



Drivers of Premium	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Net Employment Change (Thous.)	-13	72	-26	108	-173	56	50
Net Private Employment Change (Thous.)	-27	56	10	104	1	50	37
Average Hourly Earnings (y/y %)	3.7	3.9	3.8	3.7	3.7	3.6	3.8
Average Hours Worked (Hours)	34.2	34.3	34.2	34.2	34.2	34.3	34.2
Payroll (Calculated)* Growth (y/y %)	4.4	5.2	4.5	4.6	4.3	4.4	4.3

*Calculated Payroll = Total Private Employment x Average Hourly Earnings x Average Hours Worked

Drivers of Frequency	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unemployment Rate (%)	4.1	4.3	4.3	4.4	-	4.5	4.4
Labor Force Participation Rate (%)	62.3	62.2	62.3	62.5	-	62.5	62.4
Prime Age Participation Rate (25-54, %)	83.5	83.4	83.7	83.7	-	83.8	83.8
Job Openings (Thous.)	7,357	7,208	7,227	7,658	7,449	7,146	-
Hires Rate (%)	3.3	3.3	3.2	3.4	3.4	3.2	-
Quits Rate (%)	2.0	2.0	1.9	2.0	1.9	2.0	-
Layoffs Rate (%)	1.1	1.1	1.1	1.1	1.2	1.1	-

Source: US Bureau of Labor Statistics; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point.

1 In December 2025, the economy ended the year by adding 37,000 jobs in the private sector and 50,000 jobs overall. October and November employment gains were revised down by a combined 76,000 jobs, with the bulk of the overestimation occurring during the government shutdown in October.

In 2025, employers added 584,000 jobs, the slowest pace of annual job growth outside of a recession since 2003. The health care and social assistance industry added 713,000 jobs while government jobs declined by 149,000 overall, with losses of 274,000 at the federal level. Manufacturing lost 68,000 jobs and marked the third straight year of declines in employment. Most other industries, including construction, saw small employment gains for the year.

2 Despite slow employment growth, payroll growth stood at 4.3% in 2025, only slightly below the 4.6% of 2024 and the pre-pandemic average. Payroll growth is better indicator for workers compensation than employment growth alone.

3 The unemployment rate moved up slightly from 4.1% at the end of 2024 to 4.4% to end 2025. The rise this year was driven by more job seekers, with prime-age participation up from 83.4% at the end of 2024 to 83.8% in December 2025.

Big Picture: 2025 was a “low hire, low fire” environment where moderating but still solid wage growth offset sluggish employment growth, supporting overall payroll growth for workers compensation. The main question for 2026: Will hiring improve or remain slow?