everyday goods and services, leading to a gain in purchasing power.

The first quarter of 2025 brought strong overall wage growth that exceeded inflation, providing a positive economic indicator.

Alongside this, the data continues to show significant variations in earnings based on gender, race, and ethnicity, underscoring areas that warrant continued focus.

While the overall trend in earnings growth is positive, the report also highlights persistent disparities across different demographic groups. In the first quarter, women's median weekly earnings were $1,096, which is 83.9 percent of the $1,307 median for men.

This women's-to-men's earnings ratio varied when analyzed by race and ethnicity. Black women, for instance, earned 96.8 percent as much as their male counterparts within that group, while Asian women earned 79.9 percent, White women 82.2 percent, and Hispanic women 88.7 percent.

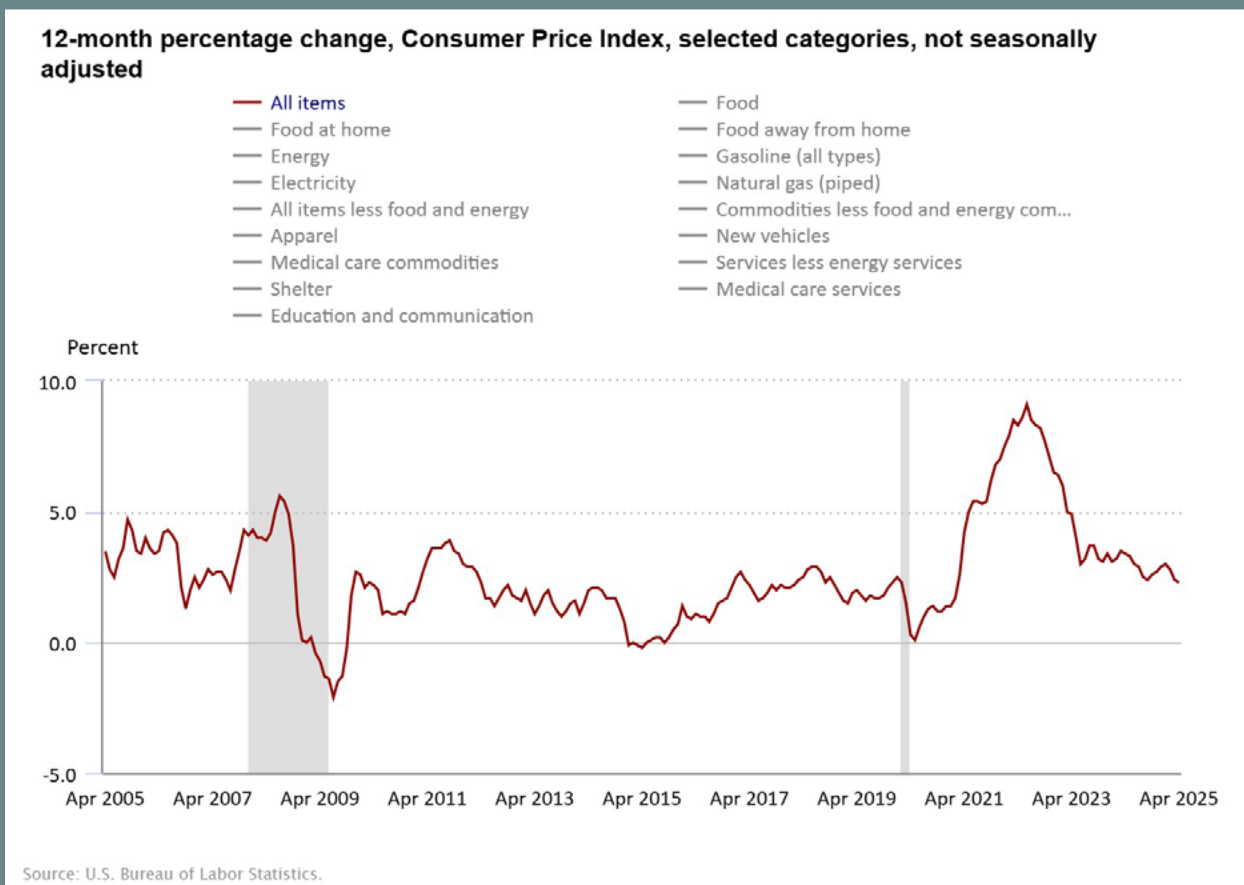
Looking at major race and ethnicity groups overall, median earnings ranged from a low of $929 for Hispanic workers to a high of $1,585 for Asian workers. White workers had median earnings of $1,219, and Black workers had median earnings of $1,000. The report also shows differences within gender and racial groups when compared to White counterparts. For example, Black men's median earnings were 75.8 percent of those for White men, and Hispanic men's were 73.8 percent. The differences were smaller among women, with Black women earning 89.2 percent and Hispanic women earning 79.7 percent of the median for White women. Asian men and women, however, reported higher median earnings than their White counterparts.

Source: BLS.gov

CONFIDENCE CLIMBS:
CONSUMERS SHAKE OFF THE SLUMP

Sharp rebound in expectations reflects brighter economic outlook despite lingering concerns.

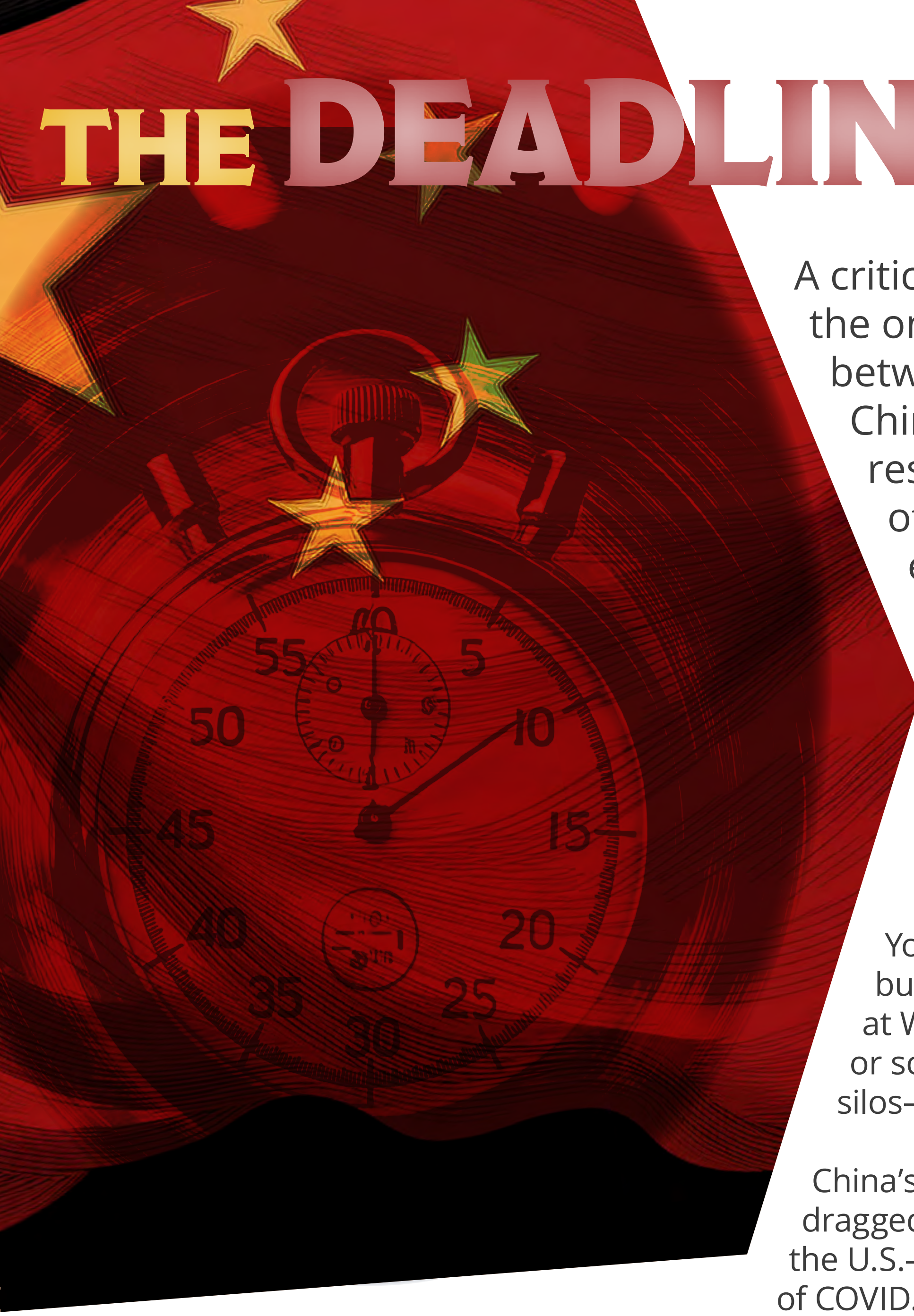
Consumer sentiment saw a notable recovery in May after five months of decline. The Conference Board's Consumer Confidence Index® jumped 12.3 points to 98.0, up from 85.7 in April. Gains were seen across age, income, and political groups, with Republicans showing the strongest increase. However, a six-month average shows confidence still lags due to earlier drops.



The Expectations Index, which tracks outlooks on income, business, and jobs, rose 17.4 points to 72.8. While still below the 80 threshold that typically signals a recession, this indicates a more optimistic future view. More consumers reported improved present conditions and fewer said business conditions were "bad."

Consumer sentiment surveys also showed stabilization, helped by the May 12 announcement of a pause on some tariffs from China. Expectations for the stock market and family finances improved, and recession fears eased.

THE DEADLINE IS HERE.



A critical June 1st deadline in the ongoing trade negotiations between the United States and China has passed without a resolution, leaving the future of the world's two largest economies in a state of uncertainty. The latest round of talks, which intensified in the weeks leading up to the deadline, failed to bridge significant gaps on core issues.

You may not follow global trade talks, but if you've noticed prices creeping up at Walmart, factory hours getting cut, or soybean shipments sitting longer in silos—this is why.

China's exports slowed sharply in May, dragged down by a 34.5% plunge in sales to the U.S.—the worst drop since the early days of COVID. That's not just Beijing's problem.

It's ours, too. The goods you rely on—car parts, electronics, farm equipment—get more expensive when tariffs go up, and they are still sitting at 30% after President Trump's latest wave of trade penalties.

CHINESE EXPORTS TO THE USA WERE DOWN 34% IN THE MONTH OF MAY.

Imports into China dropped 3.4% last month, meaning fewer U.S. goods like corn, beef, and machinery are being bought. That hits hard in the Midwest, where farmers and manufacturers rely on Chinese demand to stay profitable. A slowdown in China's factories is now being matched by growing deflation—a red flag that prices are falling because no one's buying. If the world's second-largest economy weakens, so do the export orders that keep our plants running.

Talks resumed June 9th in London, with high-ranking officials from both countries trying to cool the temperature. On the table: rare earth metals, AI chip restrictions, and access to tech—crucial battlegrounds in a world increasingly driven by data and supply chains.

But beyond prices and orders, a deeper fracture is forming: trust in the global supply chain is eroding. Midwestern firms that once depended on predictable Chinese components are now rethinking entire sourcing strategies. That could mean higher costs, longer lead times, and even reshoring production—not just for the big guys, but for tier-two and tier-three suppliers in towns like Peoria, Flint, and Fort Wayne. Once you pull the supply chain apart, putting it back together is never simple.

STEEL TARIFFS DOUBLED LAST WEEK.

President Trump's decision on June 4, 2025 to double steel and aluminum import tariffs from 25 percent to 50 percent is now hitting everyday Americans where it counts— in grocery carts and car dealerships.

In the food sector, tin-coated steel used for cans—think soup, beans, pineapple—is largely imported. Domestic production has dwindled, leaving about three-quarters of supply sourced from overseas. With the tariff jump, can manufacturers face an estimated cost increase of 9 to 15 percent – that's roughly 18 to 30 cents extra on a $2 can. As these costs are passed to retailers and shoppers, grocery prices rise. Can plants risk layoffs or shutdowns if consumers switch to cheaper packaging alternatives like plastic. Up to 20,000 U.S. jobs in can manufacturing could be at risk if demand drops substantially.

The auto industry is facing an even steeper climb. Automakers rely on approximately $800 worth of steel per vehicle. With the new 50 percent tariff, that could mean another $400 in raw material costs per car—some estimates suggest sticker prices could climb by $2,000 to $4,000. Manufacturers like Ford are warning of "cost and chaos" as supply chains shift and costs mount. Consumers might delay purchases or settle for cheaper models, potentially slowing sales and hampering factory output and jobs.

Beyond food and cars, these tariff hikes affect a broad range of industries—appliances, construction, packaging—that rely on steel and aluminum. Domestic steel prices have surged well above global benchmarks, and retaliatory tariffs from Canada, the EU, and Mexico complicate matters further. While supporters argue the tariffs protect U.S. metal producers and potentially create jobs, the broader economic impact appears negative: rising costs for goods, potential job losses in manufacturing sectors already under pressure, and increased inflation that could unsettle monetary policy and consumer sentiment.

LEADERSHIP IN THE AGE OF A.I.

Why success in the age of AI is more about adaptability and curiosity than it is about technical expertise.

The business landscape is being fundamentally reshaped by the rapid rise of Artificial Intelligence. This shift goes beyond technology, affecting people, culture, and operations. To lead effectively in this era, traditional thinking must give way to adaptability, continuous learning, and intentional action.

Rather than chasing every new tool, leaders should focus on solving real business problems. Start with improving customer experience, boosting efficiency, or enabling growth. Then explore how AI can help. You don’t need to be a technical expert, but curiosity and hands-on experimentation are essential. Use AI in your own work, ask questions, and model the mindset you want from your team. It’s also critical to connect AI efforts to strategic priorities, focusing on value instead of novelty, whether using in-house tools or third-party solutions.

Trying to keep up with every AI breakthrough is a losing game. Instead, build a culture of learning and experimentation. Encourage teams to run small tests, learn from failure, and share successes. Feedback loops and steady progress matter more than perfection.

The best leaders in this space are humble, inquisitive, and willing to say they don’t have all the answers. They build agile teams with shared accountability and alignment.

Data fluency is now essential for leaders. AI is only as good as the data it’s given. Understand how data is gathered, stored, and potentially biased. Incomplete or messy data will lead to poor outcomes, no matter how advanced the model. Leaders must challenge assumptions about data quality and help their teams do the same. A strong grasp of data enables better conversations and smarter decisions.

Ethics must be built into every AI decision, not added on after the fact. Choices about data, automation, and outputs all carry ethical weight. Leaders must ask hard questions about bias, privacy, and transparency.

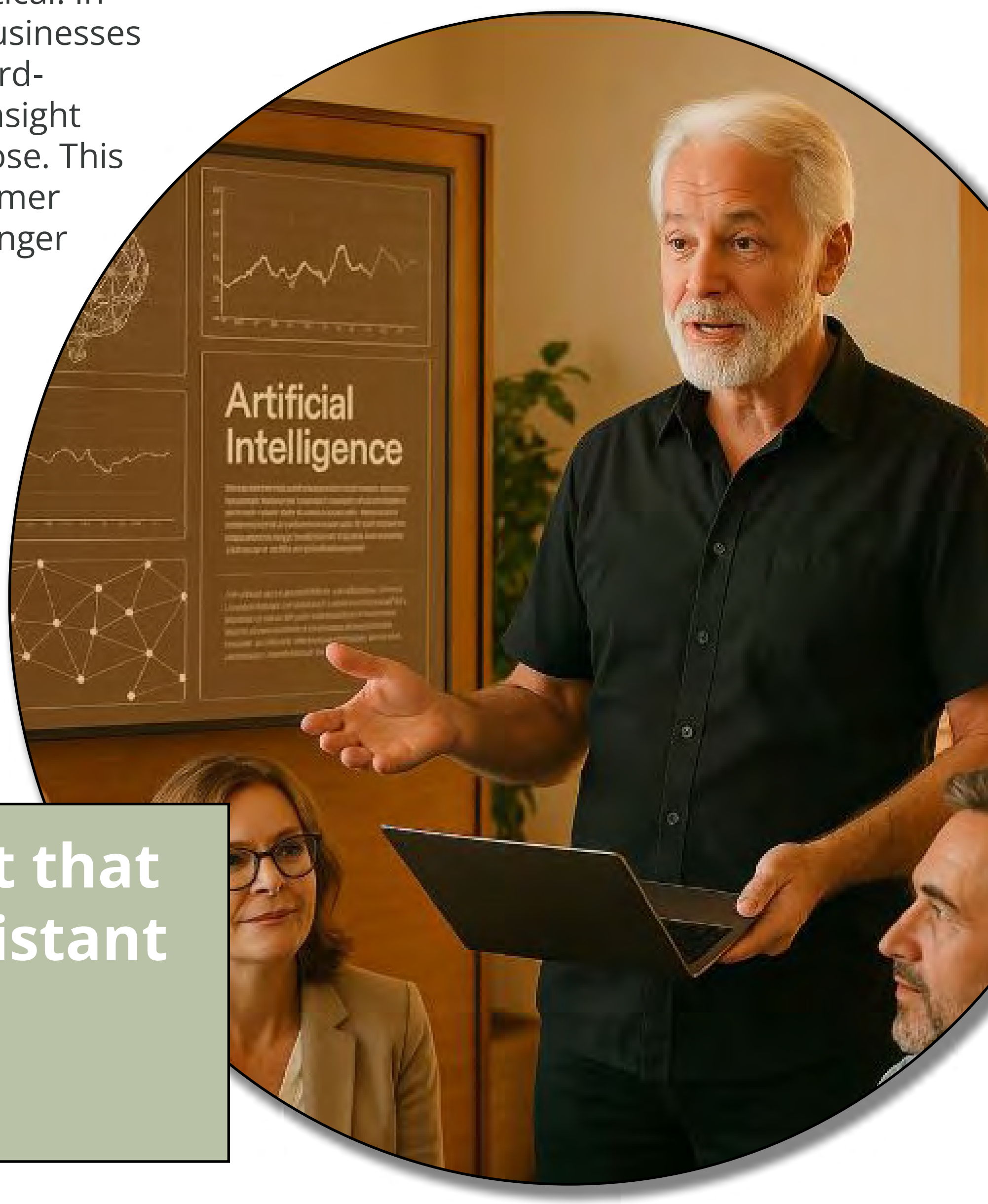
While job security can't always be promised, honesty and upskilling build trust and help teams adapt.

The human-machine relationship is a defining feature of AI-era business. Leaders must adjust to being challenged not just by people, but by AI. Unlike human colleagues, AI agents don't care about hierarchy. They analyze data and deliver insights. Leaders must get comfortable taking input from machines, not just giving it. The idea of a leader as the sole expert is outdated. Today, leadership is about shared learning and decision-making.

Seeing AI as a partner, not just a tool, unlocks major value. Knowing when to rely on AI and when to override it is critical. In many cases, AI can actually help businesses act more ethically. The most forward-looking companies blend human insight with machine intelligence on purpose. This approach is already shaping consumer preferences, especially among younger generations.

Leading in the age of AI takes mindset shifts, practical focus, data fluency, ethical grounding, and openness to working alongside machines. The most successful leaders will be those who learn quickly, think clearly, and guide their organizations through constant evolution.

Progress happens incrementally; choosing momentum over perfection is key.



45% of CEOs report that employees are resistant or hostile to AI.

Source: CIO Dive / Kyndryl survey

IN ONE HOUR YOU CAN LEVEL-UP YOUR AI SKILLS TO BUILD NEW TOOLS

Still tossing prompts into ChatGPT and hoping something useful sticks? It's time for a smarter approach. HR teams don't need tricks. They need working tools. On Wednesday, June 11 at 2:00 PM ET, WSI will host a free, one-hour webinar titled "Automate the Boring: Easily Build No-Code AI Assistants." If you're buried in repetitive tasks, this session is built for you.

If you're mastering prompts and using multiple LLM's and AI tools like Claude, Gemini, Notebook LM, and are ready to up your game to a new level, don't miss this.

Today's HR work is more than managing people. It's about navigating piles of data, forms, and questions that never stop. Employees need answers about policies, benefits, or onboarding. Managers need help turning ideas into clean communications. Spreadsheets need cleaning up before the meeting. And all of it slows you down.

This webinar shows you how to clear those tasks with no-code AI tools that live inside ChatGPT or Google Gemini. These assistants don't just chat. They solve problems. They summarize documents and company knowledge. They can analyze exit interviews, compare health plans, build dashboards, and turn notes into memos — automatically.

WSI's Mark Keady will lead you through exactly how to build them. You'll learn how to train an assistant with your own documents and get results in minutes, no tech team required. You'll also understand the difference between GPTs, assistants, and agents, and how to know which to use when. Everything is designed with real HR work in mind.

This isn't theory. These tools are already working. And you can build your own. June 11, 2025 – 2:00 PM ET. Reserve your spot now. You handle the people. Let the AI handle the rest.

WHAT ARE US BONDS?

AND WHY DO RISING BOND PRICES CAUSE CONCERN AMONG ECONOMISTS?

Investors are once again backing away from U.S. assets in what's being dubbed the return of the "Sell America" trade. The trigger: a credit downgrade on May 16 by Moody's, growing concerns over the federal deficit, and unease about President Trump's tax and tariff proposals.

Moody's is now the last of the three major credit agencies to lower the U.S. rating from its top tier, following similar moves by Fitch and Standard & Poor's.

One major signal is the sell-off in U.S. Treasury bonds. Treasury bonds function as IOUs the government uses to borrow money. Investors buy them to lend money to the U.S. in exchange for interest. But when confidence in the government's fiscal direction weakens, investors demand higher returns. That drives bond yields higher. In May, 30-year yields climbed above 5 percent, a warning sign for both inflation and the long-term cost of debt.

Higher bond yields ripple through the broader economy. They raise costs for mortgages, business loans, and credit cards, which can slow down economic growth. Rising yields also suggest investors view U.S. debt as riskier, which can weaken the dollar and trigger broader market instability.

At the same time, US House Speaker Mike Johnson is struggling to build support for Trump's push to make tax cuts permanent, with opposition from fiscal conservatives. Inflation fears are intensifying. Walmart recently cautioned that new tariffs could raise consumer prices, and the latest University of Michigan survey shows rising public expectations for future inflation.

TREASURY BONDS:

Long-term loans to the government with fixed interest returns.

FACTORIES OFFER FUTURES
Gen-Z Opts Out

Why Does Gen Z Shun High-Paying Factory Jobs Despite Government Push?

In a bold vision for America's economic future, U.S. Secretary of Commerce Howard Lutnick has championed a return to manufacturing roots, envisioning factory jobs as lifelong careers for Americans and their descendants. "This is the new model, where you work in these plants for the rest of your life, and your kids work here, and your grandkids work here,".

Lutnick emphasizes the transformation of factory roles into high-tech positions, particularly in robot maintenance and operation, offering competitive salaries ranging from $70,000 to $90,000 annually, often requiring only a high school diploma. He points to community colleges, especially in states like Arizona, as pivotal in training technicians for these roles.

Despite these opportunities, Generation Z remains largely uninterested in manufacturing careers.

U.S. Secretary of Commerce Howard Lutnick

A 2023 study by Soter Analytics revealed that only 14% of Gen Z would consider industrial work, with concerns over safety and lack of flexibility being significant deterrents.

The manufacturing sector faces a looming labor shortage, with Deloitte projecting 3.8 million new manufacturing jobs by 2033, half of which could go unfilled if current trends continue. The average age of manufacturing workers is 44.3 years, and only 8% are under 25, highlighting the urgency of attracting younger talent.

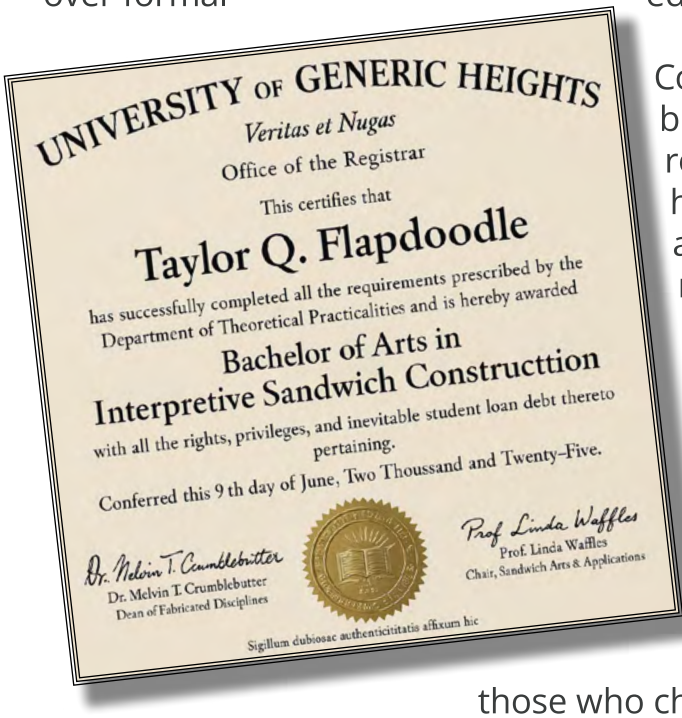
Gen Z's career preferences lean towards roles that offer flexibility, work-life balance, and a sense of purpose. Many are turning to skilled trades like plumbing and electrical work, which they perceive as offering better long-term prospects and lower risk of automation.

To bridge this gap, manufacturers may need to rebrand factory roles, emphasizing their technological aspects and potential for career growth. Offering flexible work arrangements and highlighting the societal impact of manufacturing could also make these careers more appealing to younger workers. Engaging with educational institutions to provide apprenticeships and internships can expose Gen Z to modern manufacturing environments early on.

As the U.S. aims to revitalize its manufacturing sector, aligning industry roles with Gen Z's values and expectations will be crucial in ensuring a robust and skilled workforce for the future.

Experience Over Education: Employers Shift Hiring Focus

A growing number of U.S. employers are scrapping bachelor's degree requirements, with one in four companies expected to eliminate them for some roles by the end of 2025. The shift reflects a broader trend: 69% of hiring managers now prioritize relevant experience over formal education, especially for entry and mid-level roles.



Companies making the change report significant benefits. Eighty-four percent say removing degree requirements has increased applicant volume, with half noting a more diverse candidate pool. Some also cite the ability to offer lower salaries while maintaining performance standards.

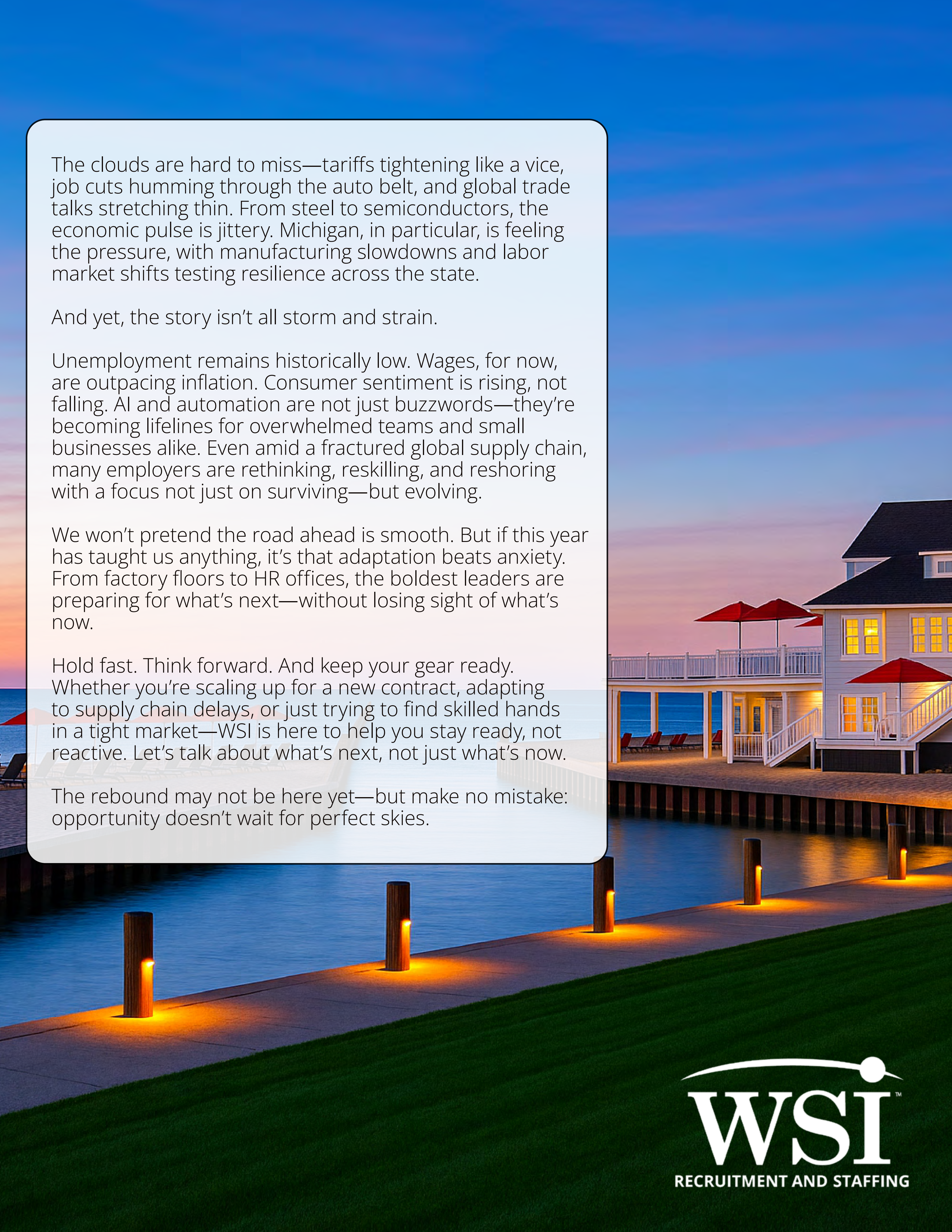
Gen Z is particularly impacted. Hiring managers prefer candidates with AI and soft skills over those with degrees, signaling a preference for practical abilities and cultural fit.

The bottom line? Employers want skills, not just diplomas. As ResumeTemplates' Julia Toothacre notes, "These changes expand opportunities for those who choose alternative paths—and for companies, they widen the talent pool dramatically."

Penny's Last Days: What It Means for You and Your Wallet

Once, the penny, with Abraham Lincoln pictured upon it, was a fixture in our daily lives. But its time is ending. Producing the one-cent coin became simply too expensive, costing far more to make than it was worth. President Trump directed the Treasury to halt production, and the U.S. Mint will stop minting pennies early next year. This follows similar moves by countries like Canada, Australia, and New Zealand.

The transition means that for everyday cash transactions where exact change requires pennies, businesses will need to start rounding up or down to the nearest 5 cents. Cashless payments, however, will still maintain exact pricing. This change is expected to alter retailer pricing, potentially ending the familiar 99-cent price points. While saving the government money, the shift may impact consumers who rely on cash, like older or lower-income Americans. Despite billions of coins sitting unused in jars, they aren't flowing through the economy. The penny is saying "buh bye," ushering in a new era of rounding for cash transactions.



The clouds are hard to miss—tariffs tightening like a vice, job cuts humming through the auto belt, and global trade talks stretching thin. From steel to semiconductors, the economic pulse is jittery. Michigan, in particular, is feeling the pressure, with manufacturing slowdowns and labor market shifts testing resilience across the state.

And yet, the story isn't all storm and strain.

Unemployment remains historically low. Wages, for now, are outpacing inflation. Consumer sentiment is rising, not falling. AI and automation are not just buzzwords—they're becoming lifelines for overwhelmed teams and small businesses alike. Even amid a fractured global supply chain, many employers are rethinking, reskilling, and reshoring with a focus not just on surviving—but evolving.

We won't pretend the road ahead is smooth. But if this year has taught us anything, it's that adaptation beats anxiety. From factory floors to HR offices, the boldest leaders are preparing for what's next—without losing sight of what's now.

Hold fast. Think forward. And keep your gear ready. Whether you're scaling up for a new contract, adapting to supply chain delays, or just trying to find skilled hands in a tight market—WSI is here to help you stay ready, not reactive. Let's talk about what's next, not just what's now.

The rebound may not be here yet—but make no mistake: opportunity doesn't wait for perfect skies.

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