BANK OF AMERICA INSTITUTE

BANK OF AMERICA

Economy

Job hoppers hit pause

22 August 2025

Key takeaways

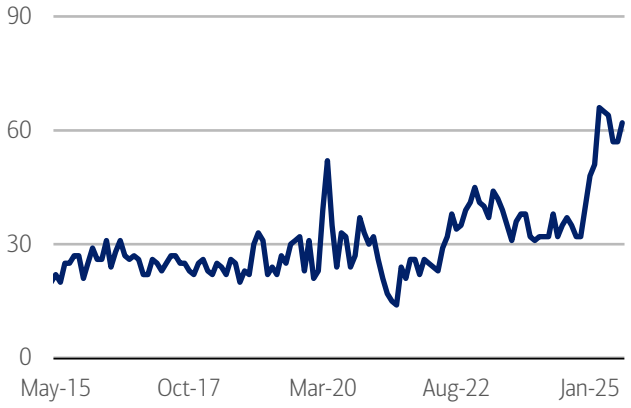
- With official measures of job openings in the US declining, it is important to gauge whether the number of people making job-to-job (J2J) moves is also cooling. Although the job change rate has increased since the start of the year, the estimated rate is only 2% above the 2019 average in July and has largely trended downwards since the 2022 peak of more than 26%.
- Plus, job hoppers are no longer getting a big bump in pay, with J2J pay raises having moderated to around 7% in July – more than 3 percentage points below the 2019 average level. Interestingly, the number of job hoppers who are paid on a monthly frequency has been cooling, down 0.09% in July from last year. Industries such as finance and information have a greater share of workers with this frequency of pay period, suggesting that job changes in these industries are minimizing.
- Along with a moderating J2J rate, according to Bank of America deposit account data, our estimate of the pay disruption rate was up 4.7% year over year in July, after decelerating throughout 2024. And according to BofA Global Research, job prospects are likely to remain tough for younger workers as global trade tensions heighten economic uncertainty and some sectors swiftly embrace AI, potentially crowding out entry-level positions.

Job changers offer clues about the current labor market

Fears of rising unemployment hit a 10-year high in March and have yet to abate, according to the latest University of Michigan (UMich) Consumer Sentiment survey (Exhibit 1). And in the current "low-fire, low-hire environment," the August employment report from the Bureau of Labor Statistics (BLS) underscored that jobs growth slowed significantly in the second quarter.

Some areas of the labor market are harder to track than people who are moving between employment and unemployment. People making job-to-job (J2J) moves and the pay raises they are getting when they make these moves are potentially harder to measure but are an important part of the overall labor market picture.

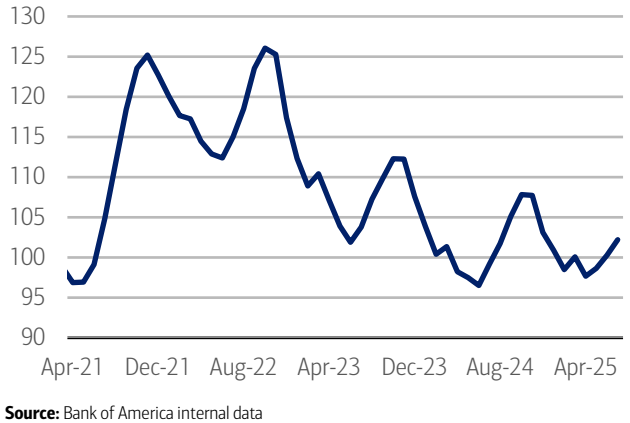
Exhibit 1: The percentage of survey respondents expecting more unemployment has hit a 10-year high
UMich sentiment survey responses for those expecting more unemployment (%, monthly)



Source: Haver Analytics

BANK OF AMERICA INSTITUTE

Exhibit 2: The job-to-job (J2J) change rate remained above the 2019 average in July after falling below in the first few months of the year
Job change rate (indexed, 2019 average = 100, three-month moving average)



Source: Bank of America internal data

BANK OF AMERICA INSTITUTE

Here we use aggregated and anonymized Bank of America deposit account data across millions of customers to track J2J moves. We identify the rate at which people are making these J2J changes by identifying changes in payroll within deposit accounts.

Exhibit 2 shows an estimated J2J change rate from Bank of America data. The job change rate has improved since the start of the year. The estimated rate was only 2% above the 2019 average in July and has largely trended downwards since the 2022 peak of more than 26%.

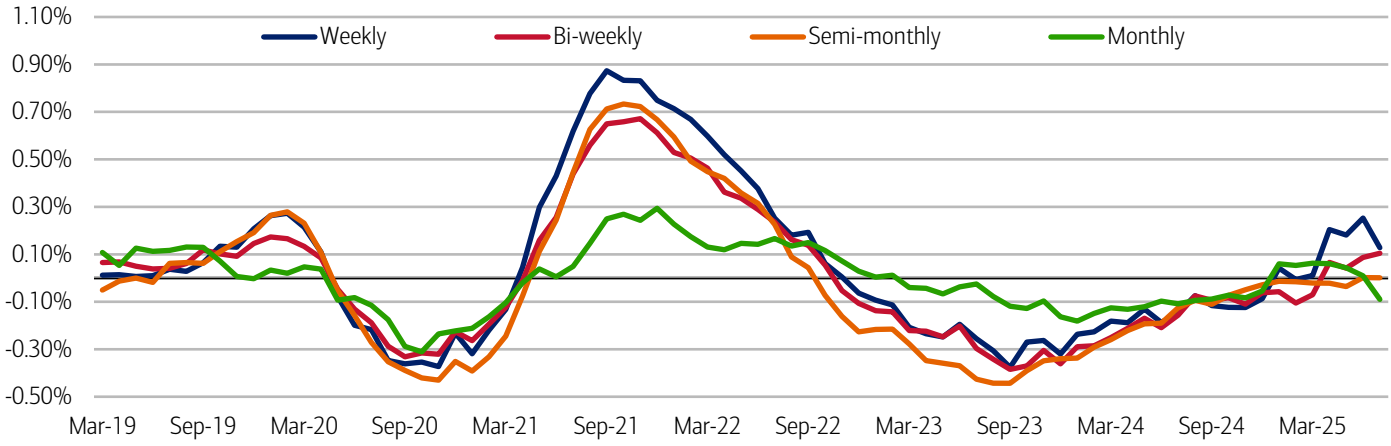
White-collar job hopping comes to a halt

Bank of America deposit data also shows that wage disparities are widening (read more on this in the August Consumer Checkpoint). In fact, we see that the gap between higher- and lower-income wage growth has now reached the highest since February 2021. Thus, the labor market appears to have deteriorated most significantly for lower-income workers.

Within the J2J data, we also found that there has been some divergence among job changers by pay frequency type (Exhibit 3). According to the Bureau of Labor Statistics (BLS), in 2023, biweekly was the most common length of pay period, around 43%, followed by weekly pay periods (27%).

Interestingly, job hoppers with monthly pay have been cooling, with the rate down 0.09%, while weekly pay is strongest, up 0.13% in July on a three-month moving average. Industries with the greatest share of monthly pay are financial activities, professional & business services, and information, all of which skew towards higher-income jobs.[1] This suggests that fewer people are changing jobs in these industries compared to industries such as construction and manufacturing, where weekly pay is more heavily concentrated and labor supply issues are already at play (read more on this in our August Small Business Checkpoint).

Exhibit 3: The rate of job changers receiving weekly pay has outpaced other pay types over the past several months
Job change rate by pay frequency (percentage-point difference from prior year, three-month moving average)



Source: Bank of America internal data

BANK OF AMERICA INSTITUTE

Job hopping has become less lucrative

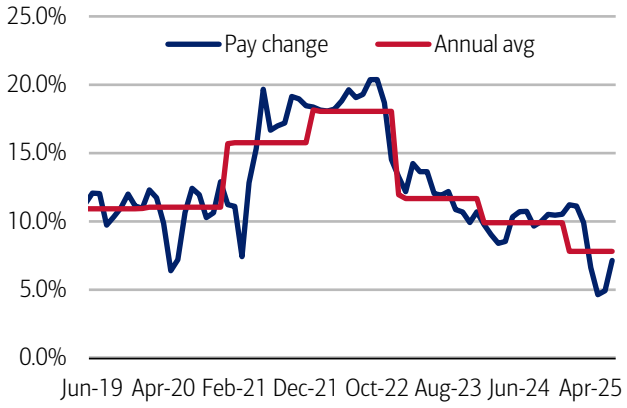
With signs that J2J moves are gradually moderating, we also find that job hoppers are getting smaller pay increases from their new employers. Exhibit 4 shows an estimate using Bank of America data of the median pay raises of J2J switchers. Though there has been a bounce-back from June, the increase declined to around 7% in July from more than 20% when the Great Resignation was in full swing in 2022.

It is notable that last month's figure is below 2019 levels and, so far this year, has fallen further from the 2024 annual average. This is in line with data from the Atlanta Fed, which shows that in May, for the first time since 2010, wage growth for job switchers equaled that of those who remained with their employers. This was the case through July (Exhibit 5).

This trend confirms that the labor market is no longer as tight, and the balance of power between employer and employee is shifting back toward firms that are hiring. It also likely reflects a tariff-related pullback in business investment, which is leading employers to pause hiring altogether (read more on this in the August Small Business Checkpoint).

[1] US Bureau of Labor Statistics. (2023). *Length of pay periods in the Current Employment Statistics survey: U.S. Bureau of Labor Statistics.*

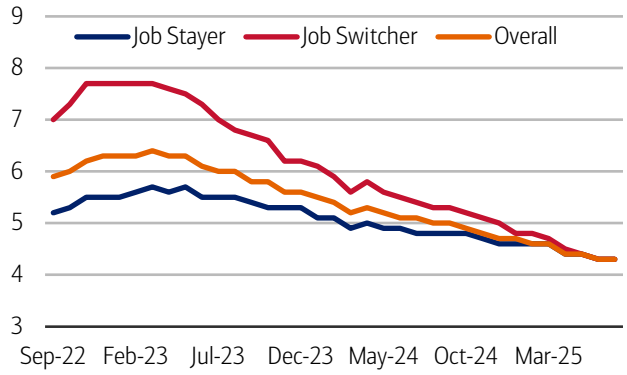
Exhibit 4: As of July, median pay raises for J2J movers moderated to around 7%
Median pay raise for J2J movers (YoY%, monthly)*



Source: Bank of America internal data
*Calculated as the change in pay in the three months from a job move compared to pay over the same three months a year earlier.

BANK OF AMERICA INSTITUTE

Exhibit 5: For the first time since 2010, wage growth for job switchers equaled that of job stayers in May and continued into July
Wage growth by job stayer vs. job switcher (monthly, %)



Source: Current Population Survey, BLS, Federal Reserve Bank of Atlanta
Note: The data are 12-month moving averages of monthly median wage growth for each category. Wage computed on an hourly basis.

BANK OF AMERICA INSTITUTE

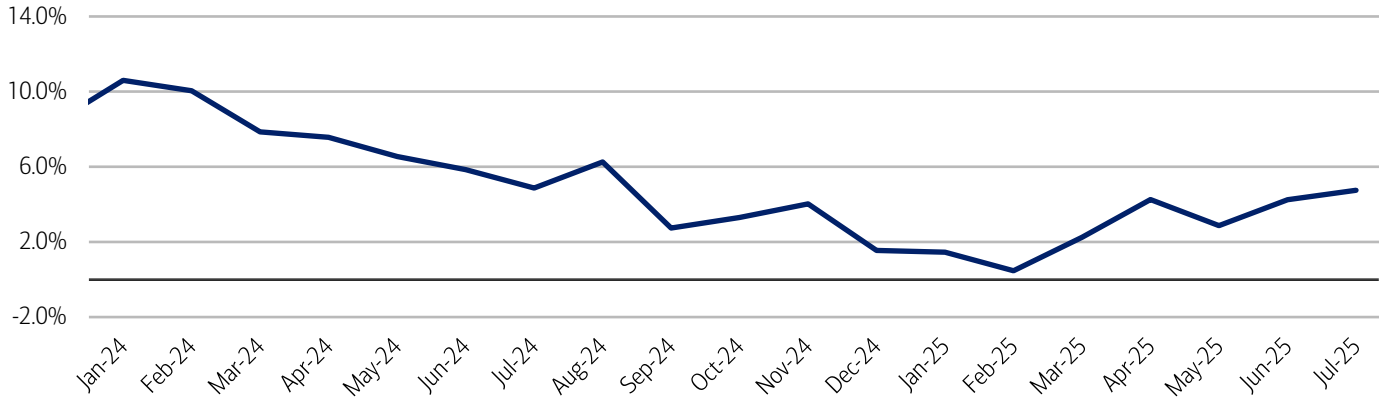
Unearthing unemployment trends

Since the start of the year, the unemployment rate has risen slightly, most recently having increased from 4.1% to 4.2% in July, according to the BLS. To further shed light on the US employment picture, we use Bank of America data to examine the Payroll Disruptions Rate (PDR), which we consider a rough proxy for job exits. We define the PDR as the proportion of customers who previously had 12 months of regular payroll payments in their accounts, followed by three months without a payment relative to the total number of customers with 12 consecutive months of pay.

These pay disruptions could occur for several reasons. Most obviously, if someone loses their job and takes over three months to find another, they will register in the measure. However, if someone exited their job for other reasons, such as the need to take care of children, this would also increase the PDR, as would someone taking over three months to set up a direct payment into their account.

Looking at our estimate of the PDR, we find the year-over-year (YoY) growth was up 4.7% in July, after decelerating throughout 2024 (Exhibit 6). This further suggests a cooling labor market.

Exhibit 6: After slowing over most of 2024, the growth in average PDR has accelerated again and was up 4.7% YoY in July
Average pay disruption rate (monthly, six-month moving average, YoY%)



Source: Bank of America internal data

BANK OF AMERICA INSTITUTE

The job fountain of youth may be running dry

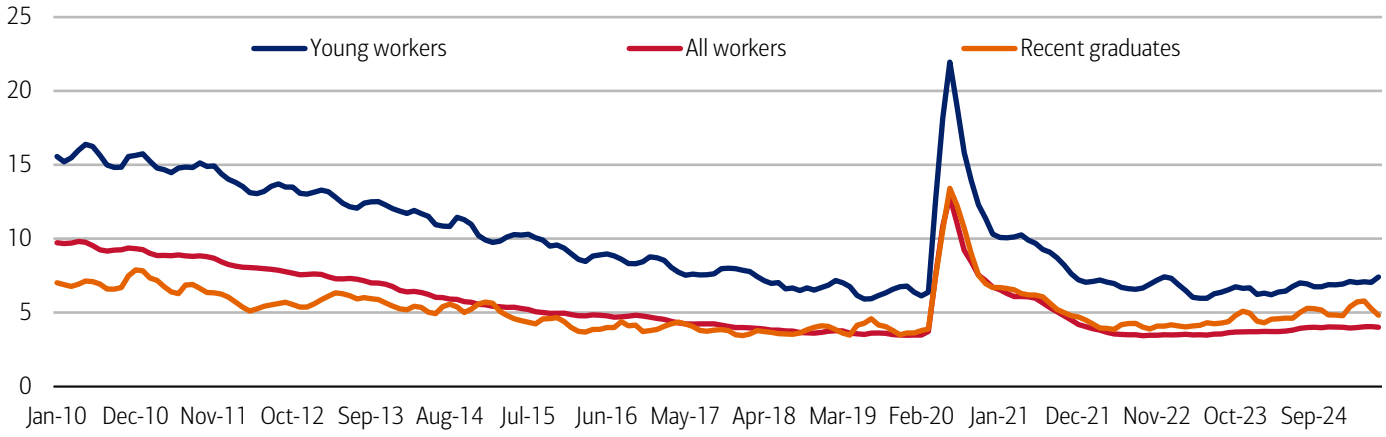
As we underscored in our August Consumer Checkpoint, there are stark divergences emerging between different demographics among spending as well as labor market conditions. Markedly, more than 13% of unemployed Americans in July were new entrants or those looking for jobs with no prior work experience, which skews towards Gen Z (read more on this in our March Gen Z publication).

That is the highest since 1988, according to the Richmond Fed. And while the overall unemployment rate has remained relatively flat, that of young workers has continued to climb, reaching 7.4% in June (Exhibit 7).

Furthermore, according to the International Labor Organization, young people have suffered higher employment losses than older workers and have quit their studies due to massive disruptions in education and on-the-job training. And according to a Bank of America proprietary survey, younger generations are more likely to be negatively affected by factors related to work/employment.

In fact, some 289 million young people globally are neither gaining professional experience through a job nor developing skills by participating in an educational or vocational program, limiting economic gains.[2] According to BofA Global Research, employment prospects will likely remain subdued for young workers (as defined below) in the medium term as global trade tensions heighten economic uncertainty and sectors such as manufacturing and professional & business services swiftly embrace AI, potentially reducing entry-level positions.

Exhibit 7: Young workers' unemployment rate has been increasing over the past few months, and in the last few years, recent graduates' rate has surpassed overall unemployment – a reversal from pre-pandemic trends
Unemployment rates for recent college graduates vs. other groups (monthly, %)



Source: US Census Bureau and BLS, Current Population Survey (IPUMS)
Note: Rates are seasonally adjusted and smoothed with a three-month moving average. All workers are those aged 16 to 65; recent graduates are those aged 22 to 27 with a bachelor's degree or higher; young workers are those aged 22 to 27 without a bachelor's degree. All figures exclude those currently enrolled in school.

BANK OF AMERICA INSTITUTE

[2] International Labor Organization. (2024, August 12). *Number of youth not in employment, education, or training (NEET) a cause for concern, despite falling jobless rate | International Labour Organization*.

Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash and checks.

Any **Small Business** payments data represents aggregate spend from Small Business clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Small Business client data represents activity spending from active Small Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and generally defined as under $5mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

The differences between the total and per household card spending growth rate can be explained by the following reasons:

1. Overall total card spending growth is partially boosted by the growth in the number of active cardholders in our sample. This could be due to an increasing customer base or inactive customers using their cards more frequently.

2. Per household card spending growth only looks at households that complete at least five transactions with Bank of America cards in the month. Per household spending growth isolates impacts from a changing sample size, which could be unrelated to underlying economic momentum, and potential spending volatility from less active users.

3. Overall total card spending includes small business card spending while per household card spending does not.

4. Differences due to using processing dates (total card spending) versus transaction date (per household card spending).

5. Other differences including household formations due to young adults moving in and out of their parent's houses during COVID.

Any household consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level. Whenever median household savings and checking balances are quoted, the data is based on a fixed cohort of households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through the most current month of data shown.

Bank of America aggregated credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards are excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1995

2. Younger Millennials: born between 1989-1995

3. Older Millennials: born between 1978-1988

4. Gen Xers: born between 1965-1977

5. Baby Boomer: 1946-1964

6. Traditionalists: pre-1946

The Pay Disruptions Rate is defined as the proportion of customers who previously had 12 months of regular payroll payments into their accounts, but then had three months of no payments, relative to the total number of customers with 12 consecutive months of payroll.

The job-to-job change rate (J2J rate) is defined as the proportion of customers with an identified change in their employer as a proportion of the total number of customers. Net income is defined as the net direct deposit income after deductions.

We estimate the median pay rise associated with a J2J change using the pay in the latest three-month period compared to the same three months a year ago.

Any reference to card spending per household on gasoline includes all purchases at gasoline stations and might include purchases of non-gas items.

A Bank of America proprietary survey was conducted from January 2024-August 2025 with approximately 1500 respondents over the course of each month.

Additional information about the methodology used to aggregate the data is available upon request.

Contributors

Taylor Bowley

Economist, Bank of America Institute

Sources

Dale Lin

Director, Global Risk Analytics

Adam Zeid

Assistant Vice President, Global Risk Analytics

Anna Zhou

China & Asia Economist, BofA Global Research

Shruti Mishra

US Economist, BofA Global Research

Riley Fillius

Vice President, Digital and Marketing

Disclosures

These materials have been prepared by Bank of America Institute and are provided to you for general information purposes only. To the extent these materials reference Bank of America data, such materials are not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial conditions or performance of Bank of America. Bank of America Institute is a think tank dedicated to uncovering powerful insights that move business and society forward. Drawing on data and resources from across the bank and the world, the Institute delivers important, original perspectives on the economy, sustainability and global transformation. Unless otherwise specifically stated, any views or opinions expressed herein are solely those of Bank of America Institute and any individual authors listed, and are not the product of the BofA Global Research department or any other department of Bank of America Corporation or its affiliates and/or subsidiaries (collectively Bank of America). The views in these materials may differ from the views and opinions expressed by the BofA Global Research department or other departments or divisions of Bank of America. Information has been obtained from sources believed to be reliable, but Bank of America does not warrant its completeness or accuracy. These materials do not make any claim regarding the sustainability of any product or service. Any discussion of sustainability is limited as set out herein. Views and estimates constitute our judgment as of the date of these materials and are subject to change without notice. The views expressed herein should not be construed as individual investment advice for any particular person and are not intended as recommendations of particular securities, financial instruments, strategies or banking services for a particular person. This material does not constitute an offer or an invitation by or on behalf of Bank of America to any person to buy or sell any security or financial instrument or engage in any banking service. Nothing in these materials constitutes investment, legal, accounting or tax advice.