AI Unlocks America's Frontline Workforce as It Enters the Next Era



deputy

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Introduction

Across the United States, the industries that keep communities running, healthcare, hospitality, retail, and services, are entering a structural transformation. AI is at the center of it.

Much of the public narrative around AI has focused on displacement. But that framing misses what is actually happening across shift-based work. In frontline industries, the issue is not job elimination. It is operational redesign.

For nearly two decades, we have had a front-row seat to how work is organized across complex, regulated, high-volume environments. What we are seeing now is not replacement of frontline roles. It is the re-architecture of how those roles are supported, scheduled, coordinated, and scaled.

AI is increasingly embedded in the operational backbone of these industries. In hospitals, it reduces documentation burden and improves patient coordination. In restaurants, it enables demand forecasting and staffing precision. In retail, it strengthens inventory and workforce alignment. In services, it enhances care coordination and workforce planning. The throughline is clear. AI is compressing administrative overhead and expanding managerial capacity.

For frontline leaders, this shift is profound. Less time spent on manual scheduling, compliance tracking, and reactive staffing. More time focused on coaching, performance, and customer or patient experience.

At the same time, the workforce itself is evolving. Gen Z is rapidly becoming the dominant demographic across shift-based industries. Expectations around flexibility, transparency, and autonomy are higher. Micro-shifts, dynamic scheduling, and poly-employment are no longer edge cases. They are emerging norms. Workforce systems built for a static, single-employer model are increasingly misaligned with how people actually want to work.

AI introduces both opportunity and responsibility. Algorithmic scheduling, hiring, and performance insights must be transparent and explainable. Trust is not a soft variable in frontline industries. It is operational infrastructure. The next generation of workers expects to understand how decisions are made and how technology shapes their livelihoods.

The future of frontline work will not be defined by technology alone. It will be defined by how intelligently technology augments human capability. The most resilient organizations will combine advanced systems with distinctly human strengths such as judgment, empathy, creativity, and adaptability.

The evidence throughout this report points to a clear conclusion. AI will not replace shift-based work. It will transform the way it is structured, managed, and scaled.

Frontline industries are not being automated away. They are being rebuilt with intelligence embedded in the infrastructure that powers nearly every shift in our economy.



Silvija Martincevic
CEO, Deputy

Data analysis

The Big Shift 2026 report was produced by Deputy using aggregated customer data. The report features an industry-focused data analysis of American shift workers across the hospitality, retail, healthcare, and services sectors.

Chief Economist at Geografia, Dr. Shashi Karunanethy, analyzed 41,272,873 shifts and 268,258,948hours of 382,635 shift workers to produce the insights in this report.



Dr. Shashi Karunanethy
Chief Economist, Geografia

Dr. Karunanethy provides specialized advisory services in policy and market design, thought leadership on cities, the workforce, and future technologies, and economic strategies. He works with a variety of federal and state government entities, international development organizations, tech start-ups, and ASX-listed companies. Before this, he held senior professional roles in several consulting firms. He obtained his Ph.D. from the University of Melbourne.

Industry sample sets will not add up to the overall number of shift workers due to data being analyzed from other industries not called out in the report, churn, and other events that have occurred between Jan 2022 and Dec 2025.

This data has been normalized to account for seasonality and demand of workforce fluctuations throughout the week (e.g. weekdays vs. weekends).

The US economy



In 2025, much of the momentum in the US economy was tied to a surge in construction and infrastructure spending linked to artificial intelligence. The rapid expansion of AI processing data centers has driven significant investment activity, creating a noticeable boost in economic output. This impact was particularly visible in the first quarter of 2025, when the broader US economy contracted, but overall GDP growth remained positive due entirely to AI-related investment.

Throughout the year, spending on AI infrastructure continued to play an outsized role in economic performance. In several quarters, investment tied to AI contributed between 10 and 30% of total US GDP growth. While this activity has supported overall economic stability, it has also highlighted an uneven pattern of growth. Outside of the AI and infrastructure sectors, economic expansion has been far more modest, with many industries experiencing slower or subdued momentum.

Consumer confidence reflects a similar story. Sentiment remained relatively steady through 2023 and into early 2024 as strong job growth and easing inflation helped households regain some financial stability. However, this trend shifted during 2025. Confidence fell sharply in the first half of the year as many households continued to face cost-of-living pressures. At the same time, uncertainty around the broader economic outlook and the political environment added to concerns, weighing on consumer sentiment and shaping how people viewed the year ahead.

Despite ongoing cost-of-living pressures, the US labor market remained resilient through 2023 and 2024. Total employment continued to rise, supported by steady demand across service sectors and frontline industries that rely on shift-based work.

However, the pace of job growth has started to slow through 2025. The economy is still adding jobs overall, but hiring momentum has cooled as businesses take a more cautious approach to workforce expansion.

This shift reflects a more uncertain operating environment. Political and geopolitical tensions have increased, and many organizations are also reassessing their hiring needs as AI reshapes certain roles. In many industries exposed to automation, businesses are slowing the pace of new hires while evaluating how technology may change the way work is done.

Importantly, the hiring slowdown is not being driven by large numbers of job losses. Layoffs and discharges have remained relatively stable across both 2024 and 2025, with no significant spike in separations. Instead, the labor market is softening through reduced hiring activity. Businesses are posting fewer vacancies and filling roles more selectively.

For shift-based industries, this trend typically means fewer new positions being created and slower turnover-driven hiring. When job openings decline, the flow of new workers into frontline roles tends to slow.

Part of this broader slowdown is being driven by weaker demand in professional services and finance roles. Employers in these sectors are hiring more cautiously, particularly at junior levels. Uncertainty around the economic outlook, combined with the growing ability of AI tools to automate routine tasks, is allowing some organizations to maintain productivity with smaller teams.

At the same time, hiring in the public sector has also begun to soften. Federal government recruitment has slowed as the Trump administration pursues policies aimed at reducing the overall size and cost of government.

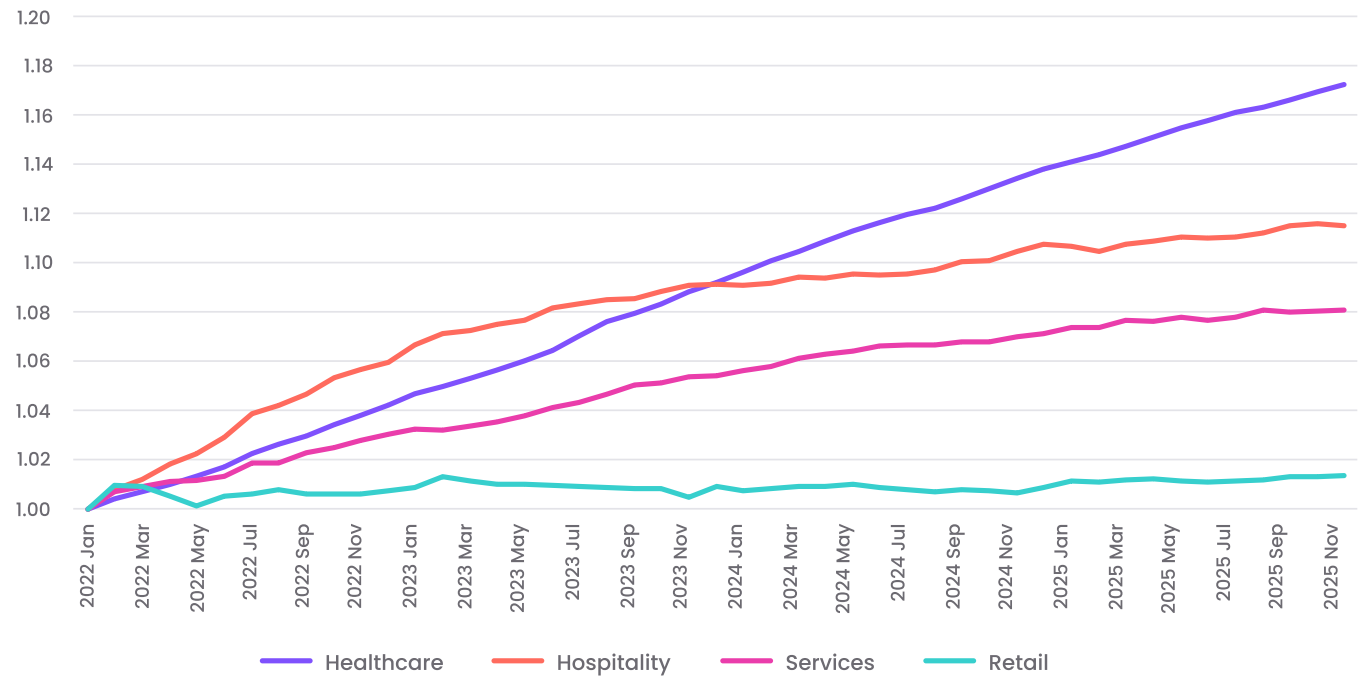
Together, these trends are contributing to a broader decline in job openings across the US labor market. While employment levels remain relatively strong, the pace of new opportunities is clearly slowing.



Human-centered industries are driving job growth

Deputy Job Index by Industry

Source: Deputy and US Bureau of Labor, 2025



Despite a cooling labor market, shift-based industries have continued to support job growth across the US.

In total, employment across these sectors increased by nearly 1.1 million workers, with healthcare accounting for around 700,000 of those new roles. Healthcare continues to stand out as one of the strongest and most consistent sources of job growth. Since 2022, the sector has expanded steadily, reflecting structural demand from an aging population, ongoing workforce shortages, and the essential nature of healthcare services.

Hospitality and broader service industries have also continued to grow, even as consumer confidence has weakened and hiring across professional and office-based roles has slowed. These sectors remain heavily reliant on shift-based labor and continue to play a key role in supporting employment across local communities.

Retail employment has been more mixed. Overall growth has been relatively modest, with the sector adding around 105,000 jobs during 2025. While this represents continued expansion, the pace of growth is slower than in previous years and reflects the broader shift toward more cautious hiring across the economy.

Taken together, these trends highlight the important role shift-based industries continue to play in the US labor market. Even as the broader economy moves into a slower growth phase, sectors built around frontline and shift work remain a critical foundation for employment and hours worked.

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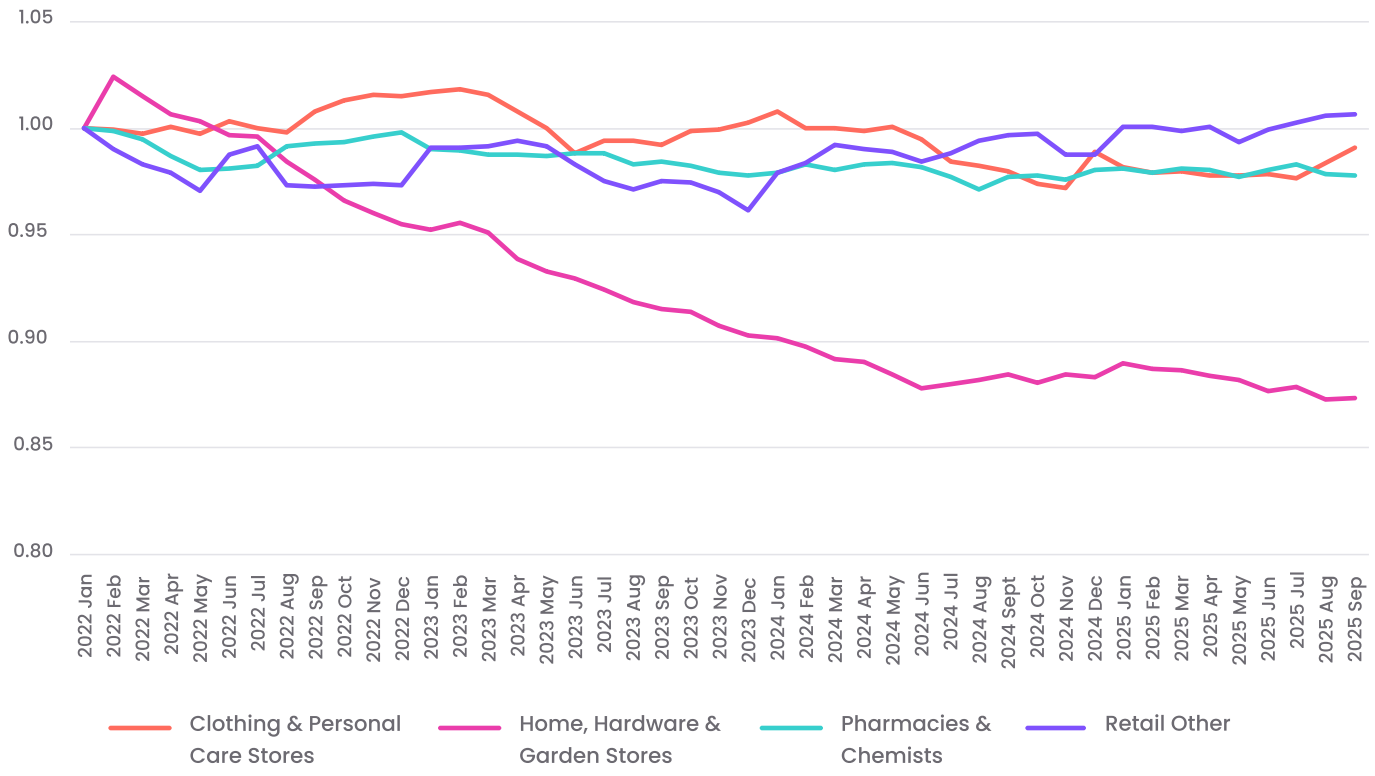
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Deputy Job Index — Retail Sectors

Source: Deputy and US Bureau of Labor, 2025



Over the past three years, growth in shift-based work across the US has been led by human-centered industries. These are sectors where the work relies on direct human interaction and cannot easily be automated, offshored, or replaced by digital tools.

At the center of this trend is the Care Economy.

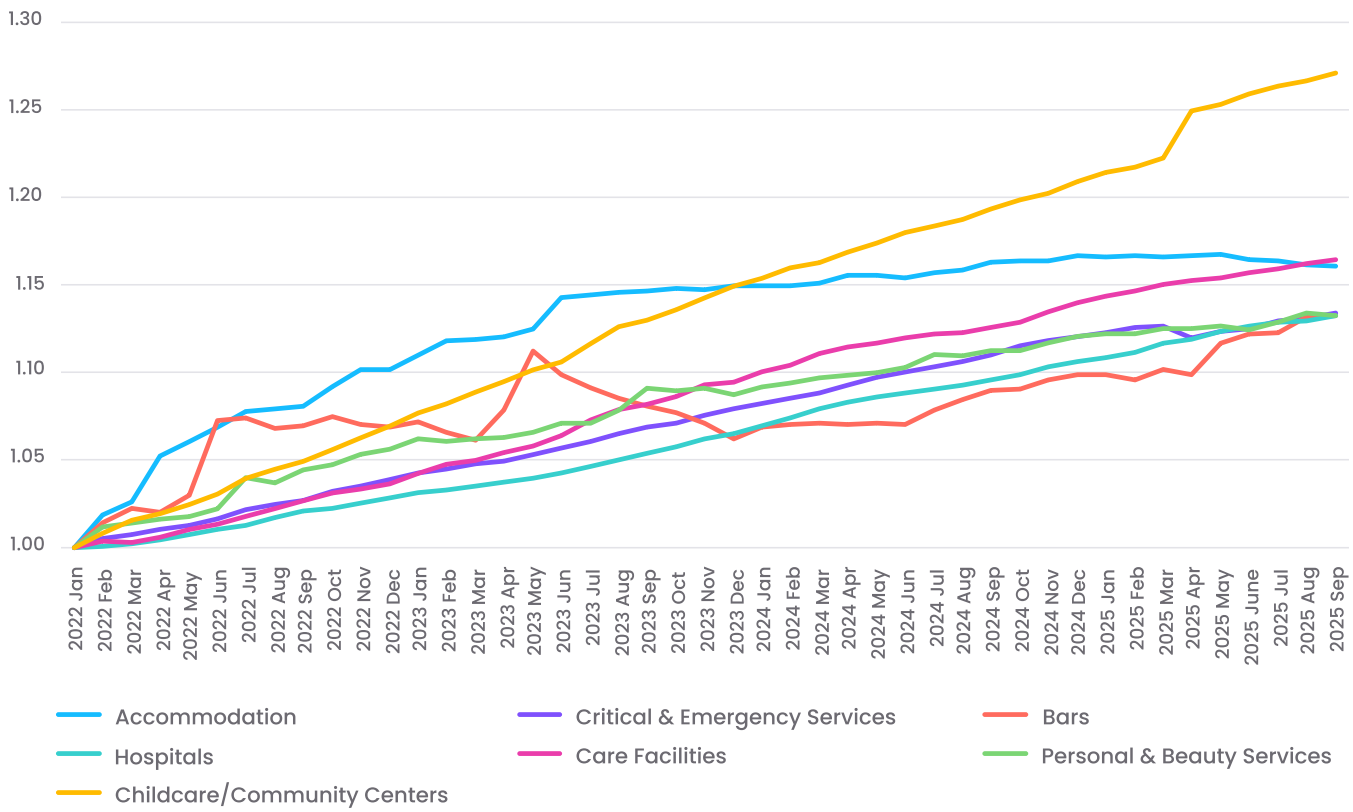
Childcare and community services have recorded the strongest growth of any shift-based sector during this period. Demand for these roles continues to rise as families rely more heavily on formal care services and communities expand support for vulnerable populations.

Healthcare has also continued to grow, but the pattern within the sector is shifting. Frontline and care-intensive roles are expanding faster than clinical or emergency services. Positions that involve direct patient care, ongoing support, and day-to-day assistance are seeing the strongest demand.

Together, these trends highlight a broader shift in the US labor market. As technology transforms many parts of the economy, the sectors growing fastest are those where the human element remains essential.

Deputy Job Index — Care Economy Sectors

Source: Deputy and US Bureau of Labor, 2025



The shift workforce has changed hands to Gen Z

Generational change is becoming one of the most significant forces shaping shift-based work in the US.

Gen Z is now the largest generation working in shift-based industries, representing around **41%** of the shift workforce. Millennials follow closely behind at roughly **40%** and continue to play a major role across many sectors. However, Millennials are increasingly moving into supervisory and managerial positions, reflecting their progression into more senior stages of their careers.

At the same time, older generations' participation is gradually declining. Gen X workers now represent about **15.4%** of the shift workforce, while Baby Boomers account for roughly **4.9%**. As many workers from these generations retire or exit the labor force, their share of shift-based employment continues to fall, reinforcing a clear generational transition across frontline industries.

Looking ahead, a new generation is entering the workforce. Gen Alpha currently represents **less than 0.5%** of shift workers. While still very small today, this generation is expected to become a major part of the labor market over the next two decades and could surpass Gen Z by around **2045**. As they enter the workforce, their preferences, habits, and expectations are likely to shape how shift-based industries operate.

Early workforce patterns already suggest some differences. Deputy data shows growing levels of micro-shift employment across several occupations, where workers take on shorter, more flexible shifts rather than traditional longer working blocks.

Gen Alpha workers currently record the shortest average shift lengths, reflecting their early stage in the workforce, as many balance part-time work with education after finishing high school. This suggests an opportunity for businesses to design roles that better accommodate shorter shifts and flexible scheduling for emerging workers.

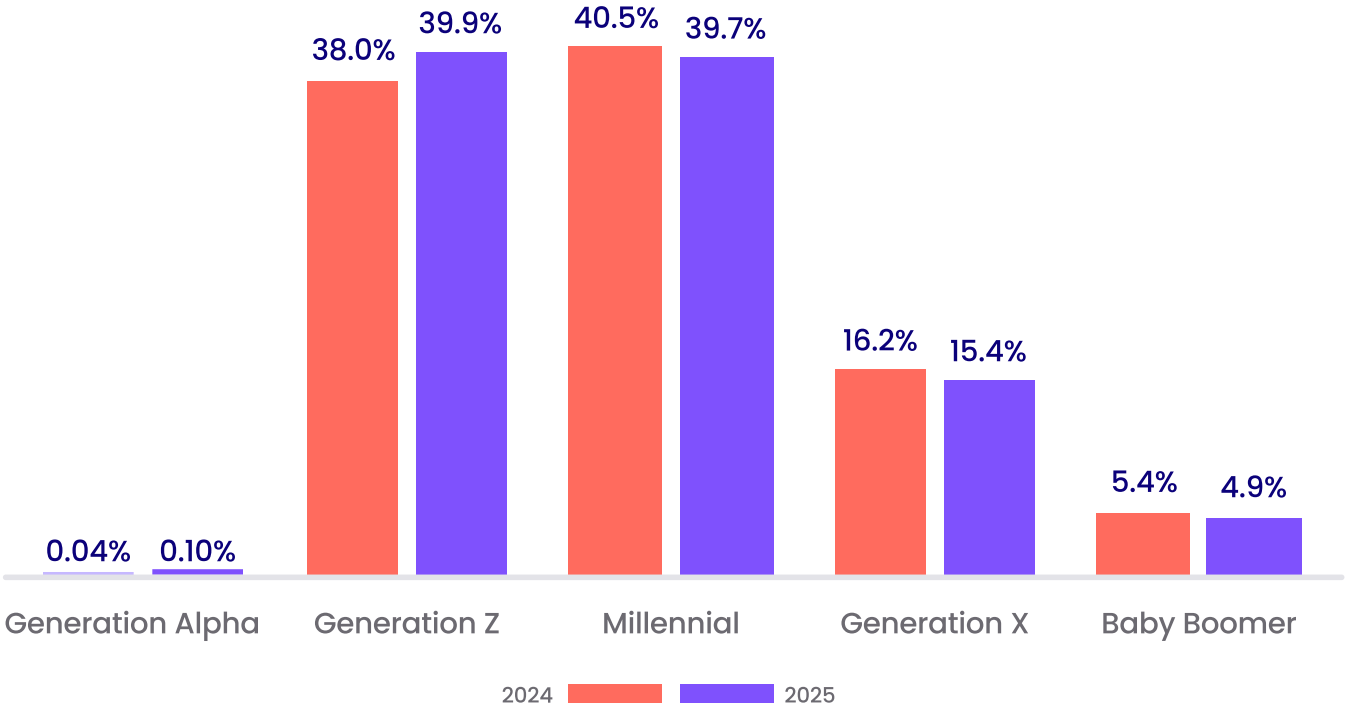
Shorter shifts are also appearing among other generations. Baby Boomers and Gen Z both show relatively shorter average shift lengths compared with the broader workforce. For many workers in these groups, changing personal responsibilities are influencing how they participate in the labor market. Young parents, caregivers, and grandparents are increasingly seeking roles that allow them to work in smaller time blocks rather than committing to longer, fixed schedules.

The rise of poly-employment is also reinforcing this shift. Many workers are now holding multiple jobs or combining different types of work across the week. Micro-shifts allow them to piece together income from several roles while maintaining flexibility.

Millennials, who represent roughly **39.7%** of the workforce, are increasingly transitioning into leadership and supervisory roles as their careers mature. At the same time, the steady decline in participation from Gen X and Baby Boomers highlights how quickly the generational balance of shift work is changing.

Share of Shift Workers by Generation

Source: Deputy, 2025



Together, these trends point to a workforce that is becoming younger, more flexible, and increasingly structured around shorter, more adaptable working patterns. For employers, this shift will shape how rosters are designed, how roles are structured, and how businesses attract and retain the next generation of shift workers.



Retail and hospitality are seeing some of the largest shifts in gender balance. In both sectors, the share of shift hours worked by men has declined noticeably, indicating a growing rebalancing of participation within these workforces.

Hospital-based roles have also experienced measurable changes in gender composition. This reflects broader adjustments within healthcare staffing, where the distribution of roles and working hours is gradually shifting across different parts of the sector.

By contrast, the broader services sector has remained relatively stable in its gender balance. This suggests that changes are not occurring evenly across the economy, but are instead concentrated in specific industries where working conditions and labor demand are changing more quickly.

The largest declines in male participation are occurring in critical and emergency services, outpatient care and employment services. These sectors often combine irregular hours with higher levels of shift uncertainty, which can influence workforce participation patterns and contribute to shifts in gender representation.

Together, these changes help explain the broader gender rebalancing now visible across parts of the healthcare and services sectors.

At the same time, several growing industries are seeing increased participation from women. Rapid expansion in marijuana retail stores, for example, has contributed to higher female participation within the retail sector.

Childcare and community centers also stand out as areas of strong growth. These sectors are among the fastest-expanding parts of the shift-based economy and continue to attract a large share of female workers.

Additional gains are visible in cleaning services, animal health, and fitness-related services. These industries benefit from steady local demand and often offer more predictable scheduling compared with other shift-based roles.

As a result, they are becoming increasingly important entry points and employment opportunities within the broader shift work economy.

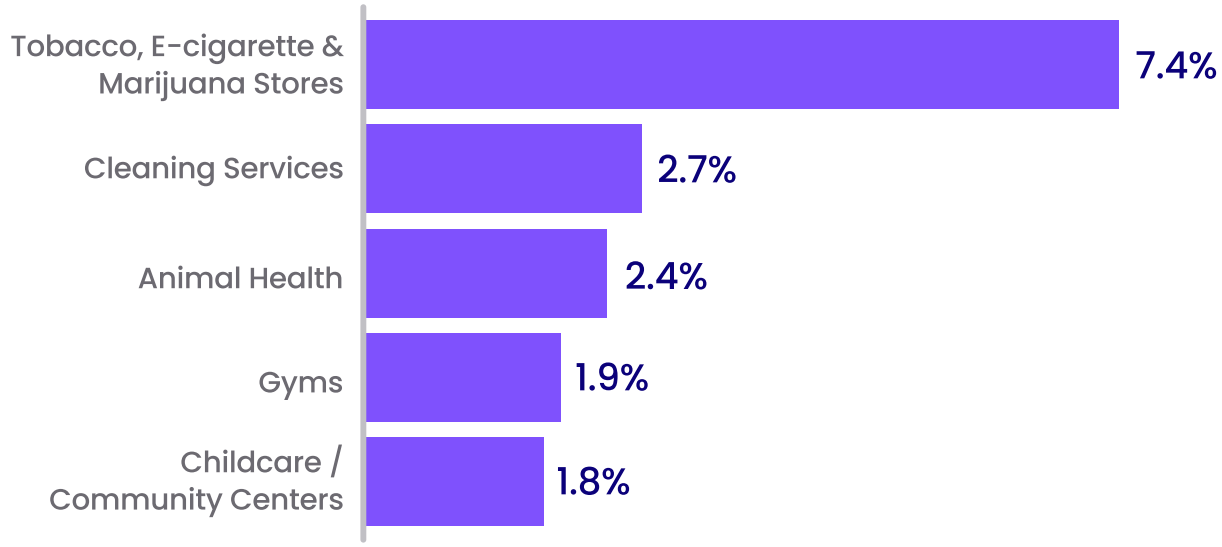
Gender rebalancing within healthcare is occurring alongside a widening pay gap between men and women, particularly in critical and emergency care roles.

Wage growth in the sector is increasingly concentrated in specialist and senior positions. These roles often involve irregular hours and remain difficult to fill due to persistent workforce shortages. As a result, pay increases are being directed toward a smaller group of highly skilled positions rather than being distributed evenly across the workforce.

As the composition of the healthcare workforce shifts, this dynamic is contributing to greater pay divergence rather than narrowing the gender pay gap.

% Change in Share of Sector Workers by Gender, 2025

Source: Deputy, 2025



In hospitality and broader services, the picture is different. These sectors show little change in gender pay divergence over time. Women continue to earn less per hour than men, largely reflecting compressed wage structures and fewer pathways into higher-paid supervisory or management roles.

Retail is experiencing a different type of structural change. The growth of hybrid retail models and the continued expansion of e-commerce are placing pressure on logistics and warehouse roles, which have traditionally been male-dominated. These positions are increasingly exposed to automation and operational efficiency measures, which can contribute to wage compression.

At the same time, customer-facing retail roles are becoming more valuable as businesses compete on service quality and customer experience. Because these roles are predominantly filled by women, the shift in value across different retail functions is contributing to a widening gender pay divergence within the sector.



Automation and hiring in shift work industries

Hiring demand is softening across healthcare and retail as firms adopt a more cautious approach to workforce expansion. Fewer vacancies are being posted, particularly in roles facing cost pressures or those that can be automated.

Hospitality hiring, however, remains broadly stable, reflecting continued demand for in-person services and frontline roles.

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Overall, the slowdown reflects a weaker hiring appetite rather than a collapse in labor demand. Layoffs and terminations have remained broadly stable across shift-based industries, indicating that businesses are slowing recruitment rather than cutting existing staff.

There is no evidence of a mass job-loss cycle linked to AI adoption or broader economic slowdown.

A temporary spike in healthcare terminations occurs in **2025**, likely the result of workforce churn rather than a downturn or structural workforce reductions.

As a result, the labor market is cooling through slower hiring rather than rising unemployment.



At the same time, hybrid retailers are facing increasing pressure from inflationary costs, tariffs, and volatility in logistics and inventory management.

In response, many firms are increasing their investment in automation across warehousing, back-of-house operations, and some retail functions. Examples include automated warehouse systems and the growing use of self-checkout counters in place of traditional cashier roles.

Over-investment during the e-commerce boom is now leading many retailers to focus on cost reduction and labor rationalization.

The largest employment impacts are being concentrated in logistics and non-customer-facing retail roles, particularly within large retailers such as Walmart and Amazon.

Automation is disproportionately affecting male-dominated logistics and warehousing roles across the retail sector.

At the same time, customer-facing retail positions are increasing in strategic value as businesses compete more directly on service quality and customer experience.

These roles are predominantly filled by women and are showing stronger wage growth compared with other parts of the retail workforce.

Together, these changes mean hybrid retail models are contributing to a widening gender pay divergence within the retail sector.

Retail is also the only major shift-based industry showing a deterioration in worker sentiment.

Across healthcare, hospitality, and services, shift worker sentiment improved through **2025**, with more workers reporting that they feel “good” or “amazing” about their work.

Retail workers, however, are reporting a different experience. Sentiment data shows rising stress levels alongside a decline in positive work experiences.

Cost pressures, automation, and growing uncertainty about job security are being felt most strongly within the retail sector.



Shift worker experience in the era of AI

AI adoption is widespread across shift-based industries, but the way workers experience AI differs significantly by sector.

	Healthcare	Retail	Non-Food Hospitality	Restaurants
Voice-to-text / admin automation	**59.30%**	-	-	-
Automated scheduling / workforce optimization	**44.40%**	39.40%	38.90%	40.40%
Customer / virtual assistant chatbots	34.60%	**54.90%**	40.40%	21.10%
Inventory & operations intelligence	-	**52.10%**	-	40.40%
POS & upselling optimization	-	**52.10%**	-	-
Guest experience & sentiment analytics	-	-	**55.60%**	-
Self-service ordering / kiosks	-	33.80%	38.90%	**45.60%**

In healthcare, adoption is concentrated in administrative automation. Common tools include voice-to-text charting systems and automated scheduling, which help reduce manual paperwork and coordination tasks.

Retailers are focusing AI adoption in operations. Strong uptake is being seen in inventory management, point-of-sale optimization, and customer service chatbots designed to improve efficiency and responsiveness.

Non-food hospitality is primarily applying AI to the guest experience. Tools such as sentiment analysis and digital concierge systems are being used to better understand customer feedback and personalize service.

Restaurants, by contrast, are leaning more heavily into task automation. Self-service kiosks and predictive staffing systems are becoming increasingly common as operators look to streamline ordering and manage staffing more efficiently.

Across US shift workers, sentiment toward AI is overwhelmingly positive. Most workers report that AI makes their jobs easier and improves their overall job satisfaction.

Many also say AI helps them feel more valued in their roles. Nearly **75%** report that AI tools help them leave work on time more often, supporting a healthier work-life balance.

These results suggest AI is clearly improving productivity, output, and day-to-day work experiences for many shift workers.

However, while AI delivers strong productivity gains, its impact on well-being is far more limited.

Most workers report efficiency improvements, but comparatively fewer say AI has reduced stress or burnout. This indicates that technology alone does not determine the quality of work.

Instead, organizational culture, management practices, and job design remain the primary drivers of how work actually feels for employees.

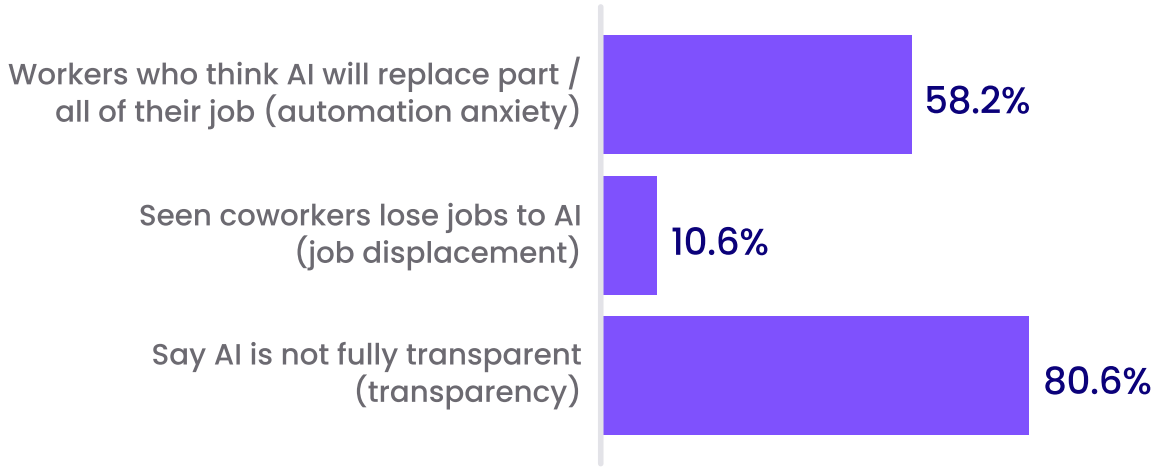
AI may increase productivity and improve output, but leadership and workplace culture still determine the overall employee experience. In practice, management continues to play the central role in shaping work positivity and well-being.

Even as workers recognize the benefits of AI, concerns remain.

Nearly **60%** of US shift workers believe AI will replace part or all of their role in the future. Around **1 in 10** workers report having already witnessed job losses linked to AI automation.

At the same time, around **80%** of workers say there is limited transparency in their workplace about how AI tools are being introduced and used.

These results highlight a clear gap between adoption and communication. Workers want greater transparency about how and why AI technologies are being deployed in their workplaces.



Source: Deputy 2025 Global Study

Shift workers want healthy AI boundaries

Shift workers generally support the use of AI when it improves how work is done. At the same time, many workers want clear boundaries around how AI is used, with defined limits and greater transparency from employers.

Most workers feel their organizations are not fully transparent about how AI tools are being used or why certain technologies are introduced in the workplace.

Workers also recognize that parts of their roles are likely to become automated. However, many remain uncertain about what retraining or reskilling opportunities are available to help them adapt as their jobs evolve.

Deputy survey data suggests that many AI deployments are not accompanied by sufficient communication explaining what tools are being introduced, how they will be used, and why they are being adopted.

Workers want greater clarity about how their own roles may change as AI becomes more embedded in day-to-day operations. As a result, some remain cautious about expanding AI further, particularly when it may increase the perceived vulnerability of their role.

Workers are also increasingly aware that their hours, pay, and opportunities are being shaped by algorithms and automated systems that are not always fully visible to them.

Empirical research on gig platforms shows growing discomfort among workers with so-called "black box" decision-making. These opaque systems are often associated with lower trust, higher stress, and stronger perceptions of unfairness.

	AI-Assisted Rosters	Algorithm-Ruled Platforms
Role of AI	Decision-support tool	Decision maker
Human Oversight	Managers and workers review, adjust and over-ride	Limited or no meaningful over-ride
Transparency	Clear inputs: availability, demand, skills	Opaque "black box" logic
Worker control	Workers can chat and negotiate swaps, preferences, flexibility	Workers accept or reject auto-assignments
Welfare impact	Can reduce administrative burden and job vulnerability	Reduces trust and increases dissatisfaction
Overall rationale	Combines the best of data analytics and human judgement	Optimizes for platform efficiency

At the same time, AI is beginning to automate routine scheduling and administrative tasks across many shift-based workplaces. This allows workers to focus more on care, service, and human connection.

This shift is contributing to the emergence of AI-assisted, human-responsible rostering. In this model, scheduling remains under the control of managers and workers, while AI supports decision-making in the background rather than replacing human judgment.

Rather than creating a future in which work is entirely governed by algorithms, shift-based industries are demonstrating how scheduling can be both AI-enabled and human-centered.

Resistance to AI is also uneven across the workforce, strongest among workers who feel most economically vulnerable.

Poly-workers with part-time roles show the highest levels of skepticism toward AI adoption. These workers often rely on multiple jobs to maintain a stable income and may feel more exposed to automation risks.

By contrast, poly-workers who hold full-time roles show the lowest levels of resistance. These workers tend to have greater job stability and more advancement opportunities.

In practice, the way workers perceive AI is closely linked to how secure their employment feels. Where jobs appear vulnerable, AI adoption is more likely to be viewed as a risk. Where jobs feel secure, AI is more often seen as an opportunity.



The emergence of poly-resistance and poly-advantage

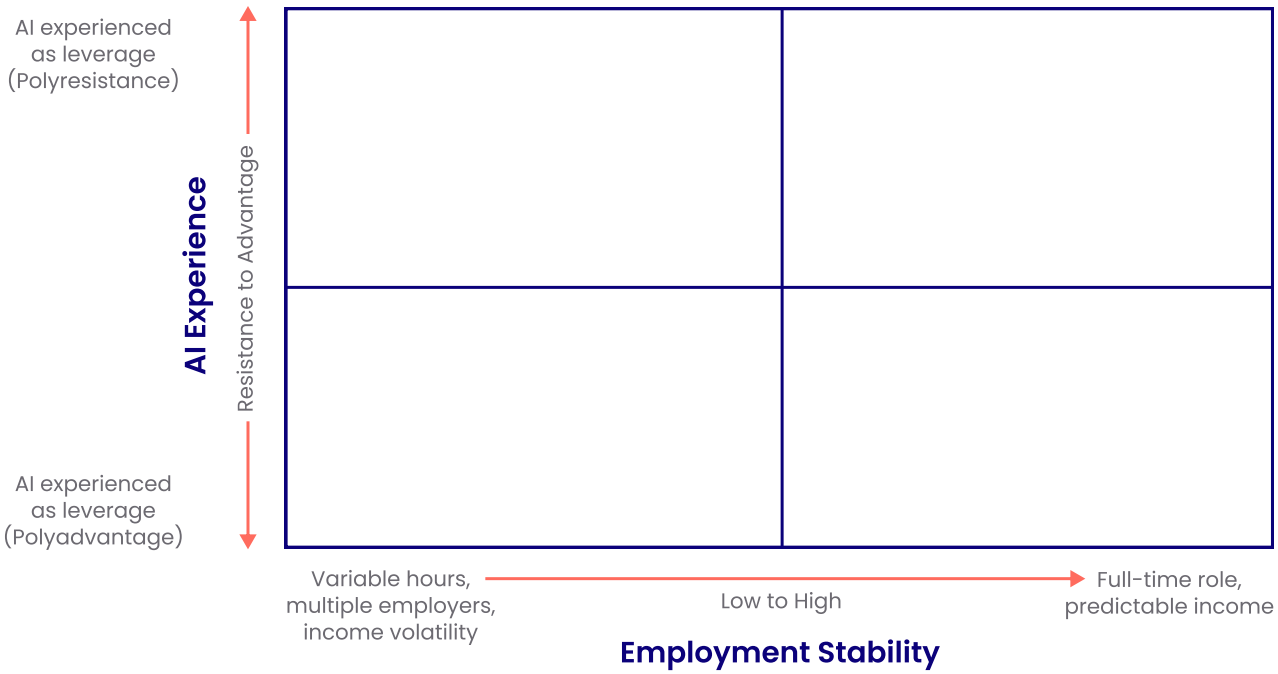
A new pattern is emerging in how shift workers view AI: the rise of **poly-resistance** and **poly-advantage**.

Poly-resistance refers to the heightened resistance to AI adoption among poly-employed workers. This resistance is driven by repeated exposure to algorithmic optimization, which can increase schedule volatility, create income uncertainty, and reduce workers' sense of control over their hours.

Poly-advantage, by contrast, describes the structural advantage held by workers with stable full-time employment who use AI to amplify productivity, generate secondary income, or support entrepreneurial activity. For these workers, AI is more often seen as a tool that improves efficiency and expands opportunities.

Employment stability determines AI experience

To understand the divergence, we map worker experience across two critical dimensions



Poly-resistant and poly-advantaged workers therefore exist at opposite ends of the job security spectrum. These dynamics are emerging at a time when poly-employment levels in the US are at their highest point in a decade.

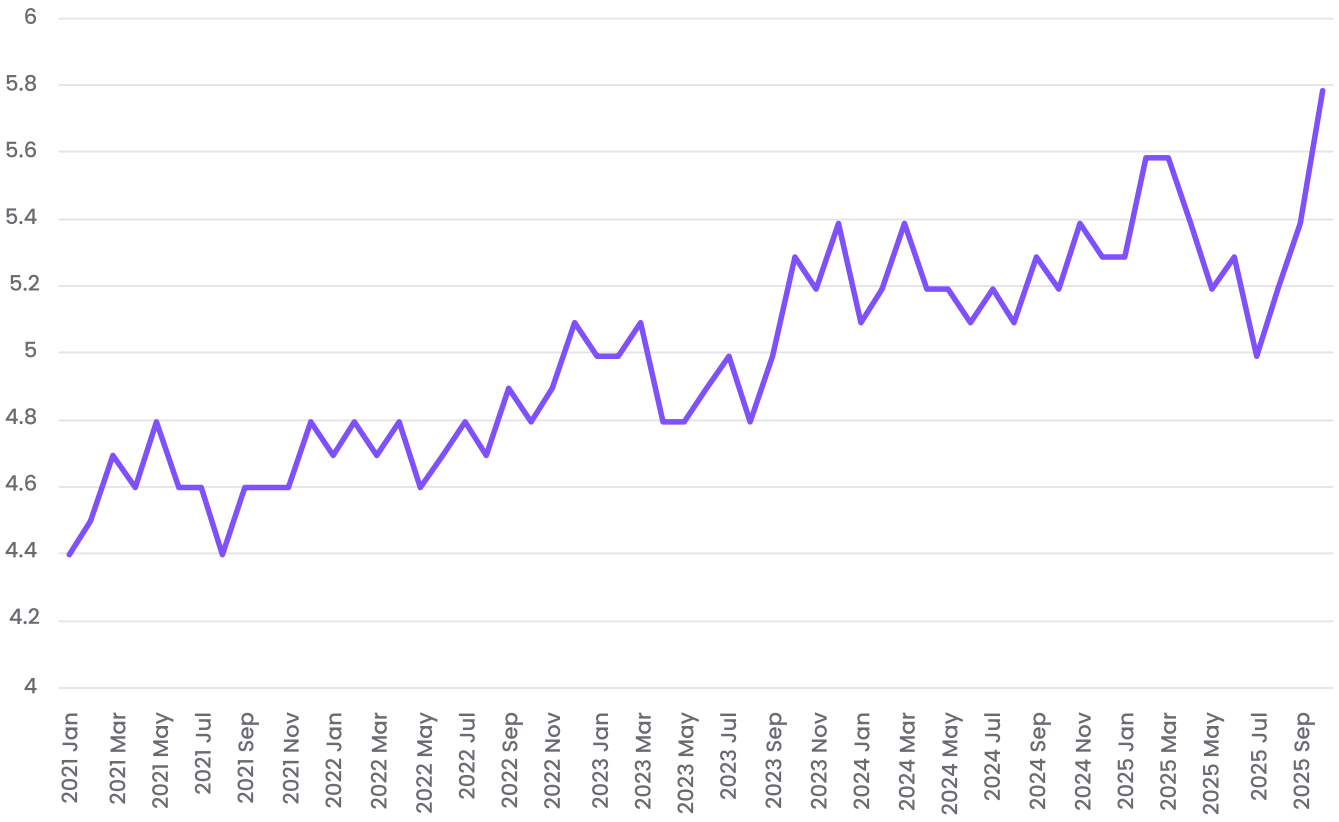
Cost-of-living pressures, inflation, and broader economic uncertainty continue to weigh heavily on US shift workers. As a result, many are turning to poly-employment structures to stabilize income or supplement their earnings.

Workers who enter poly-employment while holding an existing full-time role are more likely to be poly-advantaged, or AI-advantaged. These workers often use AI tools to improve efficiency and productivity, helping them manage multiple sources of income more effectively.

By contrast, workers who rely on multiple part-time roles are more likely to be poly-resistant, or AI-resistant. For these workers, AI can appear as a threat that may automate already unstable hours across different employers, further increasing income uncertainty.

Poly-employment Rate (US)

Source: Bureau of Labor



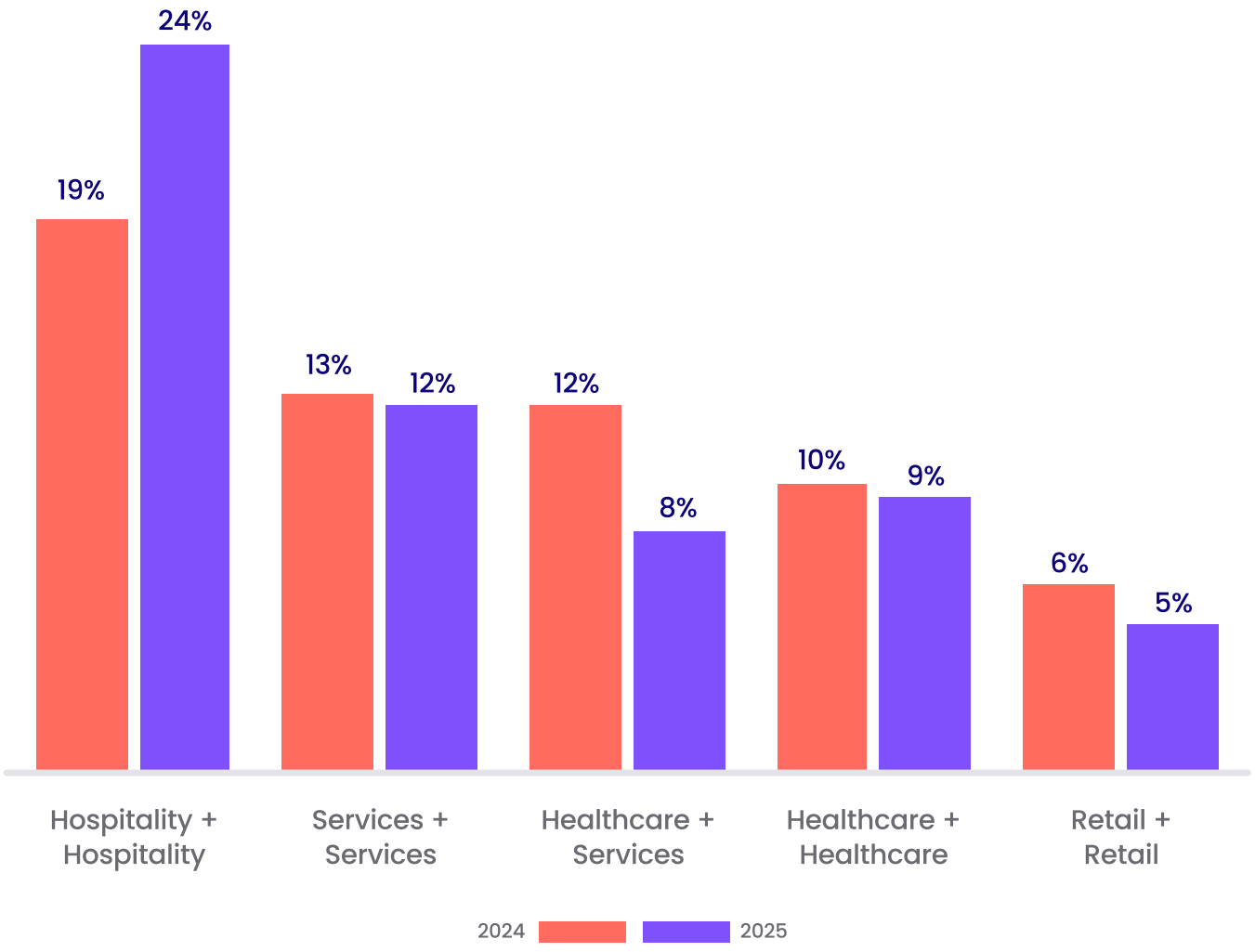
In **2025**, poly-employment also saw an increase in male workforce participation. Men now represent **53%** of poly-workers across US shift industries.

Poly-work remains most common among younger workers. Gen Z accounts for **55%** of the poly-employed workforce. However, **2025** also saw poly-employment increase across older generations, including among Baby Boomers.

The most common poly-work combinations involve multiple hospitality roles or multiple service jobs. These are followed by combinations that include healthcare and service sector roles.

Share of Poly-employment by Industry, 2024 vs 2025

Source: Deputy 2025 Global Study



Shift worker trends by cities and regions

Job growth in the US is becoming increasingly concentrated in high-migration Sun Belt and Southern states.

California and New York continue to add jobs in absolute terms, but the pace of growth is slowing relative to population movements.

Texas and Florida are emerging as the primary engines of shift-based employment growth.

Regional labor markets are being reshaped by affordability, migration patterns, and new investment activity.

As a result, the US shift workforce is becoming more regionalized.

Major US cities have been experiencing a sustained downward employment trend for several years. High living costs, declining affordability, and slower population growth have all weighed on job creation in these large urban centers.

However, in **2025**, employment levels appear to be stabilizing. In cities like New York and Chicago, job growth has returned modestly.

Large metropolitan areas are now plateauing rather than leading the next growth cycle.

Instead, growth is increasingly being led by Texan metropolitan areas, followed by cities like Nashville and Portland. These locations combine lower housing costs with strong in-migration flows, making them attractive destinations for both workers and employers.

Investment is also playing a role. Data center construction and renewable infrastructure development are supporting local job creation, particularly across Texas.

Shift-based industries are expanding fastest in areas where population growth is strongest. Labor demand is increasingly following where people are moving, rather than concentrating solely in traditional urban cores.

However, policy changes may affect this trend. The Trump administration's **"Big Beautiful Bill"** is expected to roll back renewable infrastructure subsidies.

Combined with any slowdown in AI infrastructure investment, this could reduce business activity and job creation opportunities across several cities in Texas that have benefited from these investment trends.

Public sector impact on shift worker jobs

Federal government hiring has slowed sharply as funding is rolled back across departments.

Layoffs and hiring freezes are concentrated in Washington D.C. and surrounding metropolitan areas. As the federal workforce contracts, the effects are spreading beyond government offices.

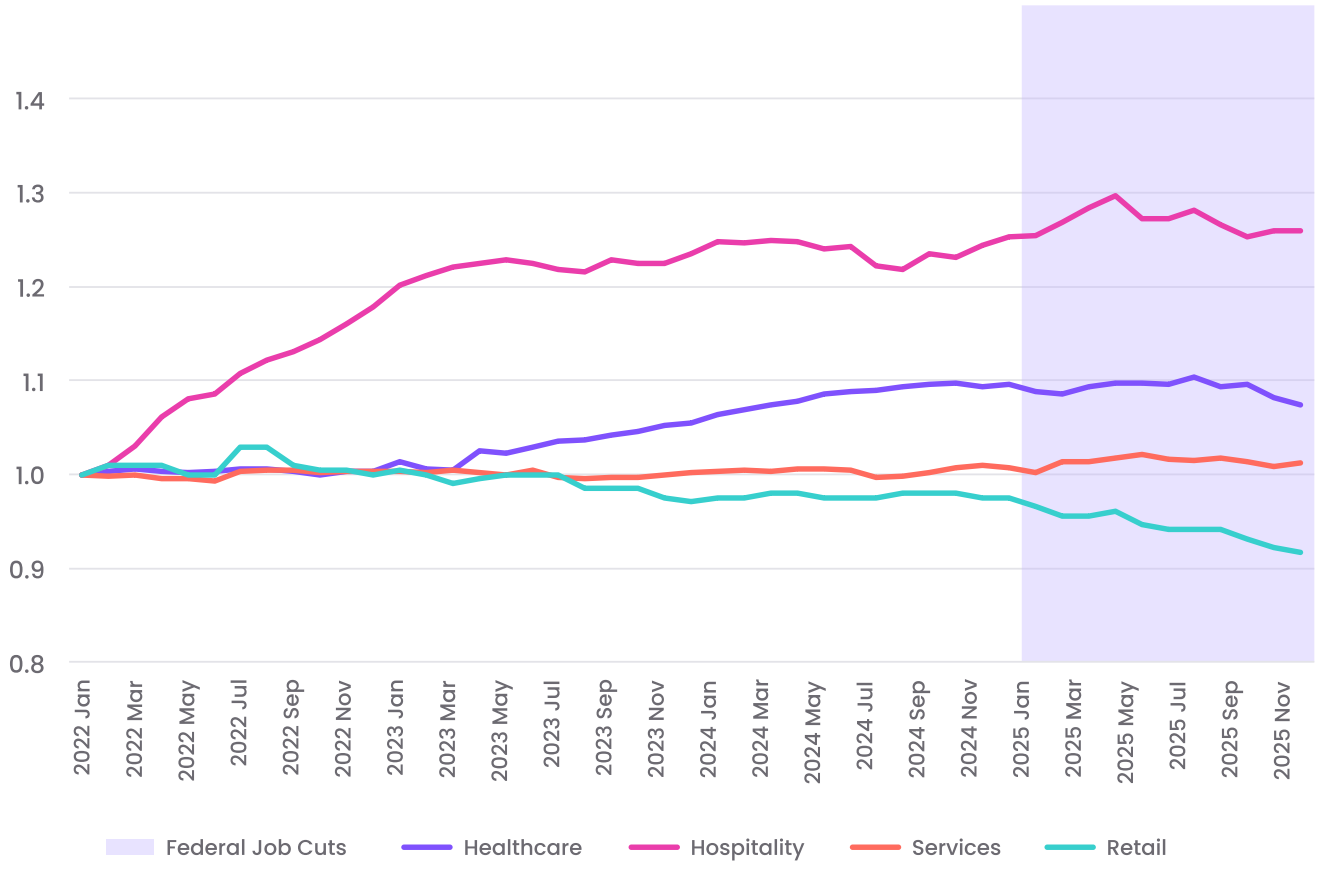
Public sector employment plays a major role in supporting local economies. As federal hiring slows, cities with large government workforces are seeing weaker demand across service, retail, and hospitality sectors.

Cities with high exposure to federal employment are therefore experiencing softer demand for shift-based work. Policy-driven job cuts are reinforcing the broader softness already seen in some urban labor markets.

At the same time, scheduling regulation continues to evolve across the US.

Deputy Shift Work Index, Washington DC

Source: US Bureau of Labor, 2025



In **2025,** Fair Workweek laws expanded and took effect in several major jurisdictions. In Los Angeles County's unincorporated areas, the Fair Workweek Ordinance came into effect on **1 July 2025**, applying to large retail employers. Chicago also expanded its existing Fair Workweek ordinance on **1 July 2025**, widening the coverage thresholds and increasing the number of workers protected under the law.

Looking ahead to **2026**, scheduling reform proposals are beginning to move beyond individual cities and into state-level policy discussions.

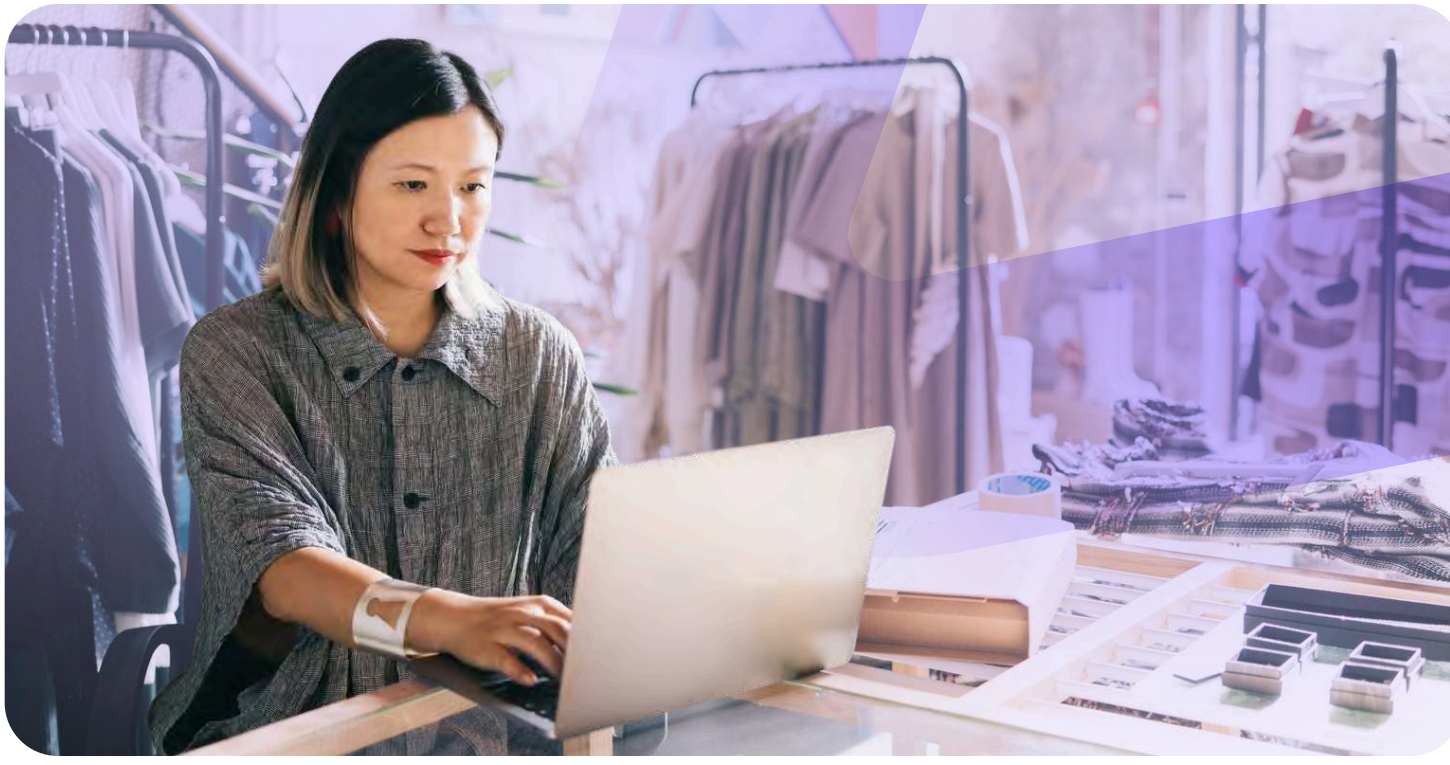
In New Jersey, the **"New Jersey Fair Workweek Act"** has been reintroduced for the **2026–2027** legislative session. The proposal would establish a statewide framework for predictable scheduling rather than a city-level ordinance. If passed, New Jersey would join Oregon as one of only two US jurisdictions with statewide Fair Workweek legislation.

At the federal level, predictable scheduling remains under active debate.

In **2025**, an executive order restricted federal agencies from enforcing or funding predictive scheduling requirements beyond existing federal minimum standards.

At the same time, the **"Schedules That Work Act"** has been reintroduced in the **119th Congress (2025–2026)**. The bill proposes a national baseline for fair scheduling, including the right for workers to request schedule changes without retaliation and stronger protections for workers in occupations with unstable or unpredictable hours.

However, both measures are unlikely to have major near-term impacts. The executive order affects only a minority of federal contracts, while the **Schedules That Work Act** is widely viewed as unlikely to pass during the current Congress.



The night-time economy

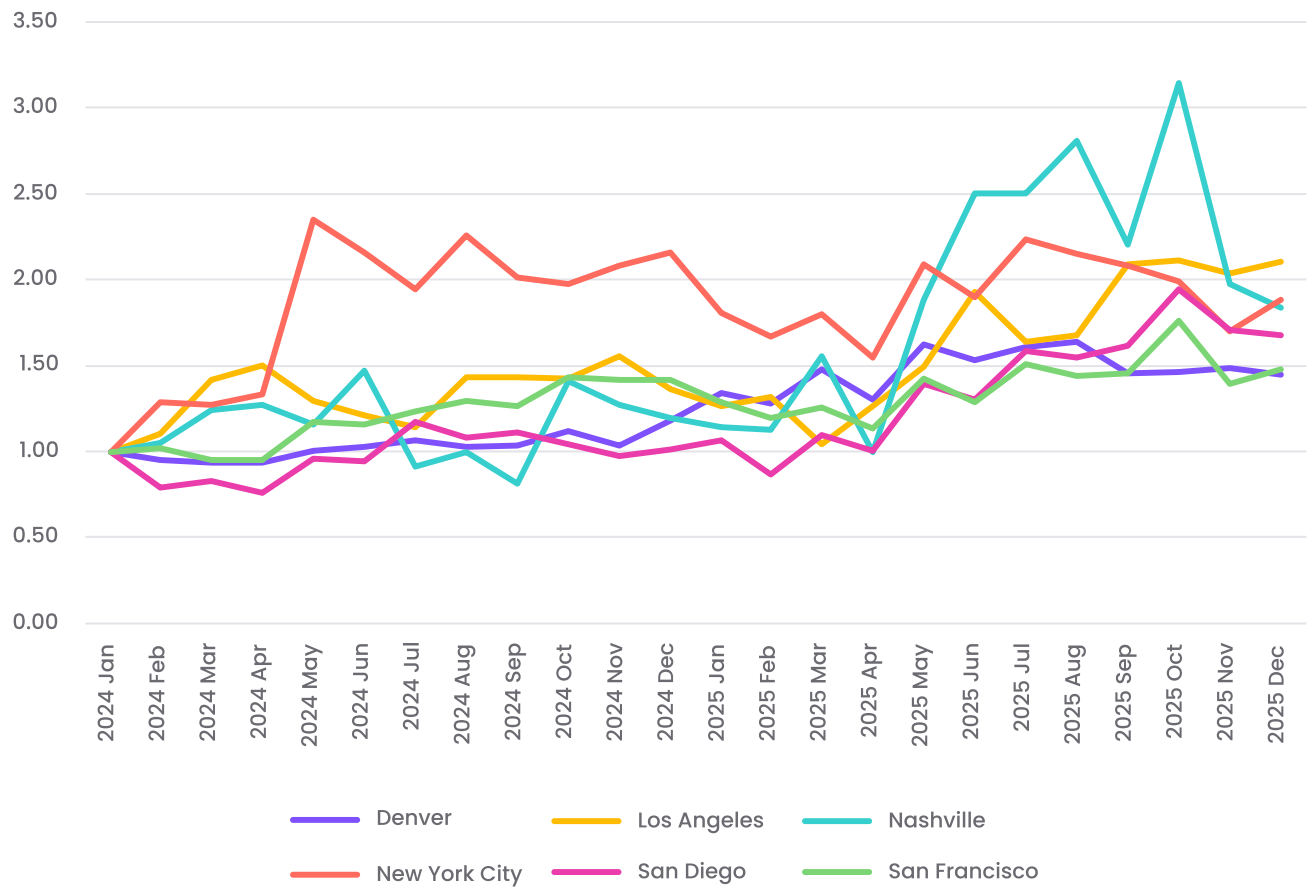
Deputy data shows a clear upward trend in night-time work across major US metropolitan areas. This pattern points to a structural re-timing of labor rather than short-term fluctuations in working hours.

Cities such as New York City and Los Angeles show steady, incremental growth in night-time shifts. This reflects the scale and diversity of their economies, where late-night activity has long been embedded across hospitality, entertainment, and services.

Faster growth is visible in cities such as Nashville and Denver. In these locations, expansion of hospitality, tourism, entertainment, and live-music sectors is driving stronger increases in night-time labor demand.

Deputy Shift Index, Night Time Shifts by US City

Source: Deputy, 2025



As night-time labor intensity increases, several cities represented in the Deputy index have begun to formalize night-time governance. Cities including New York City, Denver, San Diego, and Austin have established or strengthened roles such as Night-Time Commissioners, Night Mayors, or dedicated nightlife offices. These initiatives reflect growing recognition that the night economy is becoming a permanent and expanding component of urban labor markets.

Night-time spending and employment are increasingly becoming a core driver of economic activity. Consumer spending is shifting further into evening and late-night hours across hospitality, dining, retail, and entertainment sectors.



At the same time, flexible work patterns and extended trading hours are expanding night-time employment across service-led industries.

The night economy is therefore emerging as a structural driver of urban job growth rather than a niche activity.

Rapid growth in late-night activity is also creating new challenges. Cities are facing increasing pressure around safety, transport access, licensing, and the management of public spaces during night-time hours.

In response, many cities are introducing dedicated governance structures. Major global cities, including New York, London, Sydney, Amsterdam, Berlin, and San Francisco already operate night-time leadership roles. A growing number of US cities are expected to adopt similar positions as their night economies expand.

At the national level, economic policy may also shape future labor demand. The Trump administration's **"Big Beautiful Bill"** is expected to introduce fiscal stimulus through wide-ranging tax cuts.

This stimulus is likely to support continued investment in AI infrastructure and contribute to AI-led economic growth in the US.

However, concerns remain around consumer sentiment. Unless cost-of-living pressures ease into **2026**, consumer spending and job demand may continue to weaken. This could slow emerging signs of recovery in large cities such as New York, San Francisco, and Los Angeles.

The planned phase-out of parts of the Biden-era Inflation Reduction Act may also affect growth regions that have benefited from renewable energy investment. Cities and regions with large wind and solar developments, particularly in Texas, could face slower investment in these sectors.

As a result, many of these regions may increasingly rely on AI infrastructure and data center investment to support future growth.

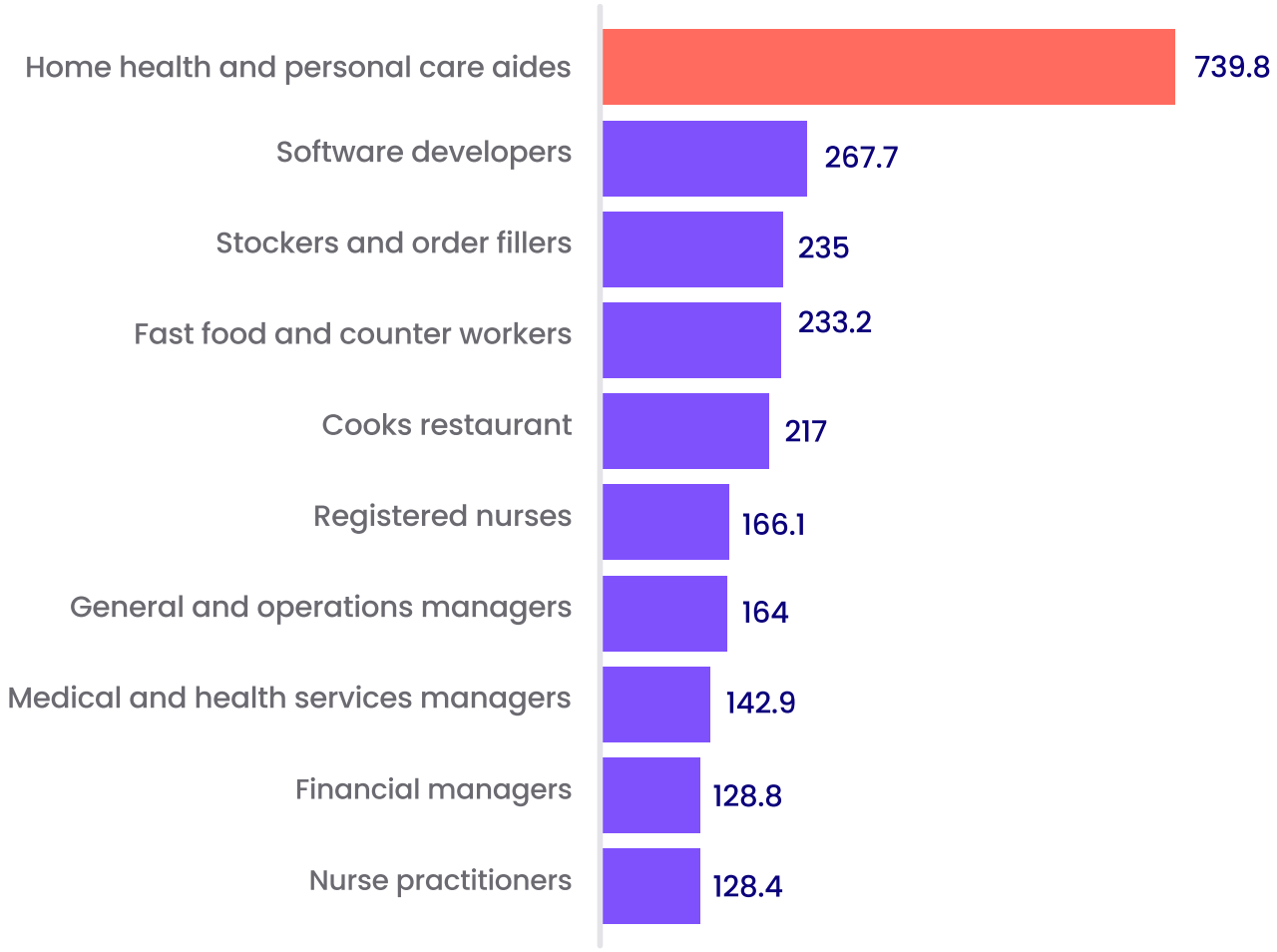
Overall, the outlook for shift-based work remains largely positive. AI and automation are not expected to reduce shift-based employment and are more likely to complement existing roles or create new ones.

The US economy is projected to create more than 1.8 million new jobs in shift-based industries by **2035**. Nearly half of these new roles are expected to emerge within the Care Economy.

Demand for shift-based work is also expected to outpace the growth of some highly visible technology occupations. New shift-based roles are projected to total nearly 270,000 additional jobs over the same period, exceeding the projected demand for software developer roles driven by AI expansion.

Top 10 Shiftwork Occupations by Long-Term Job Gains, 2023

Source: Bureau of Labor (2023) Occupation Outlook between 2023 and 2032



Retail



Industry Deep Dives

Shift worker trends in retail

Retail employment in the US has largely plateaued following the volatility of the pandemic years. Growth has been materially slower than in healthcare and hospitality, with total retail employment increasing by only **1%** since **2022**.

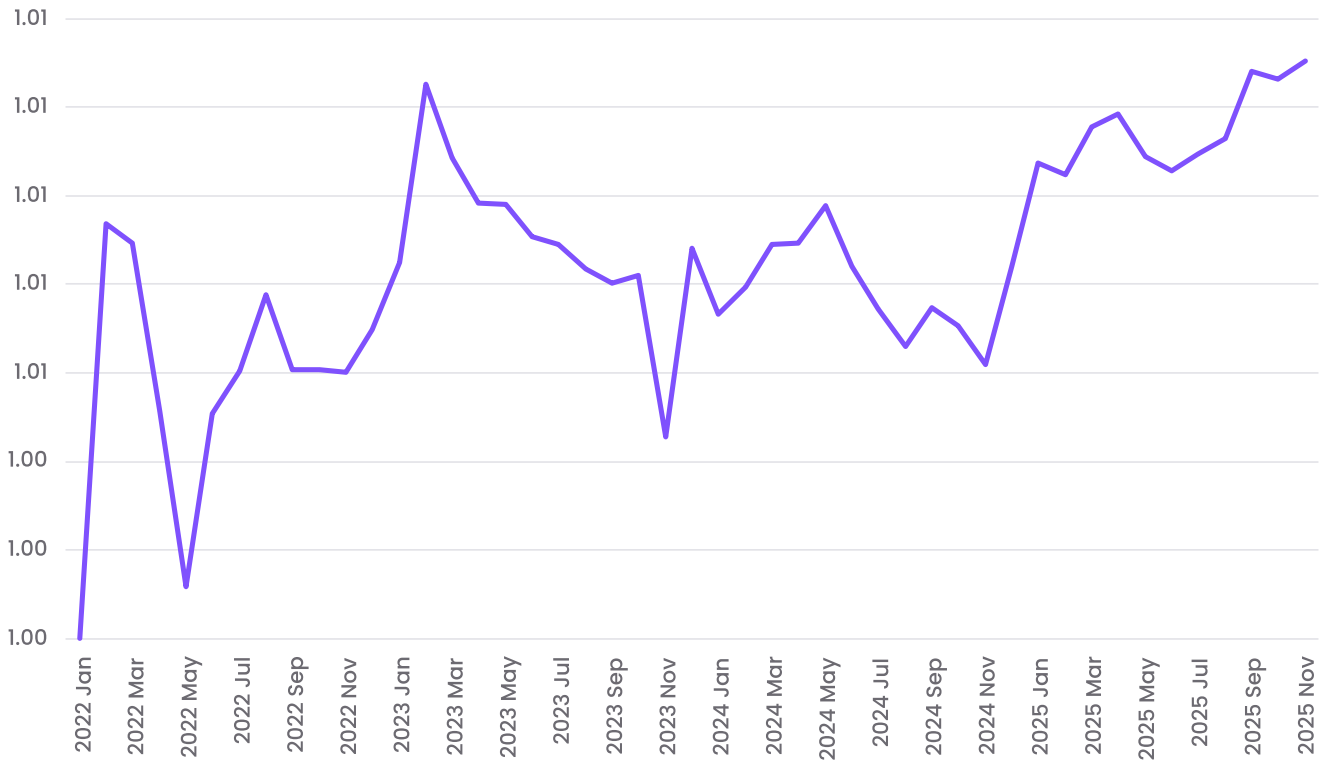
Weak consumer confidence and persistent cost pressures continue to dampen discretionary hiring across the sector.

Where growth is occurring, it is concentrated in essential and service-oriented retail. By contrast, goods-based and import-exposed retail segments remain soft.

At the same time, hybrid retailers are accelerating the automation of logistics and back-of-house operations. This shift is compressing labor demand growth as businesses seek efficiency gains and cost reductions.

Deputy Job Index, Retail

Source: Deputy and US Bureau of Labor, 2025



Retail, therefore, remains resilient, but it is no longer a primary engine of shift-based employment growth in the US economy.

Over the past three years, retail shift work has diverged sharply between service-led retail and goods-based retail.

Personal and beauty services have been the strongest performing retail-adjacent sector, expanding steadily between **2023** and **2025**. This growth reflects a broader **"Self-Care Shift,"** as consumer spending increasingly prioritizes wellness, beauty, and experience-driven services — areas that are also attracting a growing share of younger workers entering the retail workforce.

Clothing and personal care retail has stabilized following earlier volatility but remains sensitive to changes in consumer confidence.

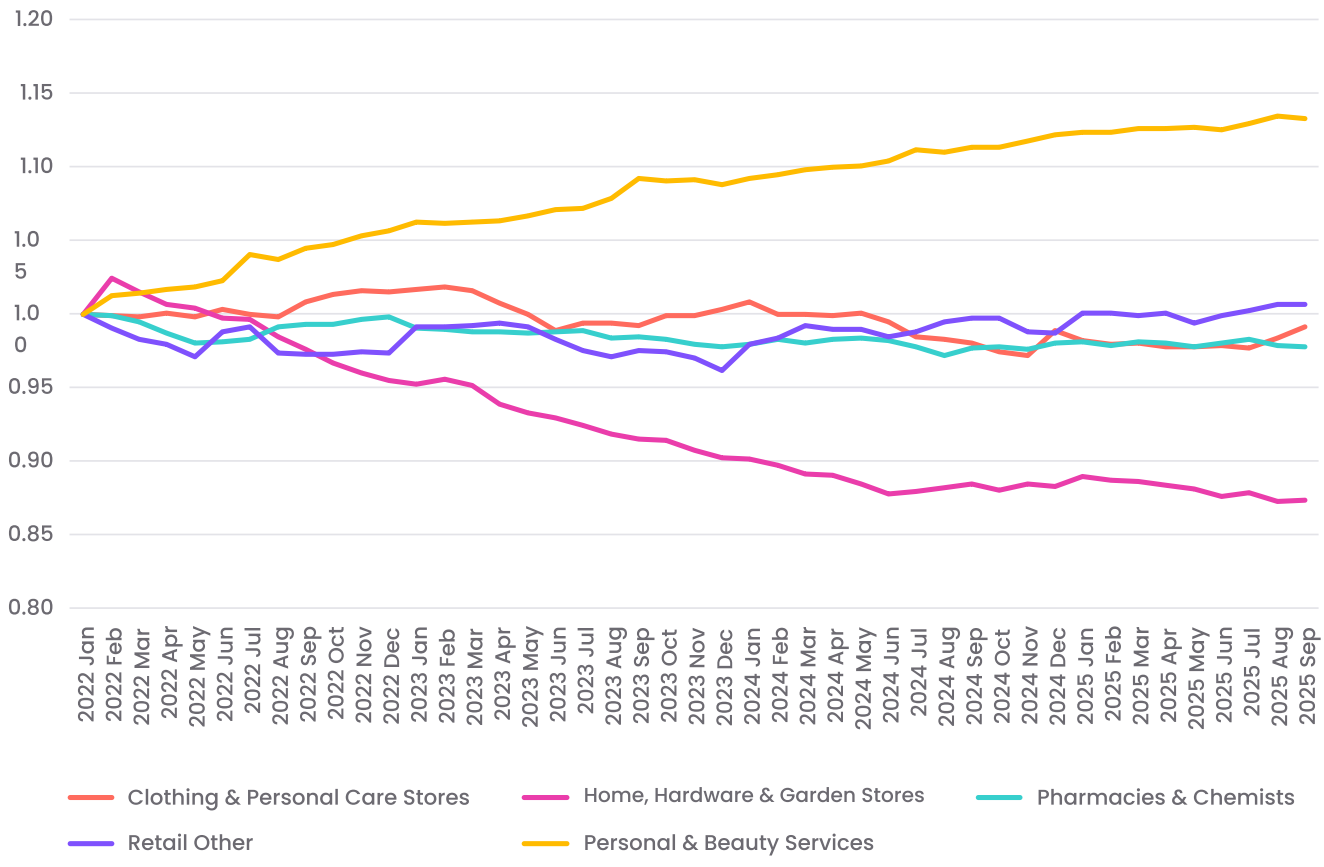
Pharmacies and chemists have remained broadly flat. Demand in this segment is stable due to its essential nature, but expansion has been limited.

Home, hardware, and garden stores have experienced sustained declines, reflecting exposure to import costs, tariffs, and the slowdown in housing-related spending.

Overall, the data shows that retail employment is gradually rebalancing toward local, service-intensive, and human-facing work.

Deputy Job Index, Retail Sectors

Source: Deputy and US Bureau of Labor, 2025



Micro-shifts are rising among young and old

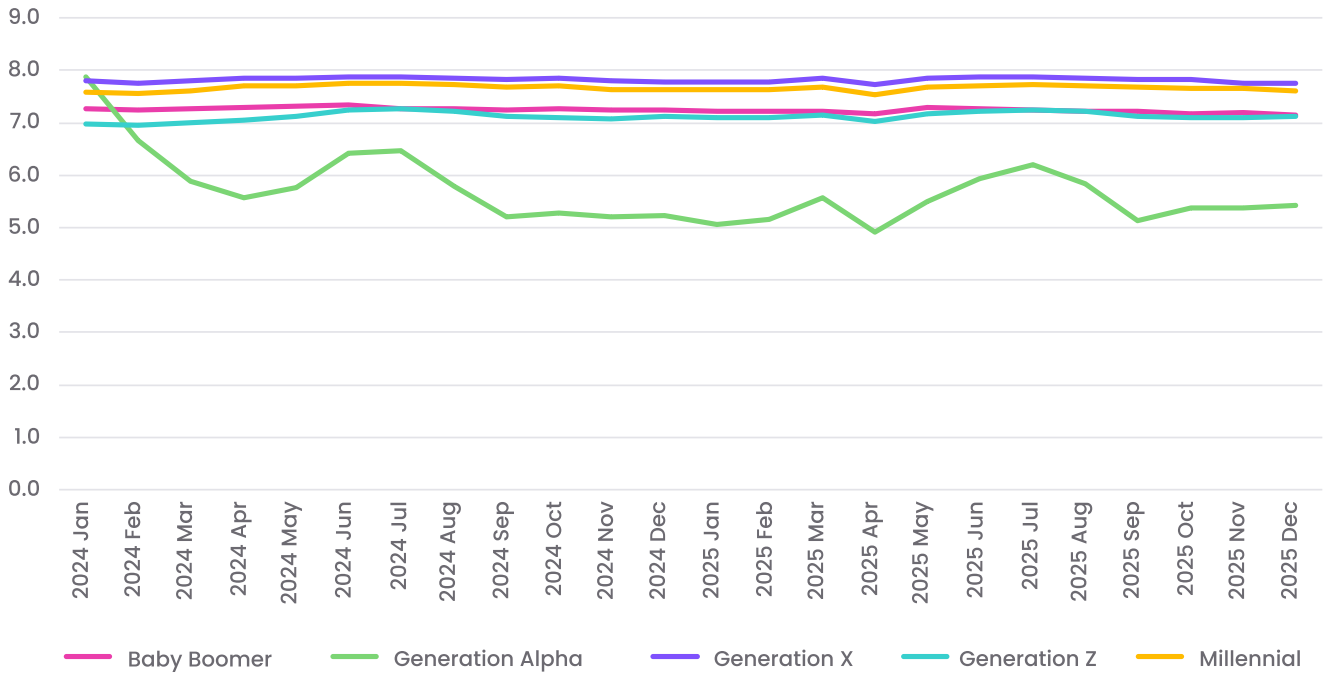
Deputy data shows increasing levels of micro-shift employment across shift-based industries, including within many existing occupations.

Generation Alpha currently records the lowest average shift length, suggesting new opportunities for businesses to design roles suited to this emerging workforce. This is followed by Baby Boomers and Gen Z, who also tend to work shorter shifts compared with other groups.

The growth of poly-employment also shows that many workers are willing to take on multiple roles structured around shorter shifts, reinforcing demand for micro-shift work patterns.

Average Shift Length by Generation, Retail

Source: Deputy, 2025



Among Generation Alpha, average shift lengths continue to decline as many workers combine part-time work with post-high school education and early workforce entry. Micro-shifts are becoming a common way for this generation to participate in the labor market.

For Gen Z and Baby Boomers, increasing care responsibilities are also shaping participation in micro-shift work. Young parents, caregivers, and grandparents often prefer shorter shifts when longer, more regular work hours are difficult to sustain.

Within retail, generational change is particularly visible. Gen Z now represents **45.6%** of all retail shift workers, consolidating its position as the dominant frontline workforce.

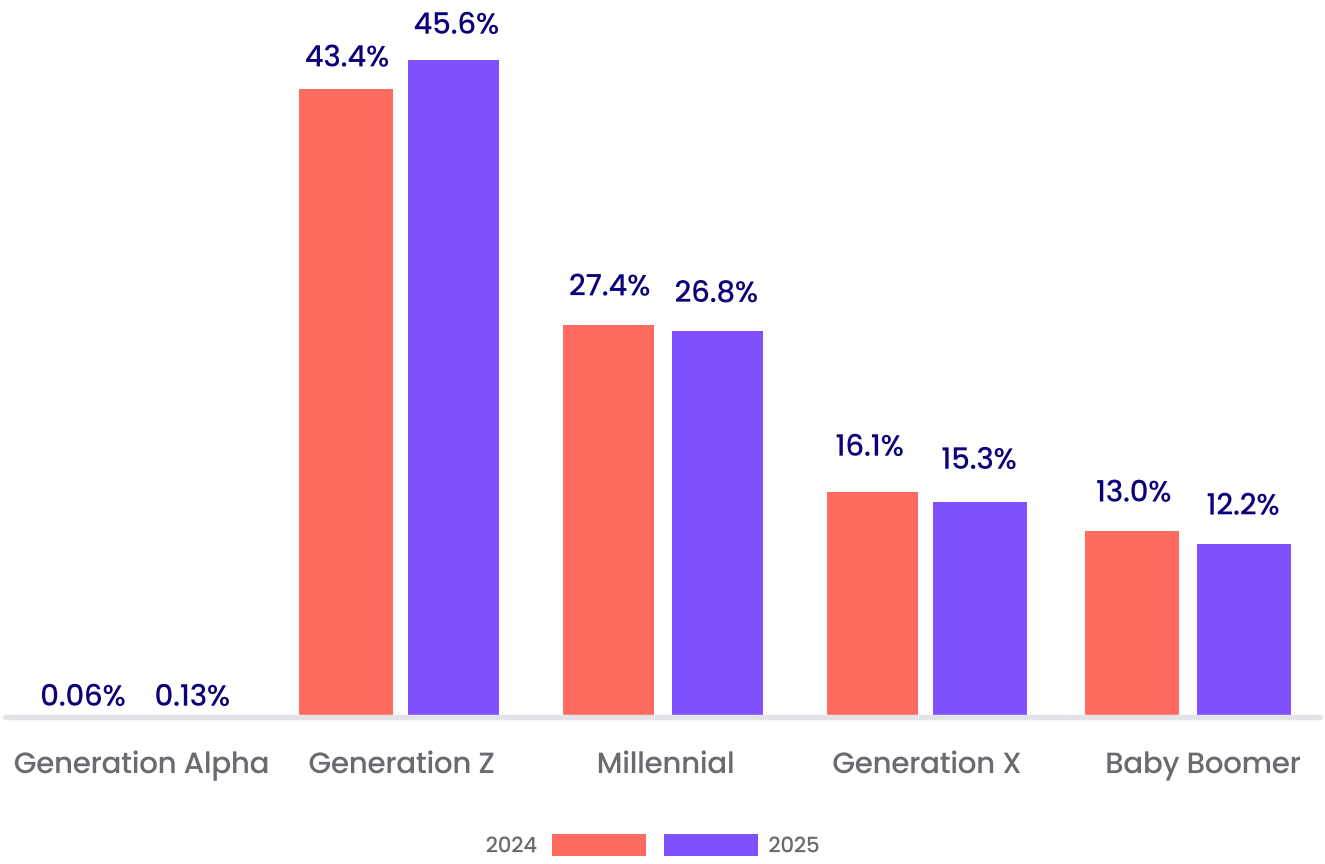
Millennials are increasingly concentrated in supervisory and managerial roles as their careers progress. In 2025, Millennials represent **26.8%** of retail shift workers, down from **27.4%** in the previous year.

Participation among older generations continues to decline. Gen X now represents **15.3%** of retail shift workers, while Baby Boomers account for **12.2%**, reflecting a steady generational transition within the workforce.

Generation Alpha has also begun to enter the retail workforce in small numbers. The group currently represents **0.13%** of shift workers, signaling the early emergence of micro-shift and entry-level roles among the newest generation entering the labor market.

Retail Shift Workers by Generation

Source: Deputy, 2025

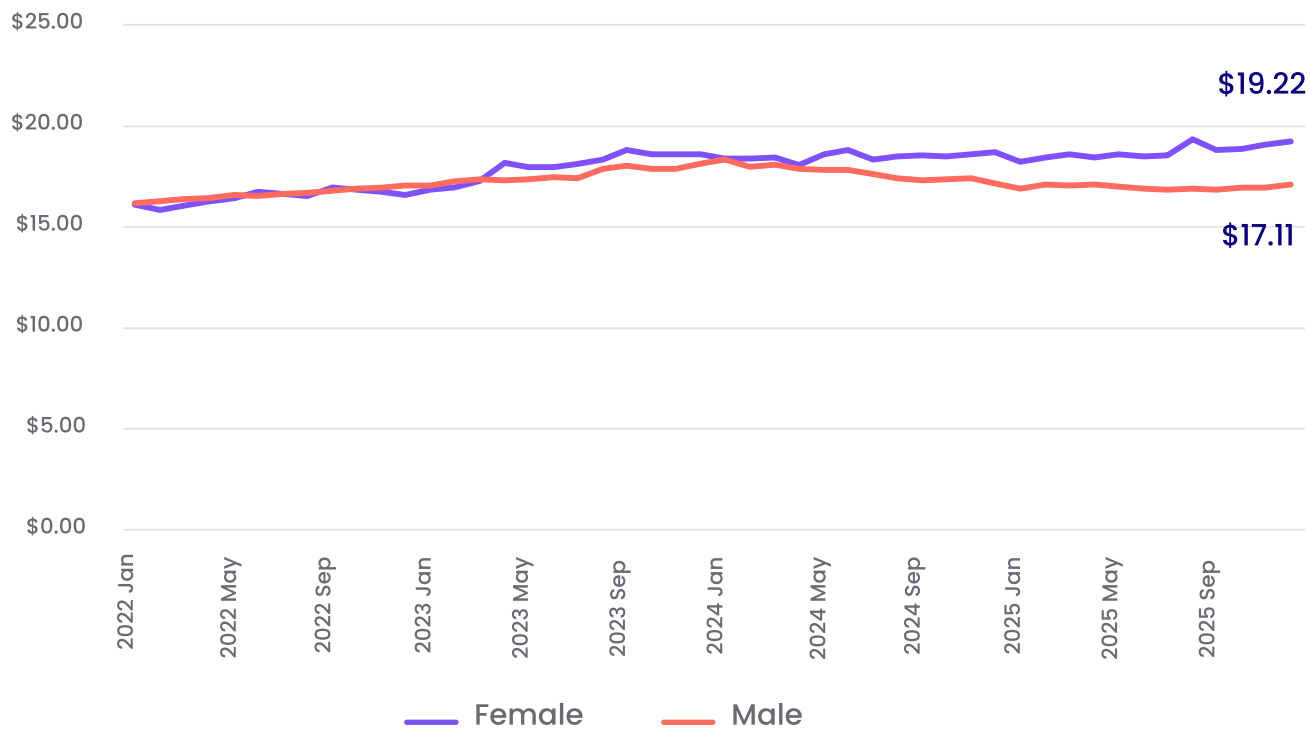


The hourly pay gap is reversing between male and female shift workers

Although retail has seen a decline in the share of shift hours held by women, this has not translated into lower female wages. In fact, the hourly pay gap between male and female retail workers is reversing. Male workers currently earn an average hourly rate of **$17.11**, compared with **$19.22** for female workers.

Average Monthly Hourly Rate by Gender, Retail

Source: Deputy, 2025



Hybrid and e-commerce retail models are expanding logistics and back-of-house roles. These positions remain male-dominated and are increasingly exposed to automation and wage compression.

At the same time, customer-facing retail roles are becoming more strategically important as retailers compete on service quality and customer experience.

These roles are predominantly filled by women and are showing stronger wage growth over time. The result is a growing divergence in hourly earnings, even as overall workforce participation between men and women begins to rebalance.

Retail's gender dynamics are therefore increasingly shaped by role differentiation and pay segmentation within hybrid retail models.

Retail hiring demand declined steadily through **2024–2025**, with hiring activity averaging 1.5% of staff across Deputy platforms. Fewer vacancies are being posted, particularly in roles that are highly cost-sensitive or exposed to automation.

Hybrid retailers are prioritizing productivity gains and inventory efficiency rather than expanding headcount. The slowdown reflects caution and margin pressure, with retailers responding by hiring more cautiously rather than through widespread job cuts.

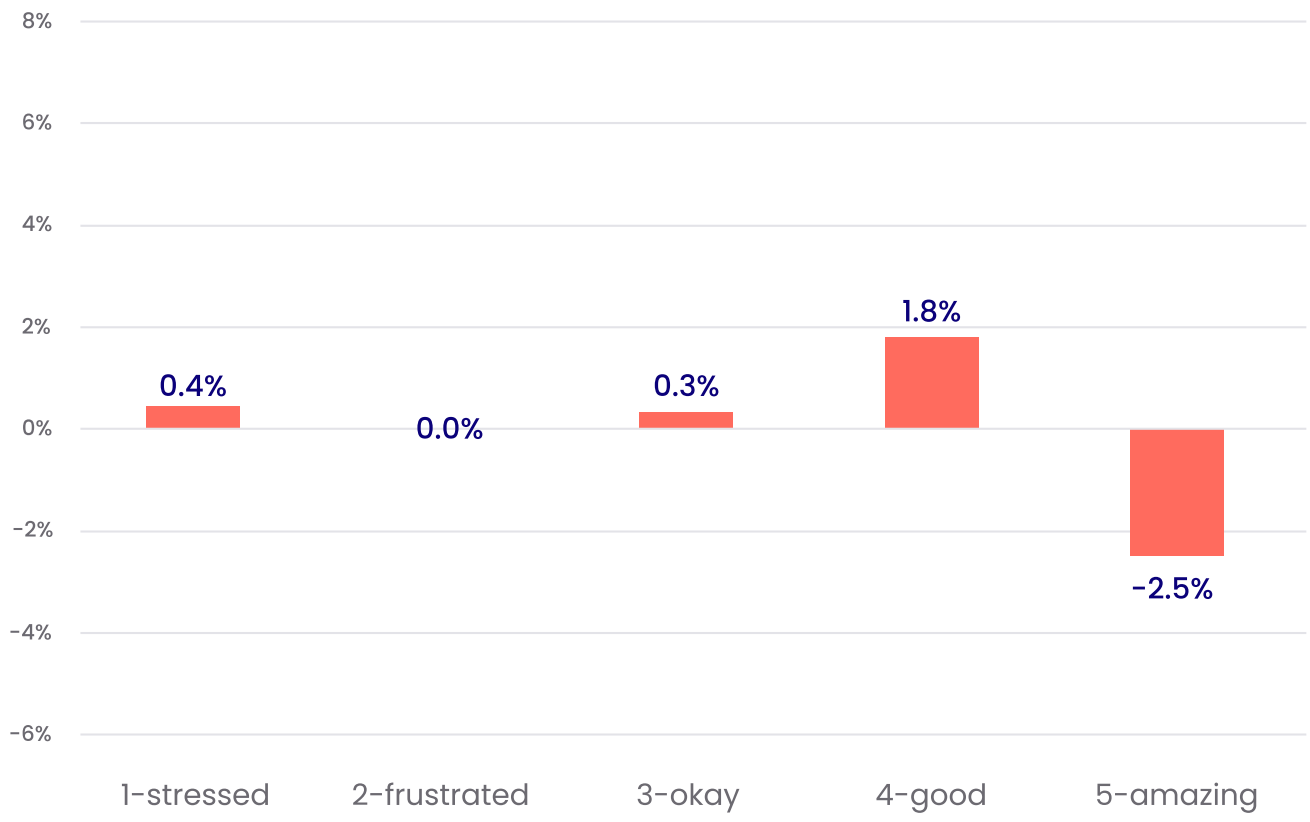
Layoffs and terminations have remained broadly stable across the retail sector at around **2.1%** of staff on Deputy platforms. There is no evidence of a mass job-loss cycle linked to AI adoption or broader economic slowdown.

Instead, retail workforce churn reflects operational adjustment rather than structural contraction. The labor market is cooling through slower hiring rather than rising unemployment.

Retail is also the only major shift-based industry showing a deterioration in worker sentiment in **2025**.

Change in Deputy Shift Pulse Sentiment, 2025

Source: Deputy, 2025



Positive sentiment, measured as workers reporting they feel “amazing” about their job, declined by **2%**, while stress indicators increased slightly.

By contrast, healthcare, hospitality, and services all recorded improvements in worker sentiment during the same period. Cost pressures, automation, and slower hiring are being felt most strongly within retail operations.

Retail jobs in major cities are plateauing

Large coastal metropolitan areas have seen flat or declining retail shift growth over the past several years. High living costs, weaker affordability, and slower population growth are weighing on retail demand in these cities.

In **2025**, employment levels appear to be stabilizing, with signs of recovery emerging in cities such as New York. These locations were among the most affected by the COVID-19 pandemic and the prolonged shift toward hybrid work arrangements.

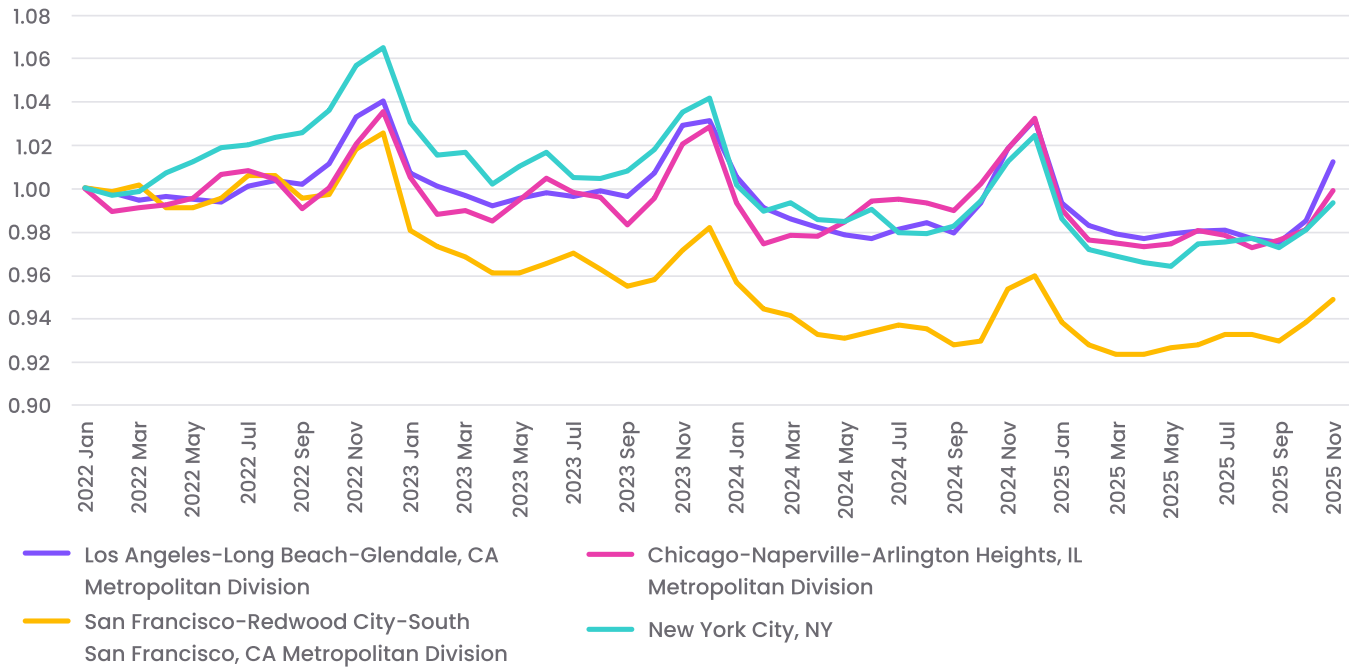
Despite this stabilization, major urban cores are no longer leading retail job expansion.

Retail growth is no longer being driven by traditional coastal hubs. Instead, the strongest growth in retail shift work is occurring in Texas metropolitan areas, followed by cities such as Nashville and Portland (ME).

These cities combine lower housing costs with strong in-migration, which is supporting local consumer demand and retail employment.

Deputy Shift Work Retail Index, Major Cities

Source: Deputy and US Bureau of Labor, 2025



Retail job growth is increasingly following population expansion rather than concentrating in historically dense urban centers.

However, policy changes may affect this momentum. The phase-out of Biden-era renewable energy infrastructure subsidies is expected to reduce investment in some regions that previously benefited from these programs.

Texas, which has seen strong renewable infrastructure in recent years, could be particularly affected. As a result, retail and broader economic momentum in high-growth cities such as Austin, Houston and Dallas may moderate if infrastructure investment slows.

Retail outlook 2026

Retail employment in the US has stabilized nationally, but growth remains slower than in healthcare and hospitality. Hiring appetite softened through **2024–2025**, with firms adjusting primarily through vacancy restraint rather than large-scale layoffs. This pattern reflects a broader "low-fire, low-hire" stabilization phase across the labor market.

Federal fiscal policy may provide some offset. Proposed tax cuts under the Trump administration through the **"Big Beautiful Bill"** are expected to support household disposable income and discretionary spending. This could reduce the likelihood of broad-based retail contraction in **2026**.

At the same time, geographic divergence within retail employment is widening. Major coastal metropolitan areas, including Los Angeles and San Francisco in California and parts of the Northeast, are plateauing following the post-pandemic recovery.

By contrast, stronger growth is occurring in high-in-migration states such as Texas, particularly in Dallas, Houston, and Austin, as well as in Tennessee through Nashville and in Nevada through Las Vegas. These regions continue to benefit from population inflows and more affordable housing, both of which support local retail demand.

Regulatory dynamics at both city and state levels are also shaping the outlook for the sector.

New York City's continued investment in night-time economy strategies and broader urban activation initiatives is expected to provide modest support to retail corridors through **2026**.

At the same time, labor reforms at the state level, including scheduling predictability laws and oversight of automated hiring systems in states such as New York and New Jersey, may influence workforce structures, particularly in large metropolitan markets.

Hybrid retail models are also accelerating the adoption of automation in logistics and back-of-house operations, especially within large-format and e-commerce-integrated retail businesses.

At the same time, customer-facing roles are becoming more strategically important as retailers compete on service quality and experience. This shift is contributing to widening wage differentiation across different retail job categories.

Overall, retail enters 2026 in a stabilized but uneven position. Growth is increasingly tied to state-level population trends, regulatory conditions, and consumer income levels rather than broad-based national expansion.



Hospitality



Industry Deep Dives

Policy changes may also influence future growth patterns. The Trump administration's rollback of certain Biden-era renewable energy and infrastructure tax incentives could slow capital-intensive investment in energy and data center development, particularly in Texas and parts of the Sun Belt.

These regions have benefited from recent AI and infrastructure investment cycles. If capital investment slows more quickly than expected, retail expansion that has followed population and employment growth in these areas may also moderate.

Trade and tariff policy remain another important variable. Any escalation in tariffs on imported consumer goods, particularly from China or Southeast Asia, could increase input costs for goods-heavy retail segments. This would place pressure on margins and could slow hiring in import-exposed categories such as home goods, apparel, and electronics.

At the same time, scheduling legislation continues to evolve at the state level. New Jersey's proposed Fair Workweek law, together with existing predictive scheduling regulations in New York City, Chicago, Seattle, and San Francisco, would increase compliance requirements for retailers while improving schedule stability for shift workers.

Greater scheduling predictability may also support workforce participation, particularly among women, in a sector historically characterized by volatile working hours.



Regulation around AI in employment is also becoming more prominent. New York State's oversight of automated employment decision tools and broader scrutiny of algorithmic hiring and scheduling systems reflect a shift toward human-accountable AI governance.

Retail, as one of the largest users of automated scheduling software, sits at the center of this transition. The likely outcome is regulated optimization rather than the removal of algorithmic systems.

Cannabis retail, which has seen strong growth in female workforce participation in states such as New York, Illinois, and California, is also entering a more tightly regulated phase. Licensing reforms, tax restructuring, and enforcement actions may introduce employment volatility within what remains a structurally expanding segment of the retail sector.

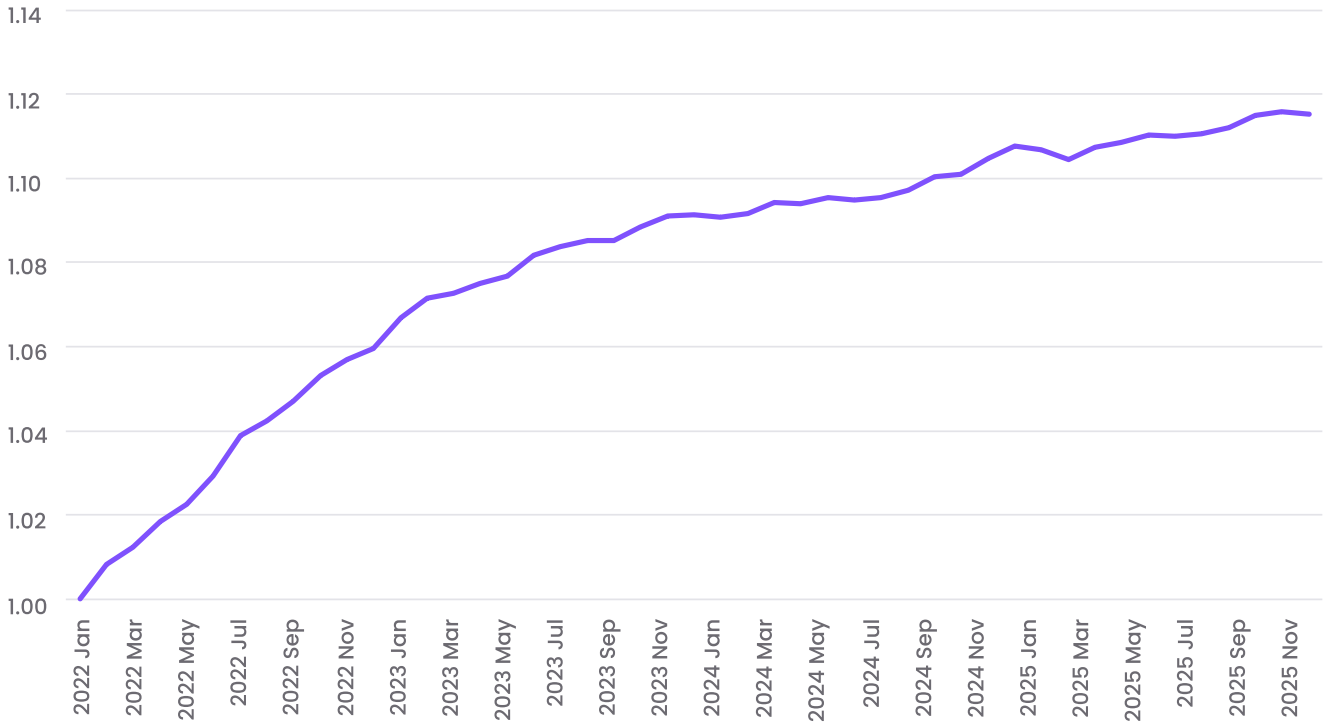
Finally, wage policy continues to be shaped primarily at the state level. Minimum wage increases scheduled in states including California and New York will continue to influence retail labor costs, particularly across large urban retail corridors.

Trends in US Hospitality

Despite broader labor market cooling, employment in hospitality continues to expand in both shift hours and total job volume. Since **2022**, the industry has grown by **12%** in total number of workers across the US.

Deputy Job Index, Hospitality

Source: Deputy and US Bureau of Labor, 2025



Growth has been driven by a combination of accommodation, bars, and sit-down restaurants, which continue to support employment expansion across the sector.

Although growth moderated during **2025**, employment levels have not reversed or declined. Hospitality, therefore, remains one of the most resilient large shift-based sectors in the US economy.

Accommodation has led the industry's expansion, recording the strongest index growth since **2022**. Over the past three years, the sector has grown by **16%**. However, accommodation activity declined slightly in the second half of **2025**.

More broadly, growth momentum across accommodation and related hospitality segments flattened in **2025**, signaling increased caution in job hiring.

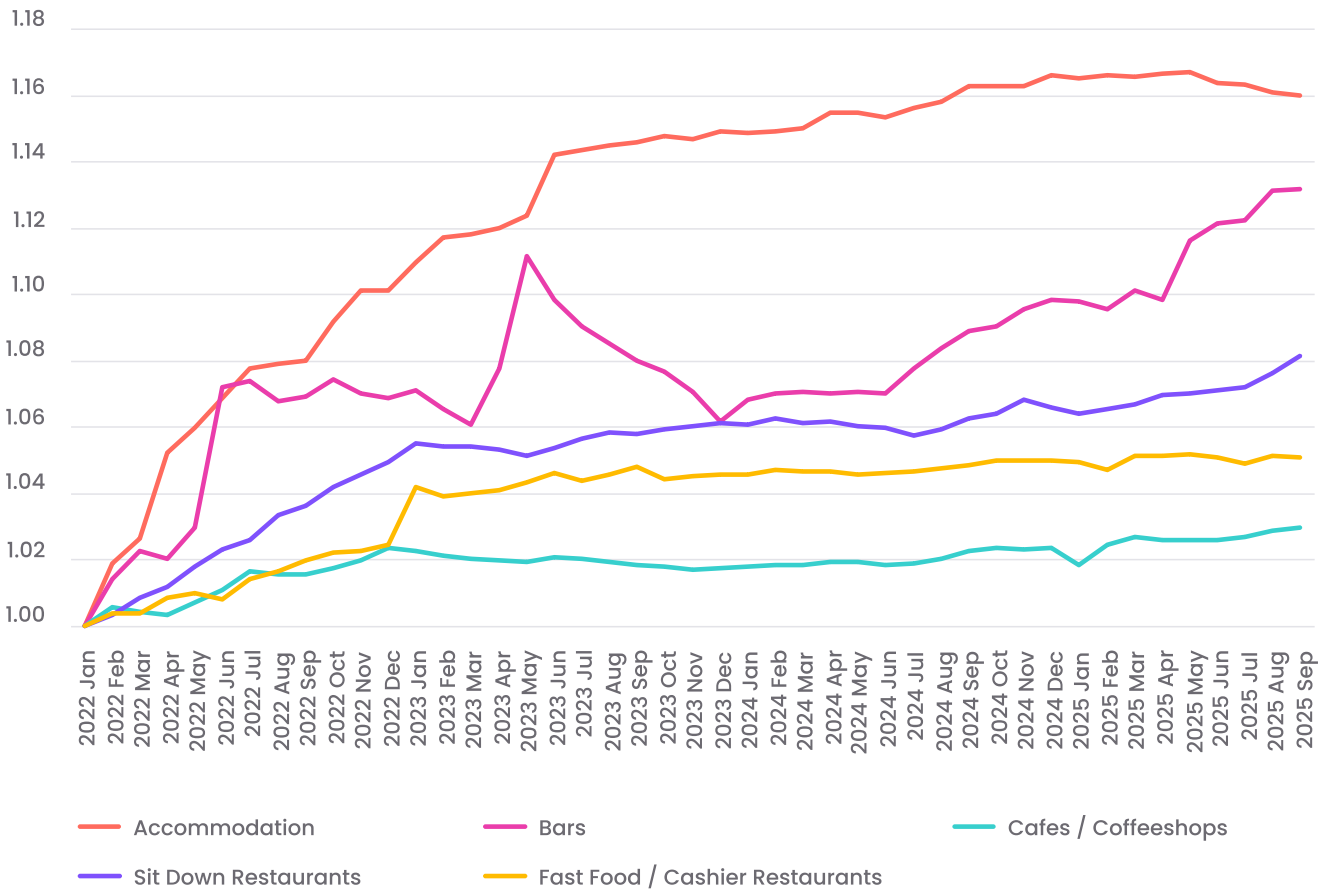
Bars and sit-down restaurants continued a gradual recovery during **2025** after 2 years of plateau. Since **2022**, bars have grown by **13%**, while sit-down restaurants have expanded by **8%**.

By contrast, no significant employment growth has been identified in fast food restaurants.

This segment has among the highest adoption rates of labor-replacing technologies, including self-ordering kiosks and automated ordering systems. These technologies are reducing the need for additional staff, contributing to a more muted demand for new jobs within the sector.

Deputy Job Index, Hospitality Sectors

Source: Deputy and US Bureau of Labor, 2025



Gen Z represents 84.8% of US Hospitality workers

Deputy data shows increasing levels of micro-shift employment across shift-based industries, including within many existing occupations.

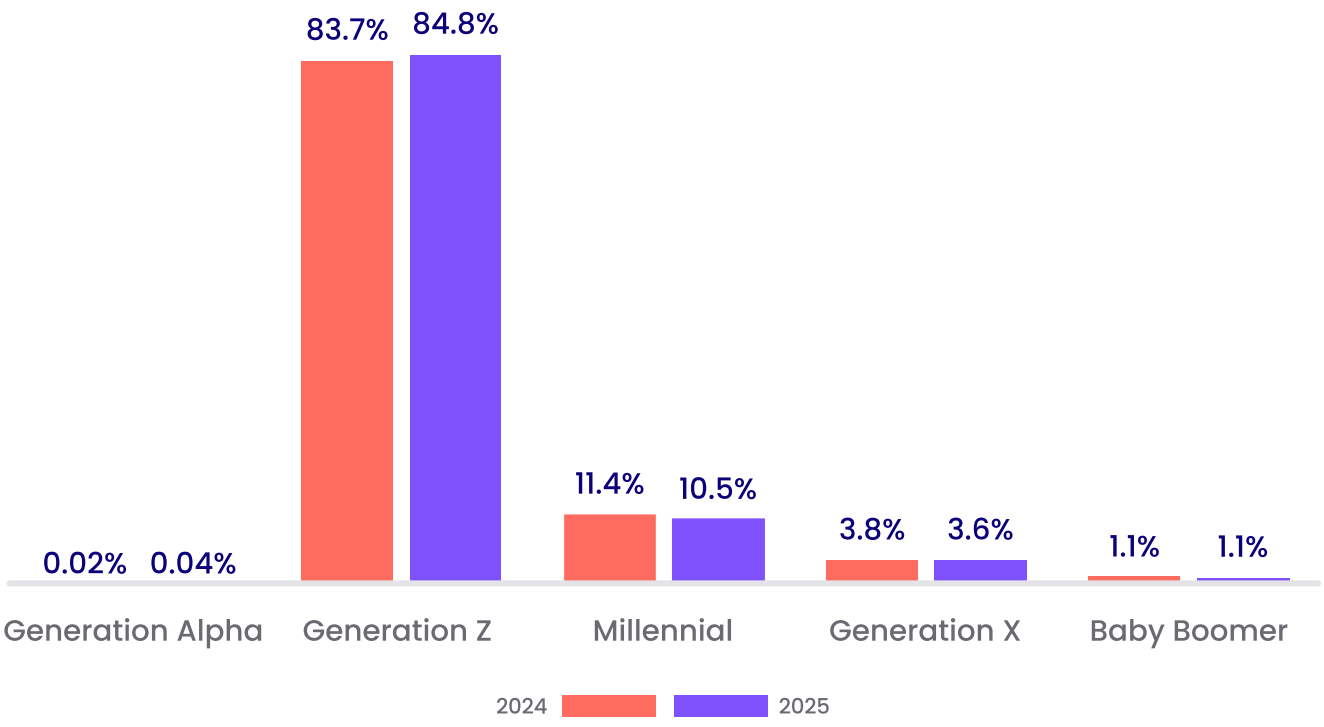
Gen Z and Generation Alpha have the shortest average shift lengths, suggesting new opportunities for businesses to engage this emerging workforce through shorter, more flexible shifts. This is followed by Baby Boomers, who also tend to work shorter shifts compared with the broader workforce.

The growth of poly-employment further highlights demand for work structures built around shorter shifts. Many workers are taking on multiple roles, combining shifts across employers in patterns similar to micro-shift work.

For Gen Z in particular, average shift lengths continue to decline as many workers combine part-time work with post-high school education or higher education commitments.

Hospitality Shift Workers by Generation

Source: Deputy, 2025



For both Gen Z and Baby Boomers, growing care responsibilities are also influencing participation in micro-shift work. Young parents, caregivers, and grandparents may be less able to commit to long or regular working hours, increasing demand for shorter, more flexible shifts.

Within hospitality, generational concentration is particularly pronounced. Gen Z now represents **84.8%** of hospitality shift workers, reinforcing its position as the dominant generation in the sector.

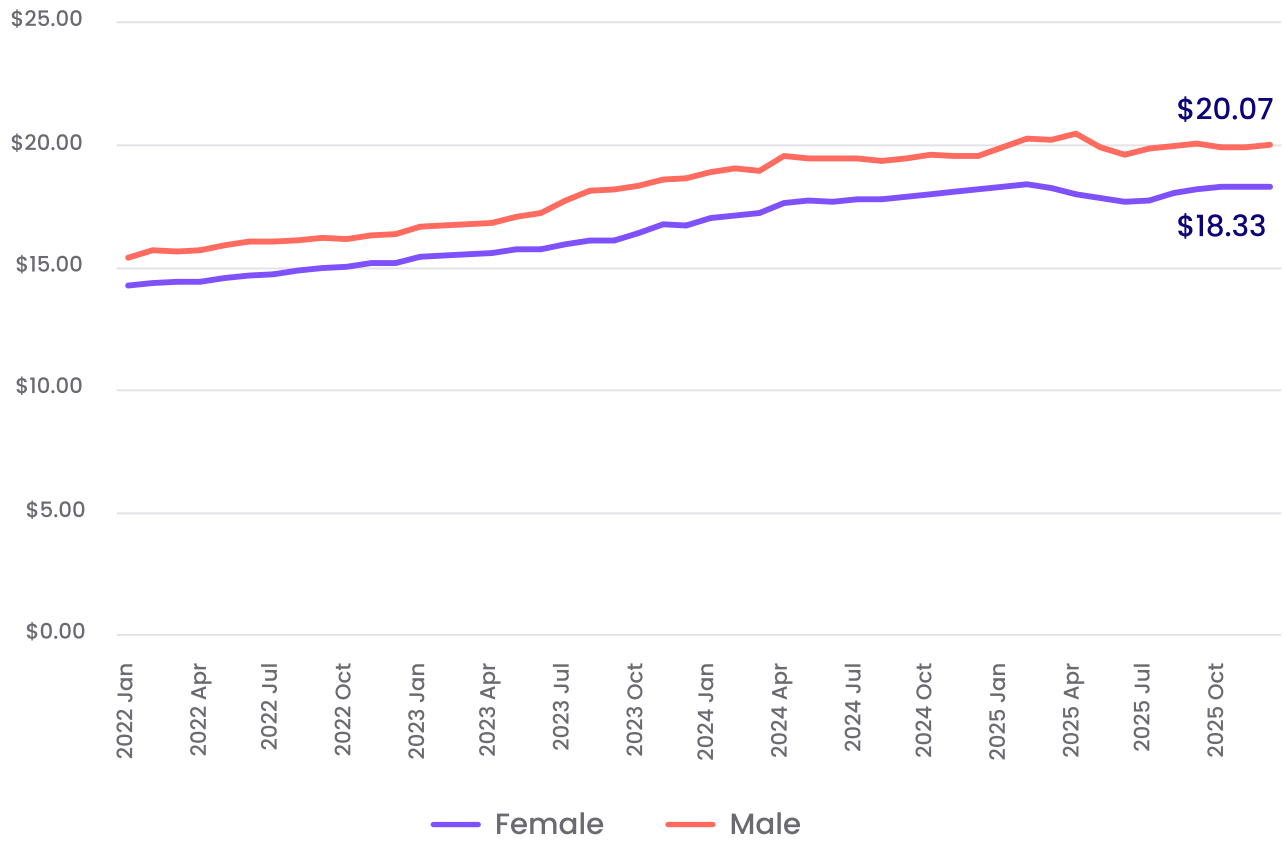
Millennials are increasingly concentrated in supervisory and managerial roles as their careers progress. However, hospitality typically has a low management-to-worker ratio, which has contributed to a smaller share of Millennials in the overall workforce. In **2025**, Millennials represent **10.5%** of hospitality shift workers.

Participation among older generations continues to decline. Gen X workers account for **3.6%** of hospitality shift workers, while Baby Boomers represent **1.1%**, reinforcing the broader generational turnover in shift-based industries.

Generation Alpha has also begun to enter the hospitality workforce in very small numbers, representing **0.04**% of shift workers. This early participation signals the gradual expansion of entry-level and micro-shift roles for the next generation entering the labor market.

Average Monthly Hourly Rate by Gender, Hospitality

Source: Deputy, 2025



The gender pay gap in the US hospitality industry is 19%

Hospitality hiring demand declined steadily through **2024–2025**, despite a temporary increase in activity during mid **2025**. Fewer vacancies are being posted, particularly in established roles within the accommodation sector.

As in retail, the slowdown reflects caution and margin pressure. Hospitality businesses are adjusting through restrained hiring rather than workforce reductions.

Layoffs and terminations remain broadly stable across the industry, with no evidence of a mass job-loss cycle linked to AI adoption or broader economic slowdown.

However, with hiring activity muted, the sector is currently operating in a "low-fire, low-hire" environment. Many businesses are pausing workforce expansion as they wait for clearer signals from consumer sentiment heading into **2026**.

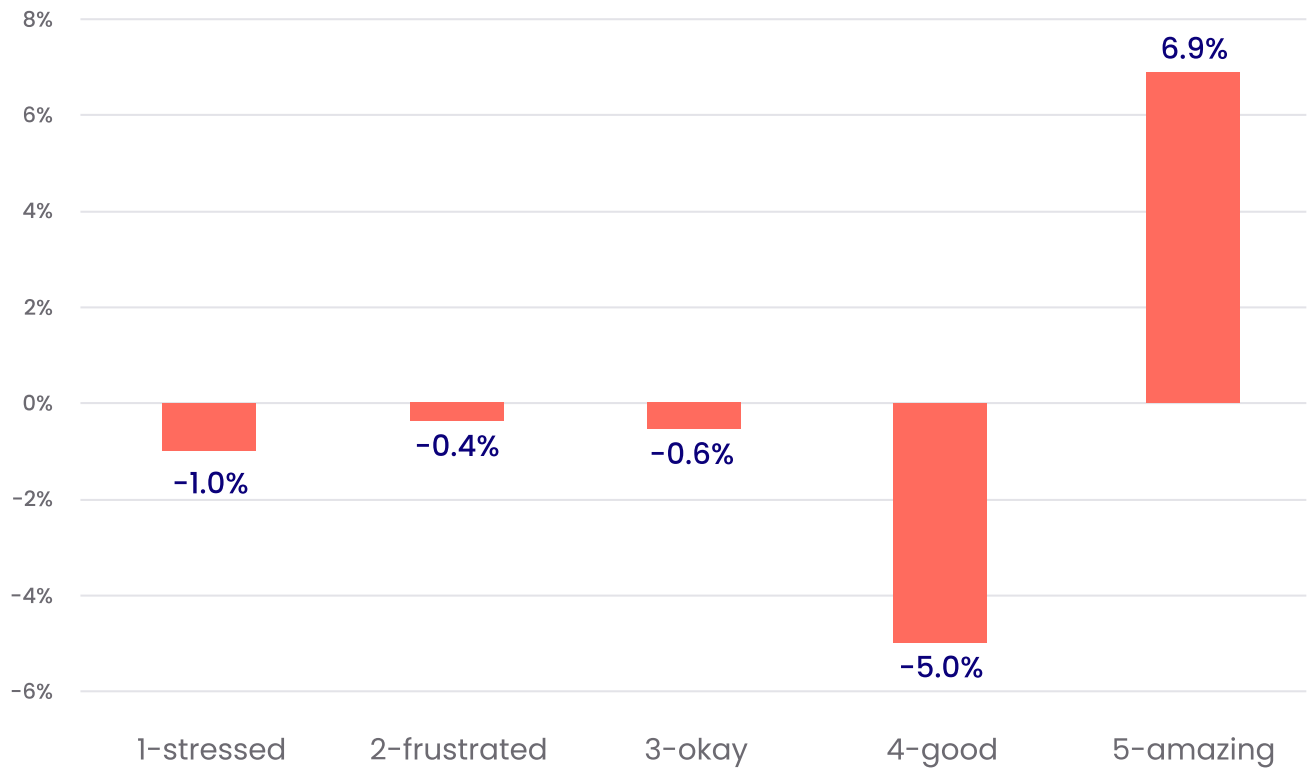
Despite this slower hiring environment, worker sentiment in hospitality has improved.

Hospitality workers recorded the largest increase in positive sentiment across shift-based industries, with a **7%** rise in workers reporting they feel "amazing" about their work.

At the same time, negative sentiment declined, with a **2%** reduction in workers reporting they feel "stressed" or "okay".

Change in Deputy Shift Pulse Sentiment, 2025

Source: Deputy, 2025



These results suggest that the current "low-fire, low-hire" environment is not negatively affecting worker sentiment within the hospitality sector.

Geographically, New York City remains the strongest metropolitan market. The city continued to record gains through **2025**, supported by recovery in tourism and growth in the night-time economy.

Several large coastal metropolitan areas have also recorded improvements in hospitality shift growth in recent years, with momentum continuing into **2025**.

The main exceptions are San Francisco and Los Angeles, where hospitality growth has remained flat or declined.

These cities have faced economic challenges linked to the technology sector slowdown and the impacts of wildfires, while rising living costs and housing affordability pressures have contributed to population outflows toward faster-growing cities.

The strongest hospitality shift growth is currently occurring in Texas metropolitan areas, followed by cities such as Nashville and Portland (ME).

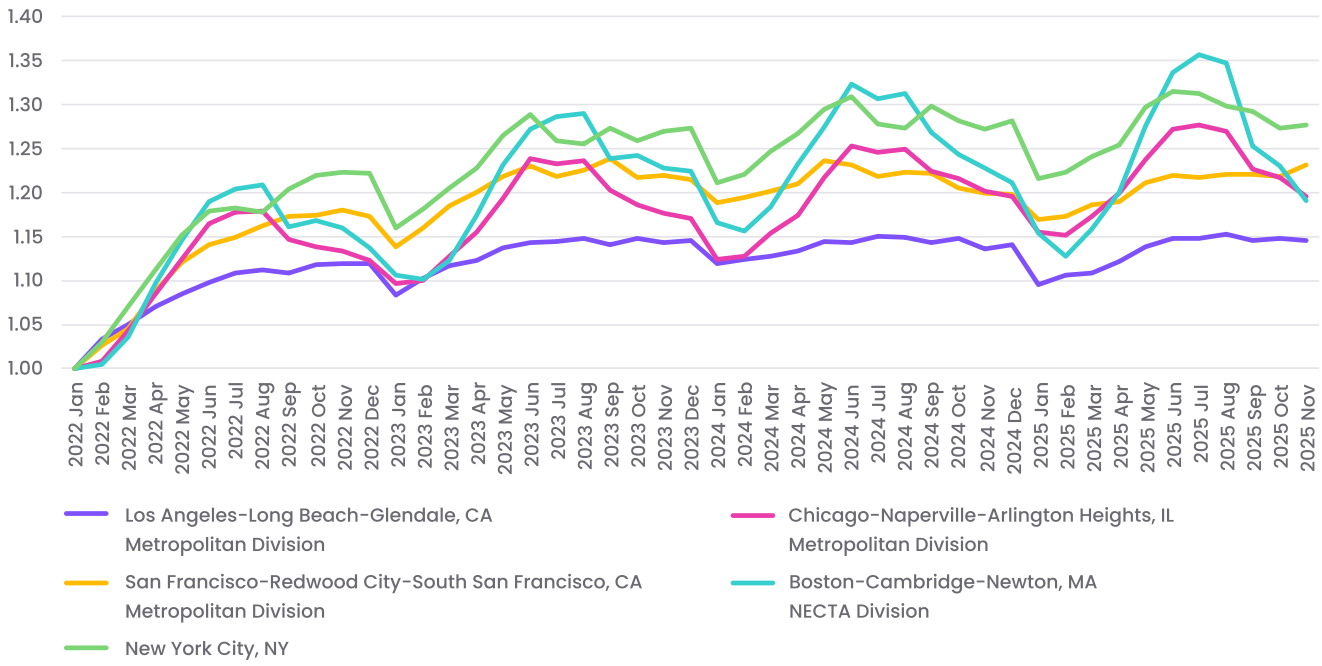
These locations combine lower housing costs with strong in-migration, particularly from California, which is supporting local demand for hospitality jobs.

However, policy changes may affect this momentum. The phase-out of certain Biden-era renewable energy infrastructure subsidies could slow infrastructure investment in some regions.

Texas, which has benefited significantly from renewable energy development, may be particularly affected. As a result, growth momentum in high-expansion cities like Austin, Houston and Dallas could moderate if investment slows.

Deputy Shift Work Index, Major Cities

Source: Deputy and US Bureau of Labor, 2025



Hospitality outlook 2026

Hospitality hiring moderated through **2024–2025**, with vacancy growth slowing to below **1%** by late **2025**. However, there is no evidence of a mass layoff cycle. Terminations remain broadly stable, consistent with a "low-fire, low-hire" stabilization phase rather than a period of contraction.

Across major coastal metropolitan areas such as Los Angeles, San Francisco, and Boston, retail and hospitality shift work has plateaued relative to **2022–2023** peaks. By contrast, growth markets including New York, Las Vegas, and several Texas metropolitan areas continue to outperform. These cities are benefiting from tourism demand, population inflows, and event-driven urban economies.

Worker sentiment data also suggests resilience within the hospitality workforce. The sector recorded the largest increase in positive shift sentiment, with a **7%** rise in workers reporting they feel "amazing." At the same time, negative sentiment declined modestly, with a **1%** drop in the number of workers reporting they feel "stressed." These trends indicate that labor market cooling has not translated into declining workforce morale.

Accommodation and food services continue to benefit from steady domestic travel demand and the recovery of urban event economies. While discretionary spending in hospitality is more sensitive to consumer confidence than sectors such as healthcare, demand remains structurally supported by tourism recovery and continued population mobility.

Automation adoption is also continuing across hospitality operations. Most deployments are occurring in back-of-house functions, including inventory management systems, ordering kiosks, and scheduling optimization tools. These technologies are primarily being implemented to improve productivity rather than to replace labor.

Front-of-house, customer-facing roles remain strongly human-centered. In many cases, these positions are becoming more important as hospitality businesses compete through service quality and customer experience rather than pure cost reduction.



Within the sector, the accommodation industry is expected to lead experimentation with AI-enabled productivity tools. Because accommodation businesses remain highly customer-facing and experience-oriented, AI is largely being deployed to support rather than replace frontline staff.

Healthcare



Industry Deep Dives

Current applications include reducing administrative burden in rostering and staffing, improving guest personalization through analytics, and deploying virtual assistants or chatbots to manage routine service requests.

As a result, accommodation is emerging as a test case for productivity-enhancing AI in hospitality. The sector is combining human service delivery with operational optimization and is likely to lead other hospitality segments in adopting workforce-supporting AI systems through **2026**.

Policy changes may also influence future employment trends. The Trump administration's rollback of certain Biden-era clean energy tax incentives is expected to moderate infrastructure-led growth in high-expansion states such as Texas and Nevada.

Hospitality employment in these regions has followed population growth and infrastructure investment. If energy and data center development slows, accommodation and dining in these markets may also moderate in **2026**.

Immigration policy is another important variable. Tighter work visa controls, particularly caps on **H-2B** seasonal workers, remain a potential risk for accommodation and resort-heavy markets that rely on temporary foreign labor.

At the same time, state-level wage policies will continue to influence hospitality cost structures. Minimum wage increases and tip credit reforms in states including California, New York, and parts of the Midwest are expected to reshape labor economics for restaurants and accommodation providers.

Many operators are likely to respond through a combination of pricing adjustments, investment in productivity tools, and tighter labor scheduling.



Scheduling regulation is also evolving. Fair Workweek and predictive scheduling laws already active in cities such as New York, Chicago, and Los Angeles are expanding in scope. While these regulations may increase administrative requirements, they are also expected to improve schedule stability and support workforce participation and retention.

Finally, AI-related employment regulation is emerging as a defining issue. New York's oversight of automated hiring and scheduling systems reflects a broader shift away from purely algorithm-driven scheduling toward AI-enabled, human-responsible scheduling models.

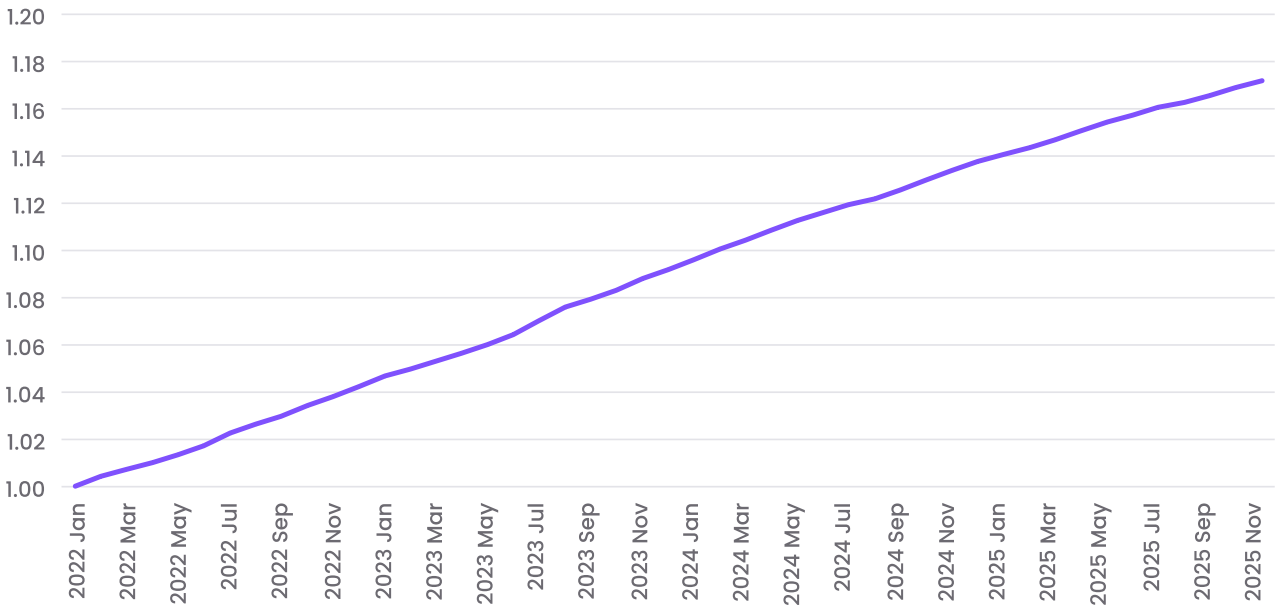
Retail and hospitality, as two of the largest users of automated scheduling systems, are likely to sit at the center of this transition.

Trends in US Healthcare

Despite the labor market cooling in other sectors, healthcare shift work continues to expand and support overall employment stability.

Deputy Job Index, Healthcare

Source: Deputy and US Bureau of Labor, 2025



Total healthcare shift employment has grown significantly since **2022**, increasing by **17%**, the highest growth rate among major shift-based industries. This expansion reflects sustained demand driven by the aging US population.

Workforce shortages and the growing need for chronic disease management are also sustaining hiring across hospitals and emergency services.

Healthcare remains the most resilient major shift-based industry heading into 2026.

Sector growth continues to trend upward, with the Deputy Job Index reaching new highs through **2025**.

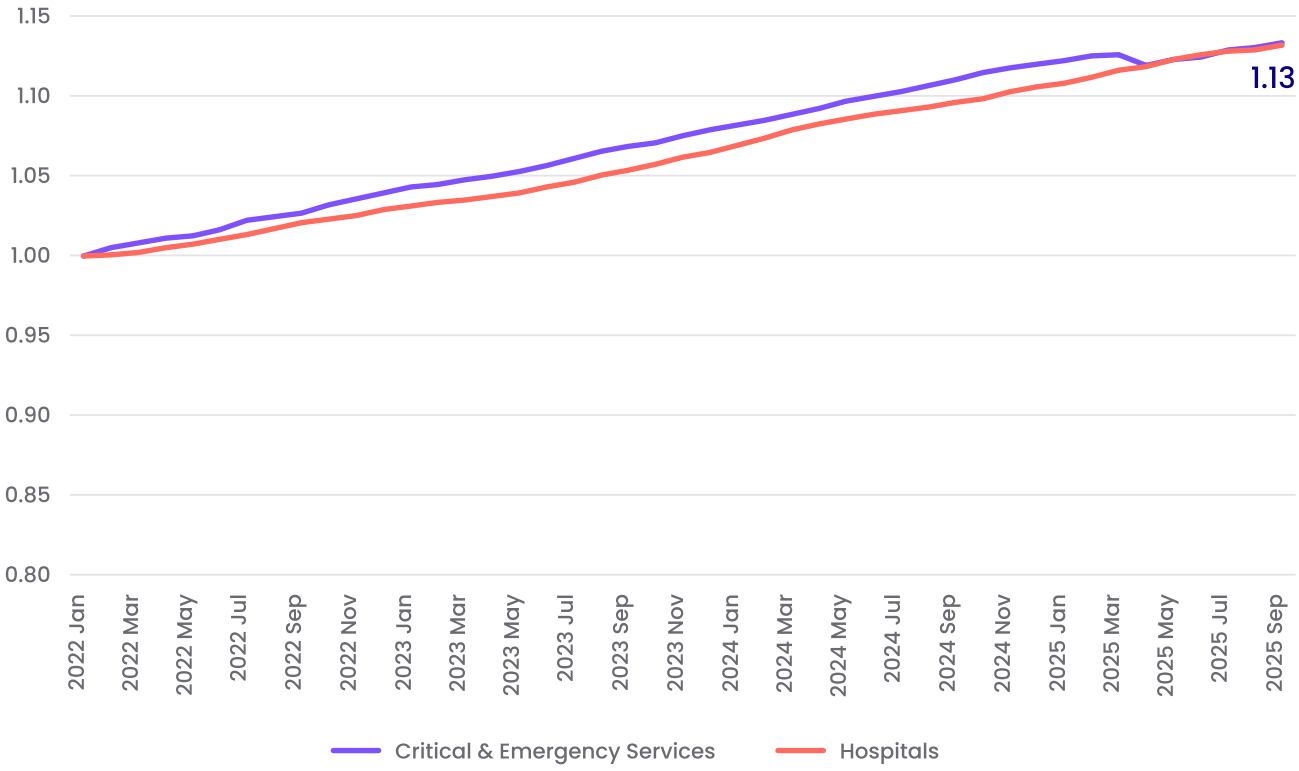
Unlike retail and hospitality, healthcare demand is less exposed to cost-of-living pressures or declines in discretionary spending. Growth in the sector is primarily driven by structural demographic trends rather than consumer spending patterns.

Hospitals and critical and emergency services remain core growth drivers. Employment in these segments has grown by **13%** since **2022**, supported by persistent workforce shortages and continued demographic pressure.

Even as the broader labor market cools, healthcare continues to anchor shift-based employment across the US.

Deputy Job Index, Healthcare Sectors

Source: Deputy and US Bureau of Labor, 2025



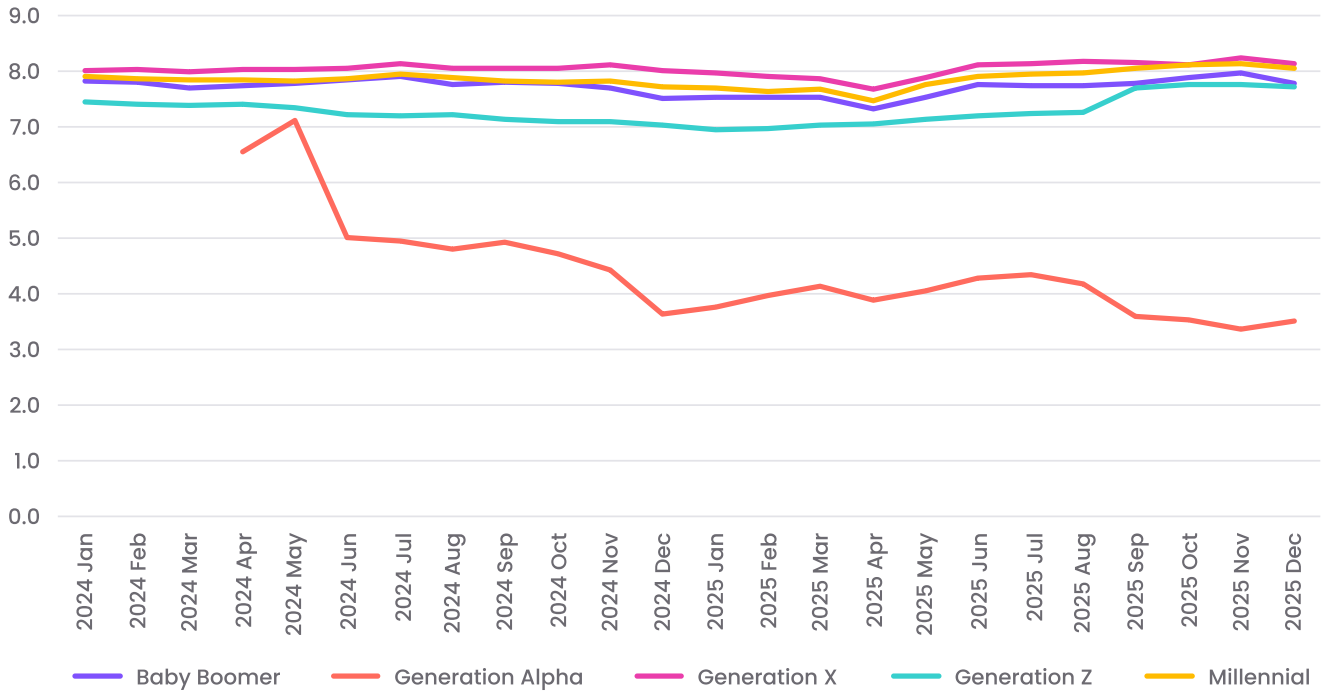
Generation Alpha records the shortest average shift length at **3.5** hours per shift, highlighting opportunities for businesses to engage this emerging workforce through shorter, more flexible roles. This is followed by Baby Boomers and Gen Z, who also tend to work shorter shifts compared with the broader workforce.

The rise of poly-employment further indicates demand for work structures built around shorter shifts. Many workers are taking on multiple roles, combining shifts across employers in patterns similar to micro-shift work.

Among Generation Alpha, average shift length continues to decline as many workers combine part-time work with post-high school education and early workforce entry.

Average Shift Length by Generation, Healthcare

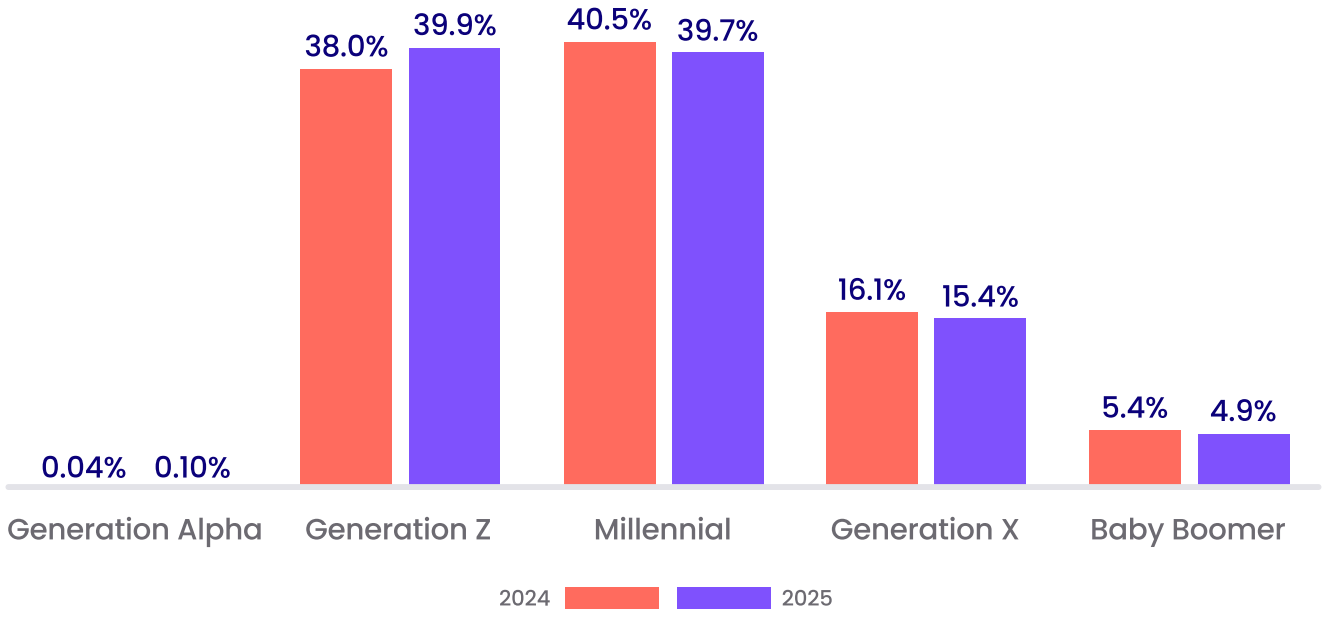
Source: Deputy, 2025



For both Gen Z and Baby Boomers, increasing care responsibilities are also influencing participation in micro-shift work. Young parents, caregivers, and grandparents may be less able to commit to long or regular working hours, increasing demand for shorter and more flexible shifts.

Healthcare Shift Workers by Generation

Source: Deputy, 2025



Gen Z has now surpassed Millennials as the largest Healthcare workforce

Within healthcare, generational change is becoming more visible. Gen Z has now surpassed Millennials as the largest generation in the healthcare shift workforce. In **2025**, Gen Z represents **39.9%** of shift workers, up from **38%** in **2024**.

Millennials remain close behind, representing **39.7%** of the healthcare shift workforce. As their careers progress, Millennials are expected to become increasingly concentrated in supervisory and managerial roles even as their overall workforce share gradually declines.

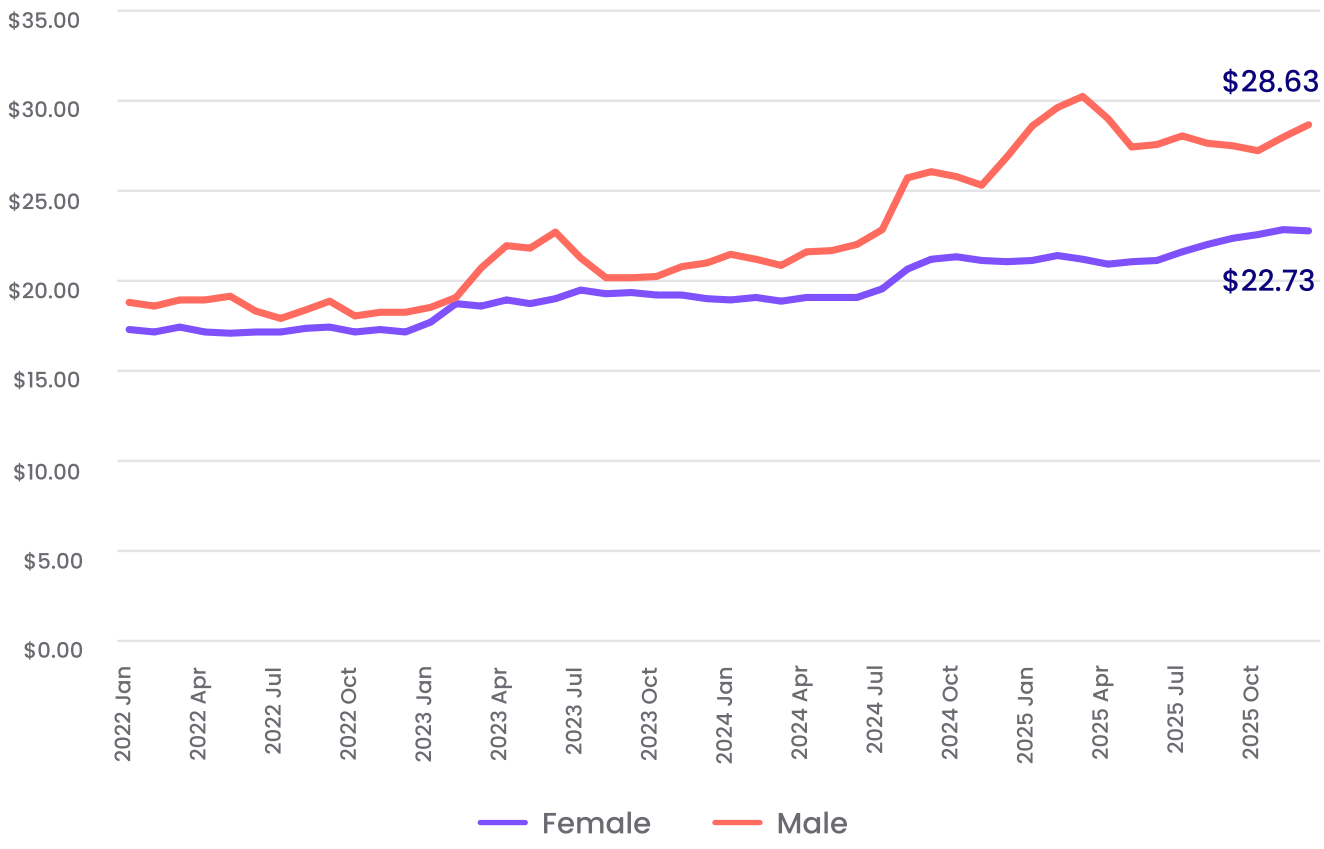
Participation among older generations continues to decrease, with Gen X representing **15.4%** of healthcare shift workers and Baby Boomers accounting for **4.9%**.

However, participation among these older generations remains higher in healthcare than in most other shift-based industries. The sector often retains experienced workers longer due to the value of skilled labor and the ongoing need for experienced staff.

Generation Alpha has also begun to enter the healthcare workforce in small numbers, representing **0.1%** of shift workers. This early participation reflects the gradual expansion of entry-level and micro-shift roles such as receptionists and administrative assistants.

Average Monthly Hourly Rate by Gender, Healthcare

Source: Deputy, 2025



Healthcare recorded a modest decline in the female share of shift hours in **2025**, down **0.3%**, though trends varied significantly across subsectors.

Critical and emergency services recorded the largest decline in female representation, falling by **6.8%**. This reflects ongoing workforce pressure and structural shortages in high-intensity clinical roles.

Outpatient care centers also recorded a **1.9% decline**, alongside smaller contractions in hospitals at **0.3%** and in other healthcare services at **0.3%**.

By contrast, female representation increased in community-based and professionalized care settings. Doctors' offices and medical clinics recorded a **1.1%** increase, dentists **0.7%**, and other healthcare practitioners **0.3%**.

Although women represent the majority of the national healthcare workforce at around **75%**, according to the U.S. Bureau of Labor Statistics, average hourly earnings for men remain higher across shift-based healthcare roles.

Male healthcare workers earn an average hourly wage of **$28.63**, compared with **$22.73** for female workers.

Women remain heavily concentrated in nursing, allied health, and support occupations. While these roles are essential to the functioning of the healthcare system, they are generally paid less than physicians, surgeons, and specialists.

Men remain overrepresented in higher-paid medical specialties, including surgery, anesthesiology, and emergency medicine, as well as in hospital leadership roles. This concentration contributes to higher average wages among male healthcare workers.

Leadership representation also remains uneven. Although women now represent roughly **50%** of medical school graduates, they remain underrepresented in hospital CEO roles, department chair positions, and senior administrative leadership.

As a result, the healthcare wage gap is increasingly shaped by occupational segmentation and specialization pathways rather than differences in workforce participation or hours worked.



As specialist and leadership roles continue to command higher pay, this dynamic contributes to the widening gender pay gap observed across the healthcare industry.

Healthcare hiring appetite has softened

Like other industries, healthcare hiring demand declined steadily over the past **2** years, reaching **0.8%** of the workforce by the end of **2025**.

Vacancy postings have fallen from post-pandemic peaks, particularly across administrative, support, and outpatient roles.

Hospitals and emergency services remain active recruiters, but the pace of expansion has slowed as staffing levels stabilize.

Employers are increasingly prioritizing retention, shift optimization, and productivity improvements over rapidly expanding headcount.

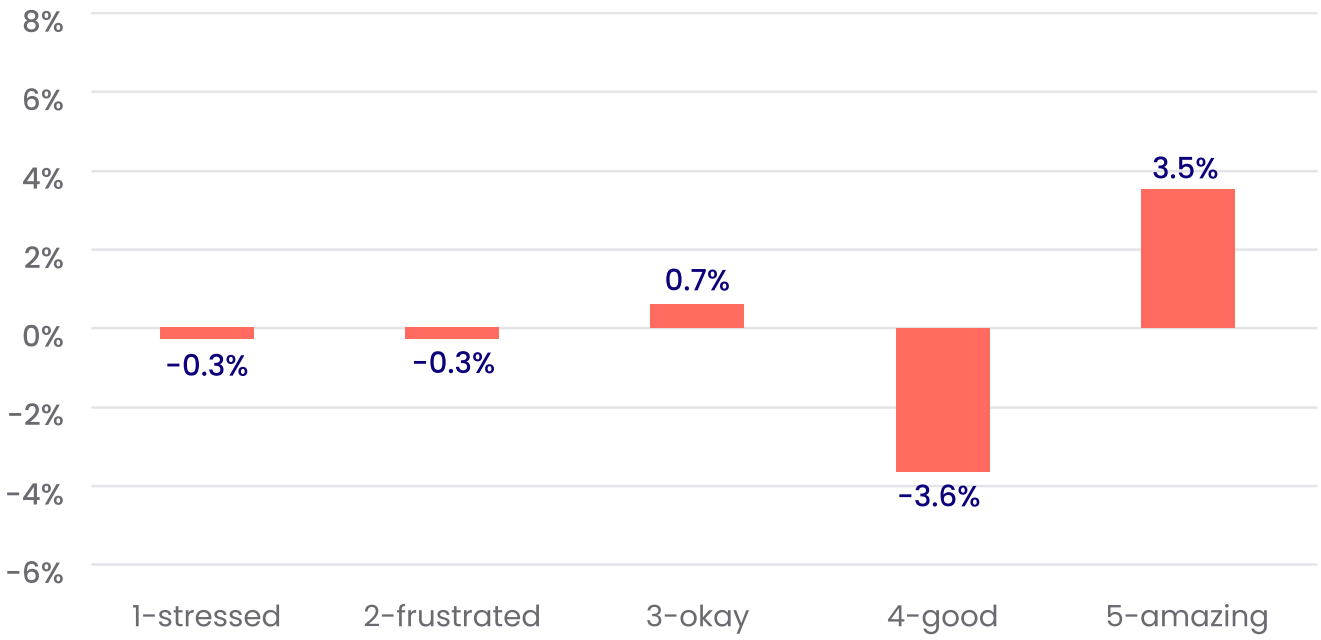
Layoffs and terminations remain broadly stable across healthcare at **1.75%** of the workforce. There is no evidence of a mass job-loss cycle linked to AI adoption or broader economic slowdown.

Voluntary turnover, which spiked during the post-pandemic burnout period, has normalized through **2024–2025**.

Unlike goods-based industries, the healthcare sector is adjusting through slower hiring and retention management rather than workforce reductions.

Change in Deputy Shift Pulse Sentiment, 2025

Source: Deputy, 2025



Healthcare workers also recorded one of the strongest increases in positive shift sentiment, with a **4%** rise in workers reporting they feel “amazing” about their work.

At the same time, negative sentiment declined, with a **1%** reduction in the number of workers reporting feeling “stressed” or “frustrated”. These results suggest that the current “low-fire, low-hire” environment is not negatively affecting worker sentiment across the healthcare workforce.

Healthcare is leading growth in major cities

Healthcare employment in major US cities has expanded strongly since **2022**, even as other shift-based sectors have plateaued.

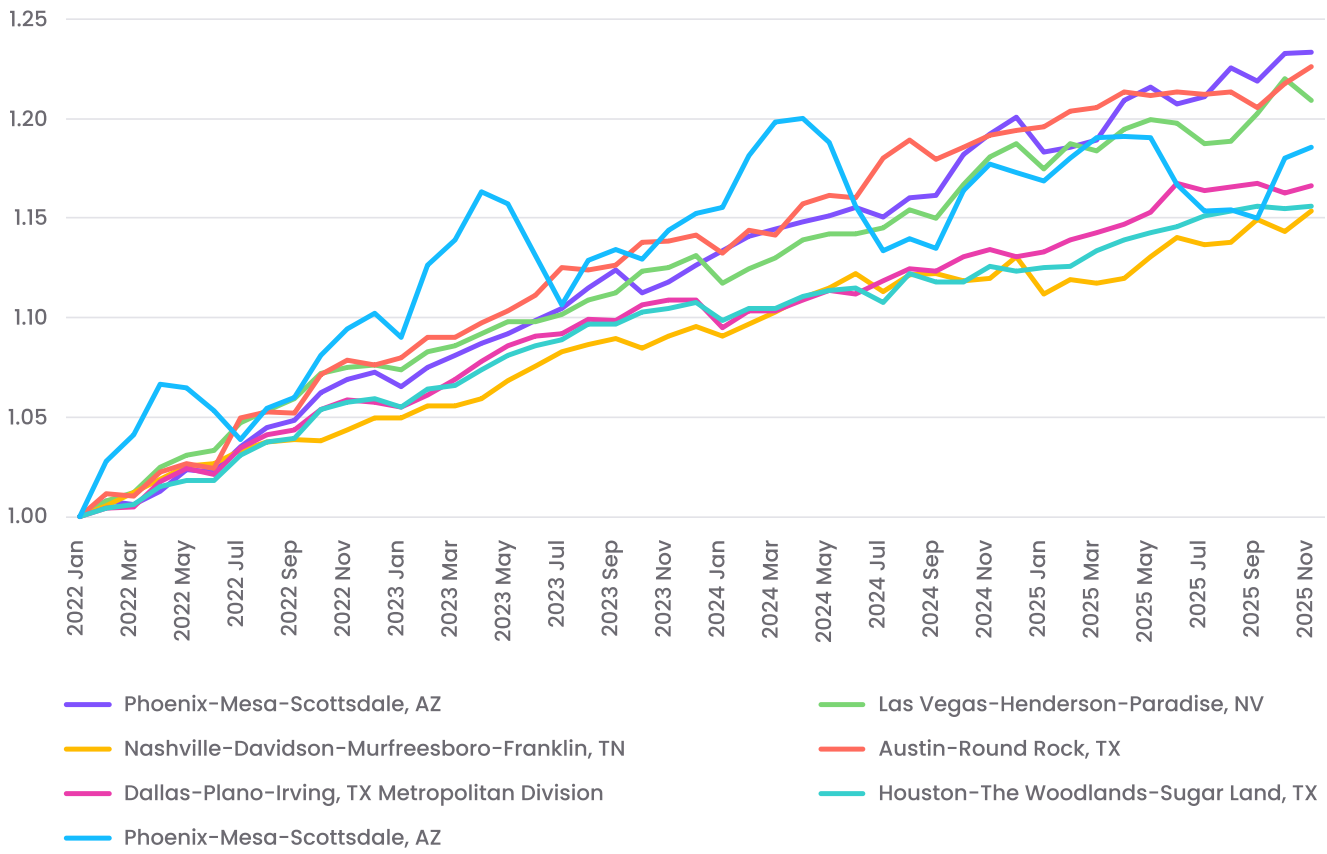
New York City's healthcare workforce has grown by more than **35%** since **2022**, driven by sustained demand for hospital, emergency, and outpatient services. Los Angeles healthcare employment has increased by **23%** over the same period, reflecting continued hiring across hospitals and clinical settings.

Even in San Francisco, where the broader job market has remained largely stagnant, metropolitan healthcare employment has risen by **14%** since **2022**, outpacing overall job growth in the region.

Unlike discretionary sectors, healthcare growth in major urban centers is structurally supported by demographic trends, aging populations, and the continued expansion of medical services. In large metropolitan areas, healthcare remains the primary driver of job expansion through **2025**.

Deputy Shift Work Index, Growth Cities

Source: Deputy and US Bureau of Labor, 2025



Healthcare outlook 2026

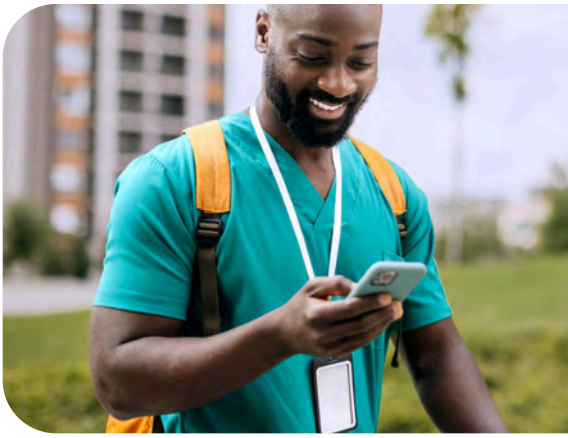
Healthcare hiring has moderated from post-pandemic peaks, with vacancy growth easing to **0.8%** of the workforce by the end of **2025**. However, there is no evidence of a mass layoff cycle. Adjustment is occurring through vacancy restraint and scheduling optimization rather than workforce contraction.

Major metropolitan areas continue to record strong healthcare job growth. New York has seen healthcare employment expand significantly since **2022**, while Los Angeles and San Francisco have also recorded sustained gains. Unlike discretionary sectors, healthcare demand in large cities remains structurally supported by aging populations, chronic care needs, and the continued expansion of hospital systems.

Growth markets in Texas, Arizona, and Nevada are also expanding healthcare capacity in line with population inflows. However, healthcare expansion is not driven solely by migration. Demand reflects underlying demographic pressures across both established coastal metros and high-growth Sun Belt regions.

Automation and AI adoption in healthcare are expected to focus primarily on productivity improvement rather than labor replacement. Hospitals and large health systems are investing in AI-assisted documentation, scheduling optimization, revenue cycle management, and patient flow analytics to reduce administrative workload and improve workforce efficiency.

Overall, healthcare enters 2026 in a stabilizing but expansionary phase. Hiring has cooled, but structural demand continues to support steady job growth across both major metropolitan and growth-city labor markets.



Policy developments are also shaping the sector's outlook. California's **SB 525** healthcare minimum wage law is emerging as a major cost-setting reform. The legislation phases in higher minimum wages for healthcare workers across hospitals, clinics, and dialysis facilities. This is expected to increase labor costs and may influence wage benchmarks in neighboring states competing for clinical staff.

Federal staffing regulations are also tightening in long-term care. In **2024**, the Centers for Medicare and Medicaid Services finalized minimum staffing standards for nursing homes, requiring specific registered nurse coverage thresholds. These rules are expected to intensify competition for licensed nurses and increase workforce pressure across hospitals and post-acute care settings.

Medicare and Medicaid reimbursement constraints remain another structural challenge. Providers continue to operate under margin pressure while complying with expanded federal price transparency rules and reporting requirements. In many cases, hospital costs are growing faster than reimbursement adjustments.

Coverage affordability also remains an important federal uncertainty. The enhanced Affordable Care Act premium subsidies, extended through **2025** under the Inflation Reduction Act, are time-limited. Any change or lapse could increase uninsured rates, particularly in Medicaid expansion and safety-net states, increasing the risk of uncompensated care.

At the state level, AI regulation is beginning to emerge but remains targeted. New York City's **Local Law 144**, which governs automated employment decision tools, and broader AI regulatory proposals in California indicate growing oversight of algorithmic hiring and scheduling systems.

While these regulations are not healthcare-specific, large hospital systems using AI for recruitment or workforce management may face increased compliance requirements as oversight expands.



Services



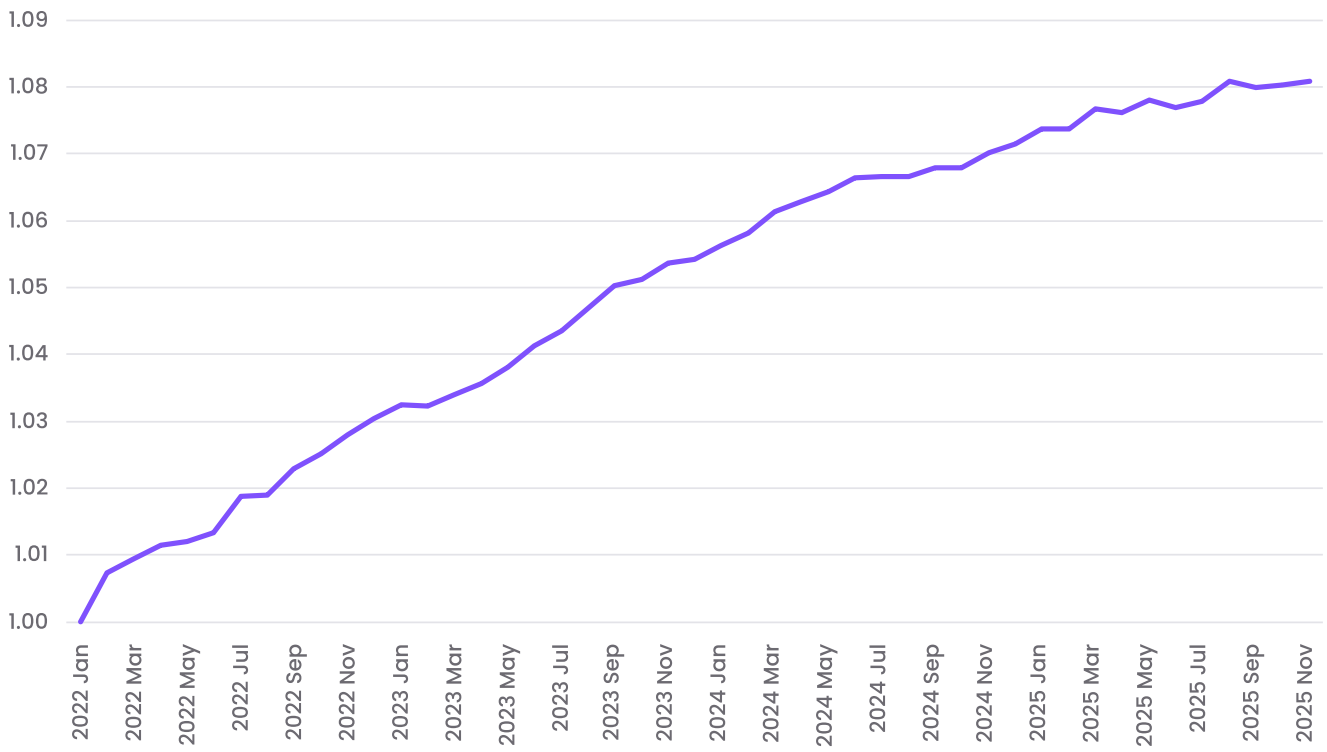
Industry Deep Dives

Trends in US Services

Services employment continues to expand steadily, positioned between healthcare's structural growth and retail's stabilization phase. Hiring remains positive, although momentum has moderated alongside the broader economic cooling.

Deputy Job Index, Services

Source: Deputy and US Bureau of Labor, 2025



Since **2022**, services employment has grown by **8%**, led primarily by expansion in the Care Economy. This includes in-home care, disability support, aged care services, and community-based assistance.

Demographic aging, rising disability participation and growing preference for home-based care models are driving sustained demand across these segments. As a result, services employment remains structurally more resilient than discretionary retail categories.

Overall, the services sector enters 2026 as a demographically anchored growth area, with the Care Economy acting as the primary engine of expansion.



Over the past **three years**, growth in shift work across services has been decisively driven by care-related sectors.

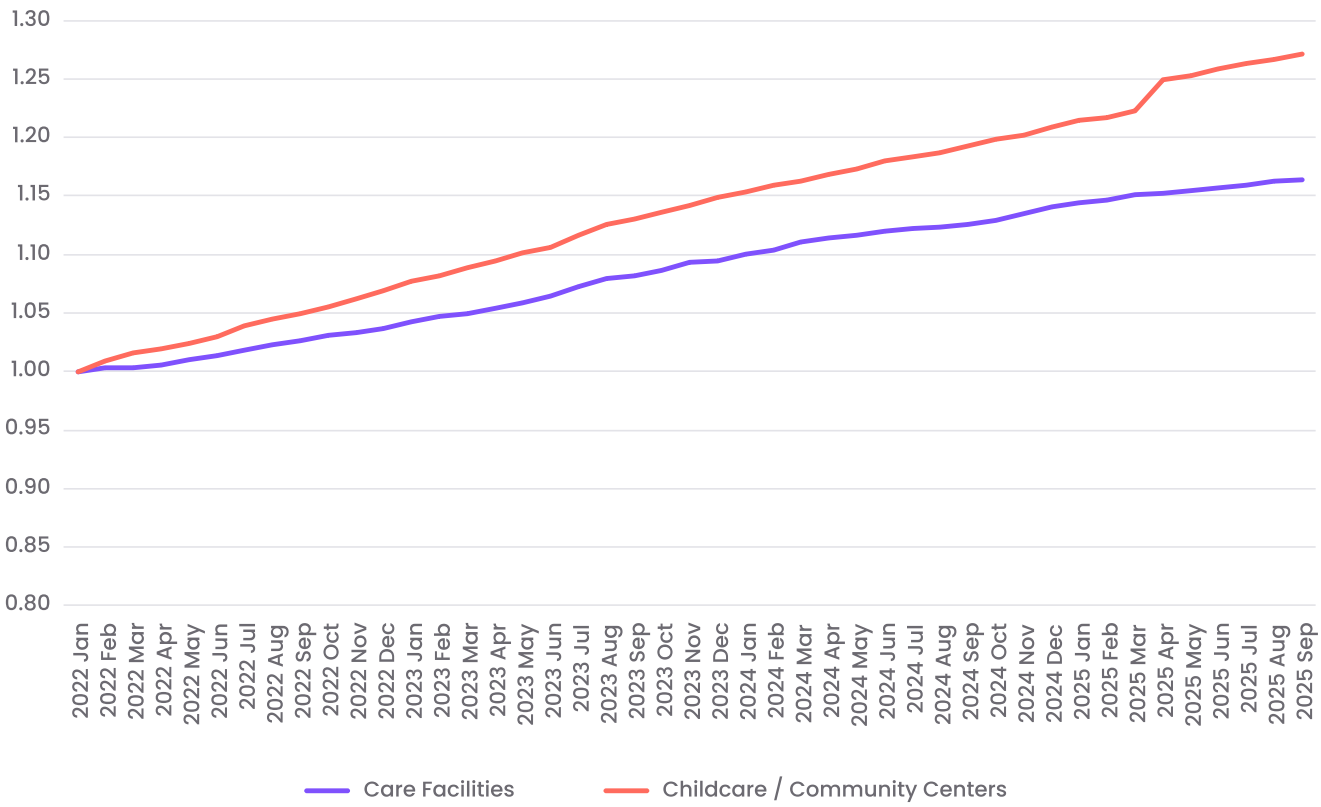
Childcare and community centers have recorded the strongest sustained expansion since 2022, growing by 25% over the period. This growth reflects the recovery in workforce participation and continued public investment in early childhood support.

Care facilities and aged care services have also expanded steadily, growing by **16%** since **2022**. This trend is primarily driven by demographic aging and rising long-term care demand.

Overall, the employment data points to a broader economic rebalancing toward locally delivered, labor-intensive, and human-centered services, particularly those linked to care provision.

Deputy Shift Work Index, Service Sectors

Source: Deputy and US Bureau of Labor, 2025



Gen Z becomes the dominant US Services workforce

Generation Alpha records the shortest average shift length at **6 hours**, suggesting opportunities for businesses to engage this emerging workforce through shorter, more flexible roles. This is followed by Baby Boomers and Gen Z.

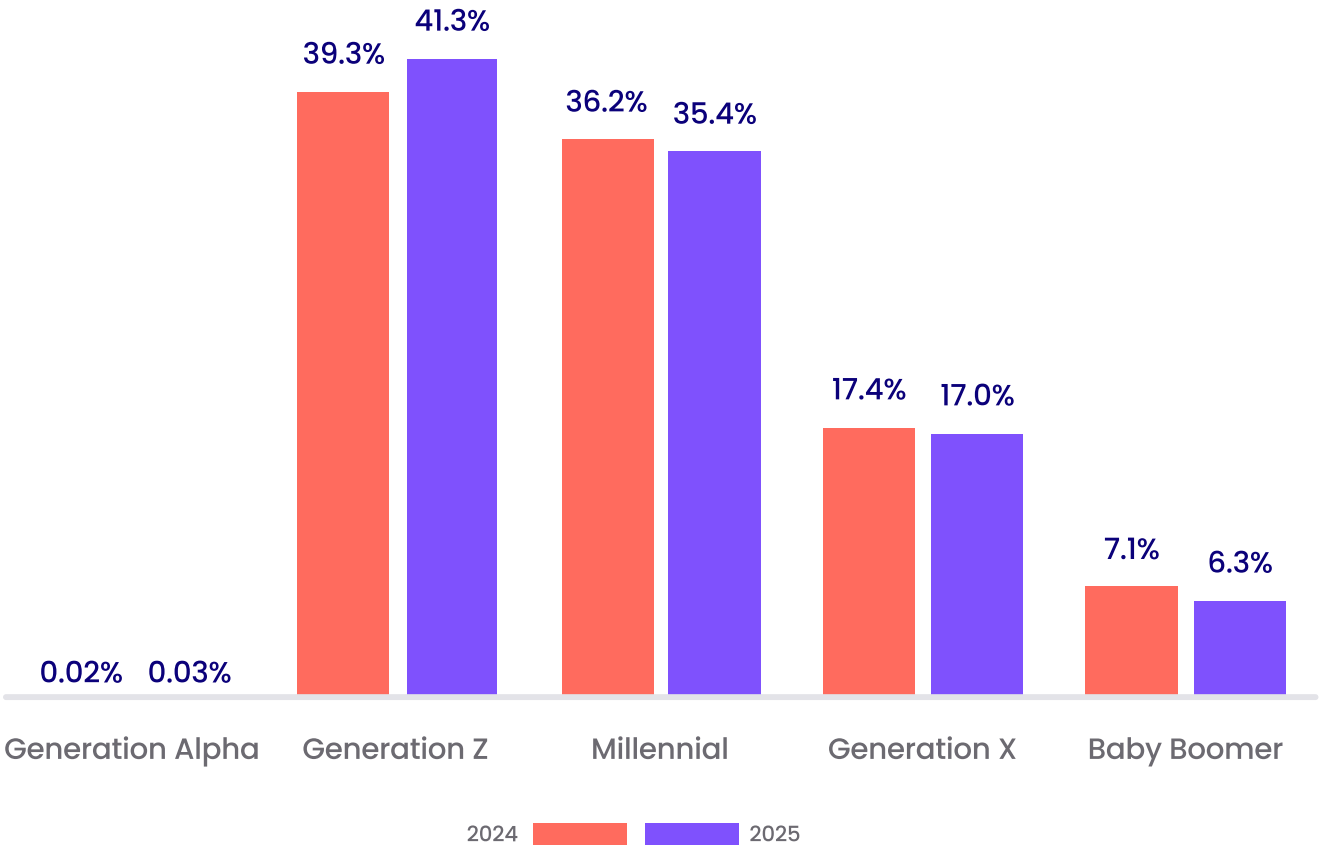
The rise of poly-employment also indicates demand for work structures built around shorter shifts. Many workers are taking on multiple roles across employers in patterns similar to micro-shift work.

Among Generation Alpha, average shift length continues to decline as many workers combine part-time work with post-high school education and early workforce entry.

For both Gen Z and Baby Boomers, growing care responsibilities are also shaping participation in micro-shift work. Young parents, caregivers, and grandparents may be less able to commit to long or regular working hours, increasing demand for shorter and more flexible shifts.

Services Shift Workers by Generation

Source: Deputy, 2025



Within the services sector, generational change is becoming increasingly visible. Gen Z now represents more than **41%** of all services shift workers, up from **39%** in **2024**, reinforcing its position as the dominant frontline workforce.

Millennials remain strongly represented at **35%**, although their overall share has edged slightly lower as Gen Z participation expands.

Participation among older generations continues to decline. Gen X workers represent **17%** of the services shift workforce, while Baby Boomers account for **6.3%**.

However, as with healthcare, the services sector continues to maintain relatively strong participation among older workers. Flexible roles in health-adjacent services allow some experienced healthcare workers to transition into service roles such as those in care facilities.

Overall, the services sector shows a clearer generational transition than healthcare. This reflects its stronger concentration in entry-level, community-based, and flexible-shift roles.

Generation Alpha participation remains very small at **0.03%**, although early entry into micro-shift and casual work formats is beginning to appear at the margins.



US Services sector avoids year-on-year decline in frontline morale

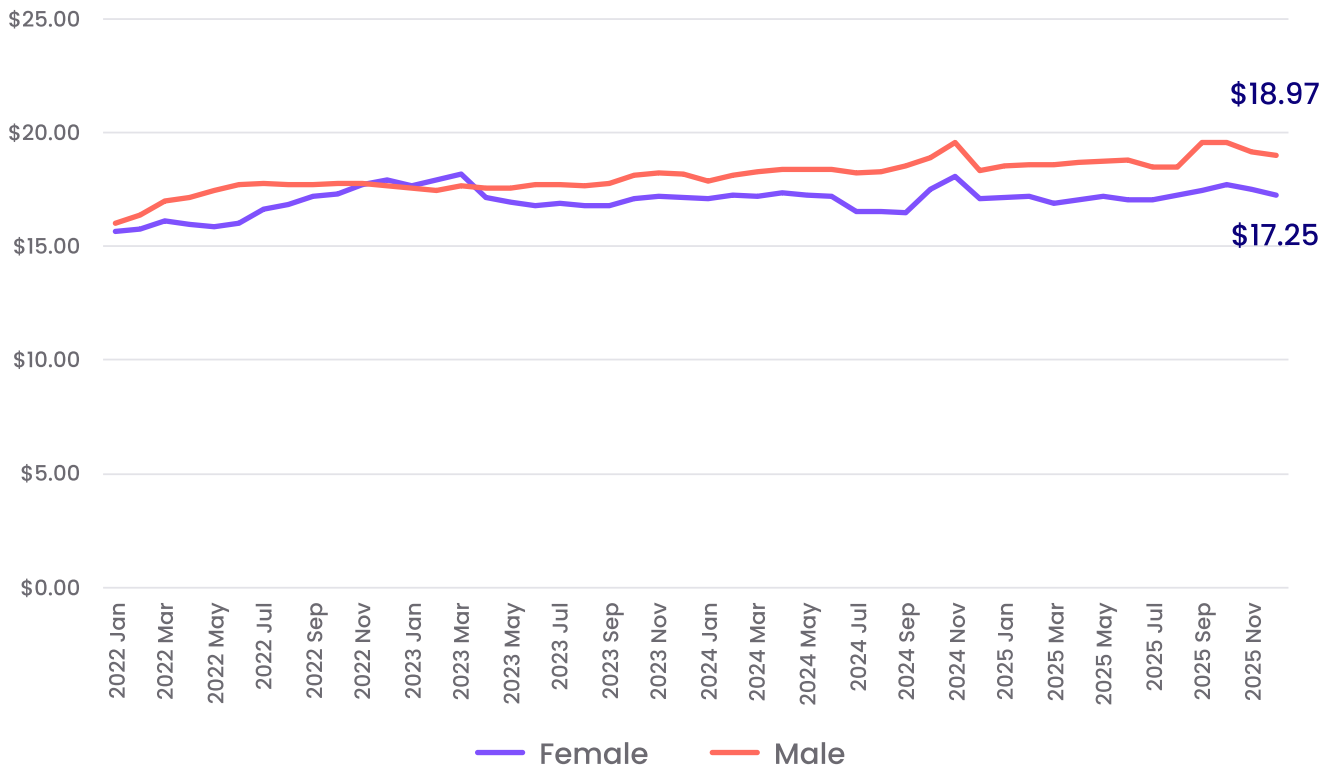
Services recorded a modest increase in the female share of shift hours in **2025**, rising by **0.2%**, reinforcing the sector's expansion in care-led roles.

Within care-related services, the strongest gains were recorded in cleaning services, where female participation increased by **2.7%**, and childcare and community centers, which rose by **1.8%**. These increases reflect continued growth in community-based and support roles. By contrast, institutional and acute settings recorded small declines. In-home care saw a **0.4%** decrease in female share, while care facilities declined by **0.2%**, suggesting relative stability rather than structural reversal.

Employment services recorded the sharpest decline in female share, falling by **10.8%**. This shift may reflect growing automation in recruitment, screening, and placement functions, where AI-enabled hiring tools are increasingly replacing manual administrative tasks. At the same time, placement-based and temporary staffing activity has softened as the labor market cools.

Average Monthly Hourly Rate by Gender, Services

Source: Deputy, 2025



Although services recorded a modest increase in the female share of shift hours, this has not resulted in wage convergence. The hourly pay gap has widened slightly over time.

Male hourly earnings in services now average **$18.97**, compared with **$17.25** for female workers, maintaining a wage gap of approximately **$1.72**.

Wage growth has been stronger in higher-skilled clinical, professional, and supervisory roles, where male representation remains comparatively higher.

Community-based and support roles, including childcare, cleaning and in-home support, remain more female-dominated and continue to operate at lower average hourly wage levels.

The result is a structural wage divergence within the services sector, driven less by participation and more by occupational segmentation.



Worker sentiment in services improved modestly in **2025**, though less pronounced than the gains seen in healthcare and hospitality.

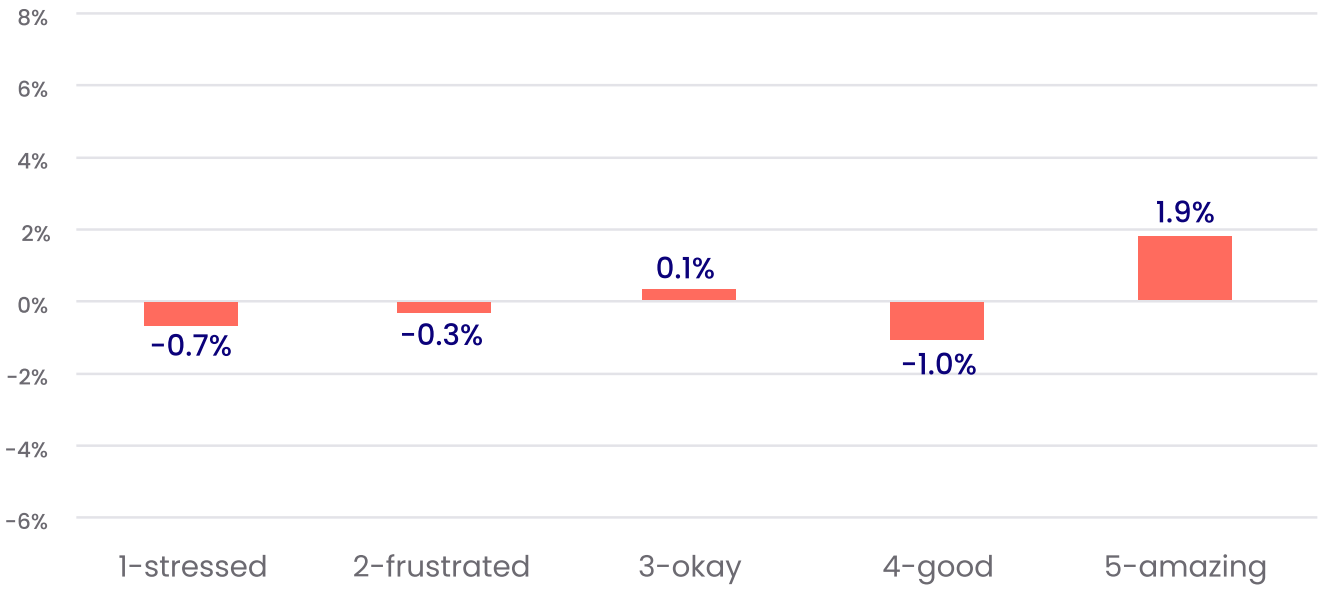
The share of workers reporting they feel “amazing” increased by **2%**, while negative indicators such as “stressed” and “frustrated” declined by **1%**.

Unlike retail, where positive sentiment declined, the services sector avoided a deterioration in frontline morale.

The more moderate improvement in sentiment likely reflects the creation of new job opportunities in care and community-based roles, offset by ongoing workload pressure and staffing constraints.

Change in Deputy Shift Pulse Sentiment, 2025

Source: Deputy, 2025



Services shift work in large coastal metropolitan areas has remained largely unchanged since **2024**, with limited incremental growth across most major cities.

New York shows the clearest signs of softness, with service employment levels declining into **2025**.

High living costs, housing affordability pressures, and slower population growth are constraining services employment growth in more expensive urban centers.

Aging population dynamics are increasingly geographic. Older residents are migrating to lower-cost states such as Florida, Texas, and Arizona, where retirement migration and more affordable housing are supporting expansion in care-related services.



As aging households relocate, roles in in-home care, community services, and aged support are increasingly following these population flows rather than remaining concentrated in traditional coastal hubs.

Services shift growth is strongest in high-in-migration metropolitan areas across Texas, Arizona, and Nevada, with Houston, Dallas, Austin, Phoenix, and Las Vegas leading expansion.

These cities combine lower housing costs with sustained population inflows, particularly among working-age families and retirees, both of which drive demand for community and care-based services.

Unlike retail, services expansion is less discretionary and more strongly anchored to demographic demand. Employment growth in the sector is driven by population changes rather than tourism or short-term consumption cycles.

Additional growth markets, such as Nashville and Salt Lake City, are also recording steady expansion, reflecting broader migration patterns toward the Sun Belt and the Mountain West.

Overall, services employment growth is increasingly tied to long-term demographic movements rather than traditional coastal population density.

US Services outlook 2026

Services employment continues to expand, positioned between healthcare's structural growth and retail's stabilization phase. Hiring remains positive, although momentum has moderated.

Growth is being led by the Care Economy, including in-home care, disability support, childcare, and community-based services, rather than discretionary service categories.

Demographic aging and rising disability participation are structurally supporting demand for community and home-based care models.

In high-cost coastal cities, services growth is stabilizing as affordability pressures and population outflows reshape local demand. By contrast, growth markets across Texas, Florida, Arizona, and the Mountain West are seeing stronger expansion as services employment follows population inflows, particularly family relocation and retirement migration.

Unlike goods-based sectors, services growth is demographically anchored and less exposed to trade volatility or fluctuations in discretionary consumer spending.

Overall, services enters 2026 as a steady, population-driven growth sector, with the Care Economy acting as the primary engine of expansion.



However, the sector also faces structural workforce risks. Home care and eldercare services remain heavily dependent on foreign-born labor. Around **41.9%** of home health aides and **27.2%** of personal care aides are foreign-born, compared with **18.6%** across all occupations.

Women also make up roughly **80%** of the paid care workforce, creating a dual structural vulnerability linked to gender concentration and immigration dependence.

As a result, tighter immigration enforcement and reduced migration flows are beginning to constrain labor supply in home-based care, exacerbating existing workforce shortages.

In **2025**, the US Department of Labor also proposed revisiting Obama-era minimum wage and overtime protections for home-based caregivers. Any rollback could increase income insecurity in a workforce already characterized by low wages and narrow operating margins, potentially worsening labor shortages.

In response, some states and cities may strengthen local labor protections. Expansions of Domestic Workers' Bills of Rights, such as those already implemented in New York, may create growing regulatory divergence across jurisdictions.

Together, labor supply constraints, immigration enforcement, and regulatory uncertainty may increase job vulnerability and expand reliance on unpaid family caregiving in **2026**.

Despite these pressures, the Care Economy remains one of the strongest long-term drivers of employment growth in the US.

The US economy is projected to create more than 1.8 million new jobs in shift-based industries by 2035, with nearly half expected to emerge in services sectors such as aged care and in-home care.

As the population continues to age, the services sector is likely to play an increasingly prominent role in supporting and caring for American communities.



Thank you to the contributors of The Big Shift US 2026

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