



# The State of Staffing & Search

by LinkedIn and the American Staffing Association

FEBRUARY 2026



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## EXECUTIVE SUMMARY

Staffing firms are at the forefront of a labor market transformation. Employers are increasingly prioritizing flexibility, cost control, and AI—reshaping how talent is sourced, placed, and retained. Staffing firms must understand today's labor market to prepare for tomorrow's opportunities. Forecasting the future is hard—but so is knowing where we stand today, because data on the staffing industry remains limited. A clear view of current trends helps spot emerging needs, align with shifting priorities, and make smart investments. The American Staffing Association has partnered with LinkedIn to better understand trends in the staffing industry through LinkedIn's labor market data with insights from over 200 million US LinkedIn members and 500,000 professionals who have had work engagements through staffing and search companies. LinkedIn data reveals that talent engaged with staffing firms is building AI literacy skills more than 40% faster than the broader market, signaling that the staffing industry is emerging from years of slowdown ready to lead in AI-focused talent solutions.

Contract roles have evolved from a worker preference to a necessity for both employers and job seekers. LinkedIn data reveals that the pandemic accelerated a decline in contract-to-permanent conversions, with economic uncertainty and hiring freezes prompting companies to rebalance their talent acquisition approaches. As full-time opportunities became scarcer, contract work emerged as a practical solution for maintaining workforce flexibility and managing costs, reshaping employment norms across industries. Across all industries, employers are increasingly integrating contract work into their labor models.

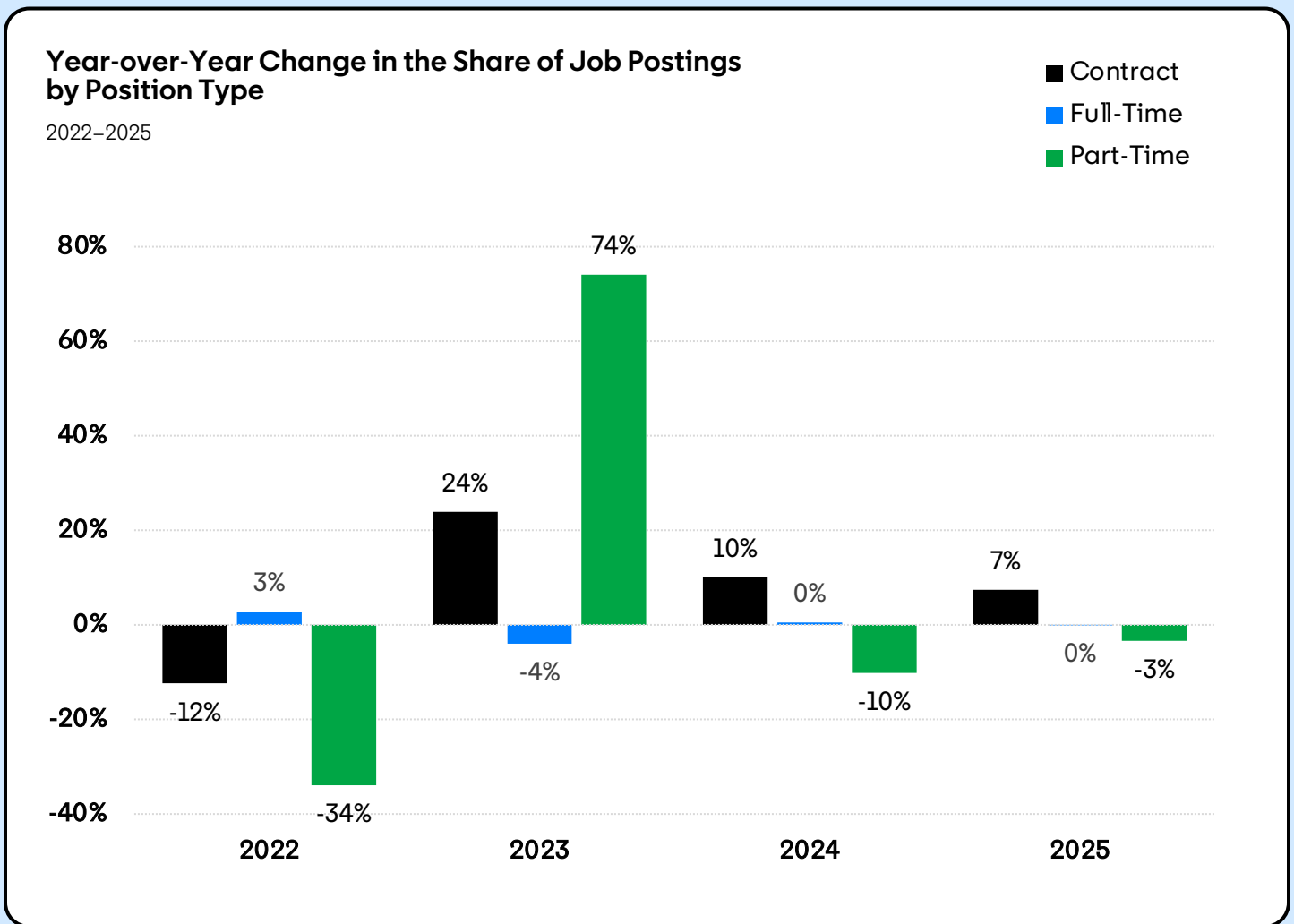
As employers evolve how they meet their labor needs, the workforce served by staffing and search firms has changed too. Today, staffing talent stands out as more specialized, more skilled, and more diverse in many respects than the broader labor market. While acquiring AI skills, this workforce is moving away from process-centric job functions like accounting into people-centric ones like consulting and project management. And in an increasingly competitive landscape for both job seekers and staffing companies, such an agile and skilled workforce will be essential for success.



# Employers Shift Toward Adaptable Labor Models

## EMPLOYERS CONTINUE SHIFT TOWARDS CONTRACT WORK AMID BROADER SLOWDOWN

While total job postings have dipped from their 2022 peak, LinkedIn data shows a clear rise in contract roles.<sup>1</sup> Between June 2022 and June 2023, the share of contract postings jumped 24%, followed by increases of 10% and 7% in 2024 and 2025, respectively. The downshift in job postings across all categories corresponds to a broader slowdown in labor churn; however, the relative outperformance of contract job postings compared to full-time and part-time opportunities suggests a preference among employers for that kind of arrangement. It also raises the possibility of contract workers digging into those opportunities that are normally reserved for full-time and part-time workers as employers increasingly value cost control through non-committal, short-term employment arrangements.



<sup>1</sup> The data also reveals a sharp rise in the share of part-time job postings in 2023, reflecting employers' shift towards managing labor costs through hours worked rather than headcount as layoffs remained low during this time.

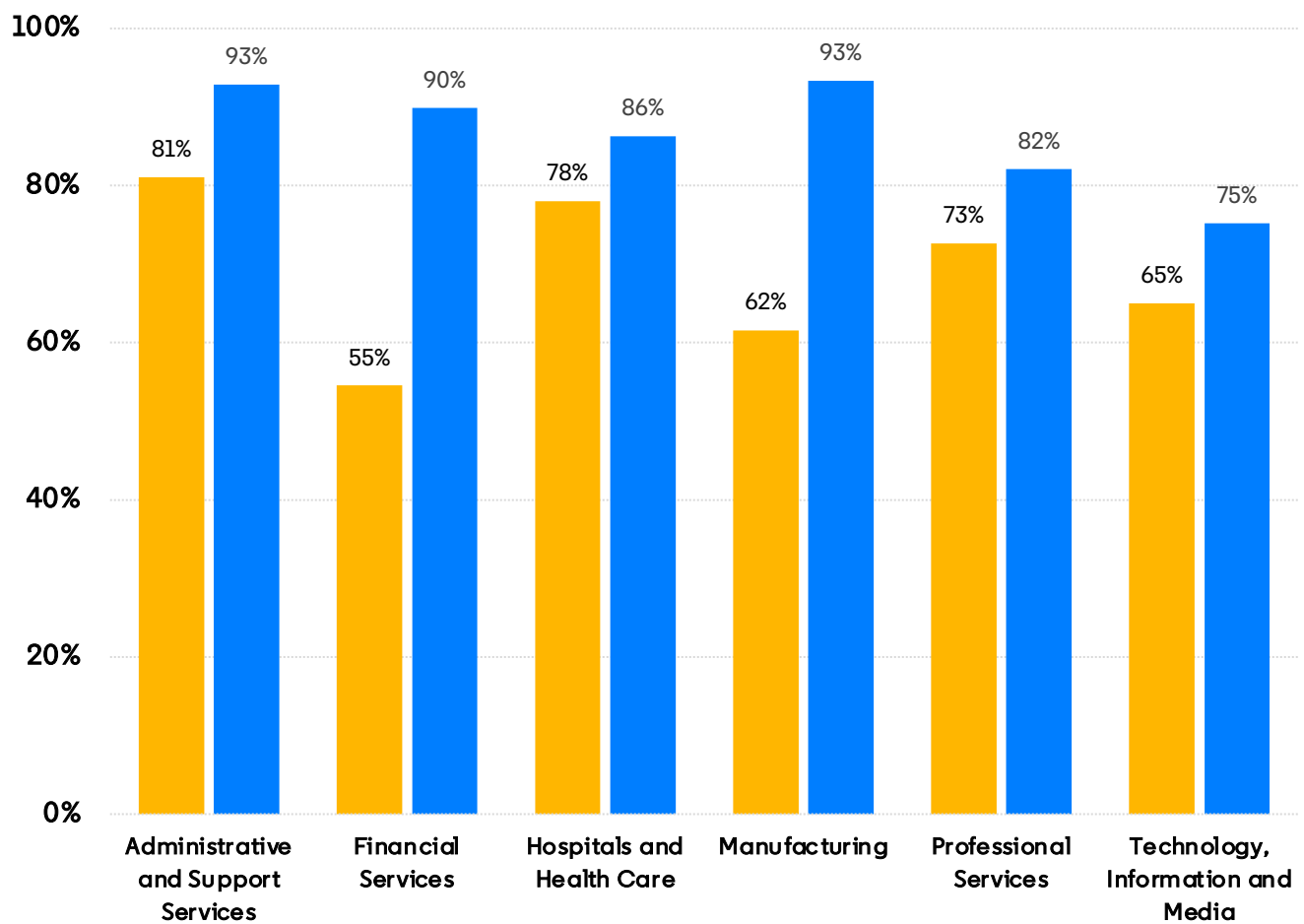
## ACROSS ALL INDUSTRIES, EMPLOYERS ARE INCORPORATING CONTRACT WORK INTO THEIR LABOR MODELS

Post-pandemic LinkedIn data reveals a sizable increase in job changers who remain in the same industry and move from one contract role to another. This shift may be driven in part by necessity amidst unfavorable economic conditions that have inhibited workers from jumping to roles in different industries even if it were their preference. Considering that contract terms are growing, this suggests a strategic shift in how companies choose to structure their workforce. Rather than utilizing these workers as short-term stopgaps, a larger supply of contract workers is becoming integral to labor models across industries, allowing employers to manage costs while maintaining operational dexterity. This trend toward contract work could signal a broader evolution of traditional employment norms, with contract work playing a more central role in long-term workforce planning, especially during times of uncertainty and elevated labor costs.

### Share of Contract-to-Contract Transitions Within Industries

2022–2024

■ Pre-Pandemic  
■ Post-Pandemic

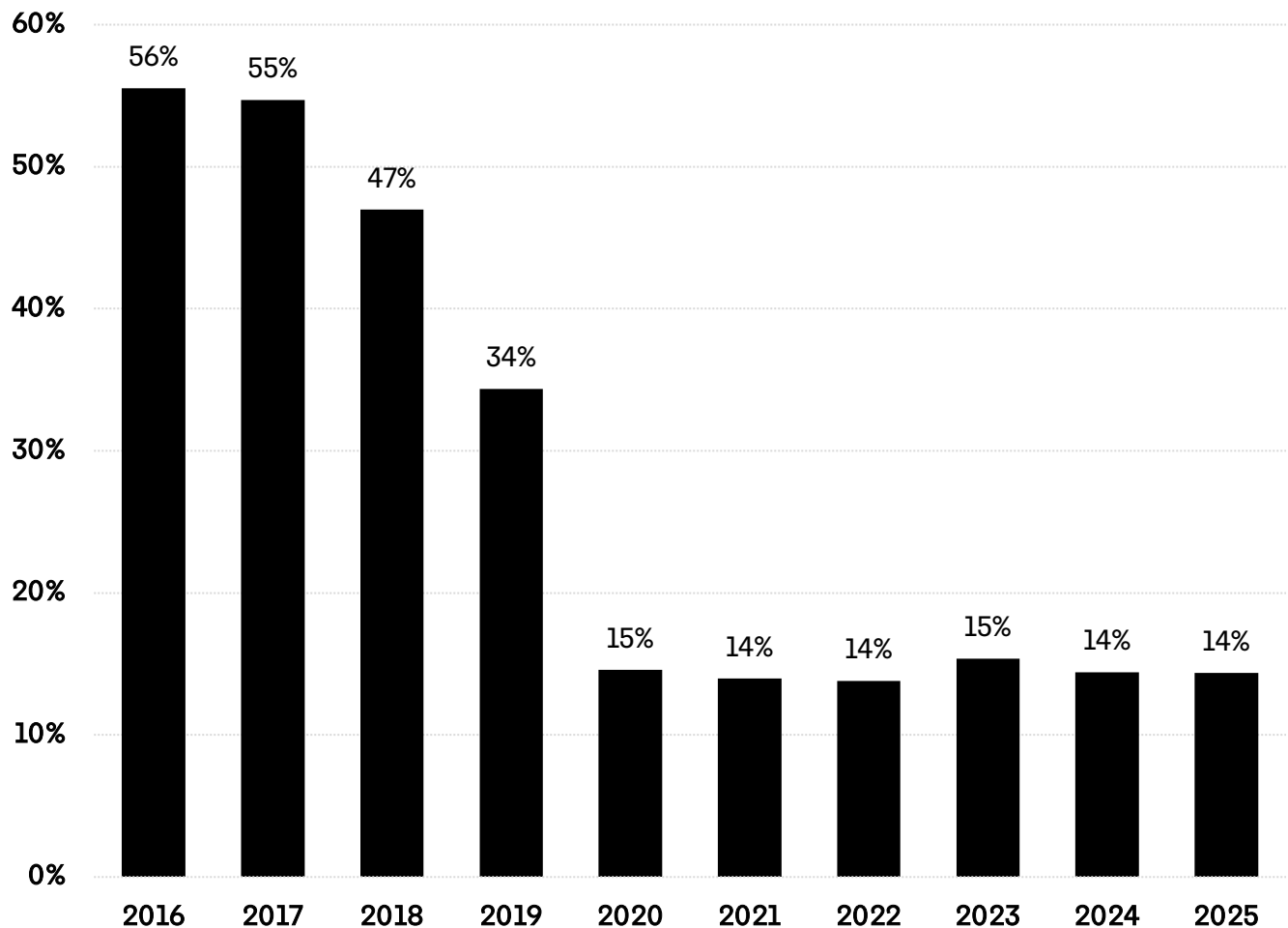


## FALLING CONTRACT-TO-PERMANENT CONVERSIONS SIGNAL A “FIRST A PREFERENCE, NOW A NECESSITY” SHIFT IN CONTRACT LABOR ARRANGEMENTS

LinkedIn data shows that the Coronavirus pandemic intensified a downward trend in the number of job transitions from contract roles to permanent full-time positions. During the pandemic and subsequent economic recovery, contract work climbed in popularity as many workers sought flexibility and autonomy. For many, widespread labor shortages during the Great Reshuffle provided the ability to obtain contract roles and build a career on their own terms. But in the current climate of economic uncertainty and its consequent hiring freezes, contract roles have shifted from just a preference to a practical necessity for both employers and job seekers. Companies are increasingly relying on contingent labor to manage costs and avoid long-term personnel commitments, while workers must secure employment in a market where full-time opportunities are harder to come by.

### Contract-to-Permanent Conversion Rate

Share of Job Transitions, 2016–2025



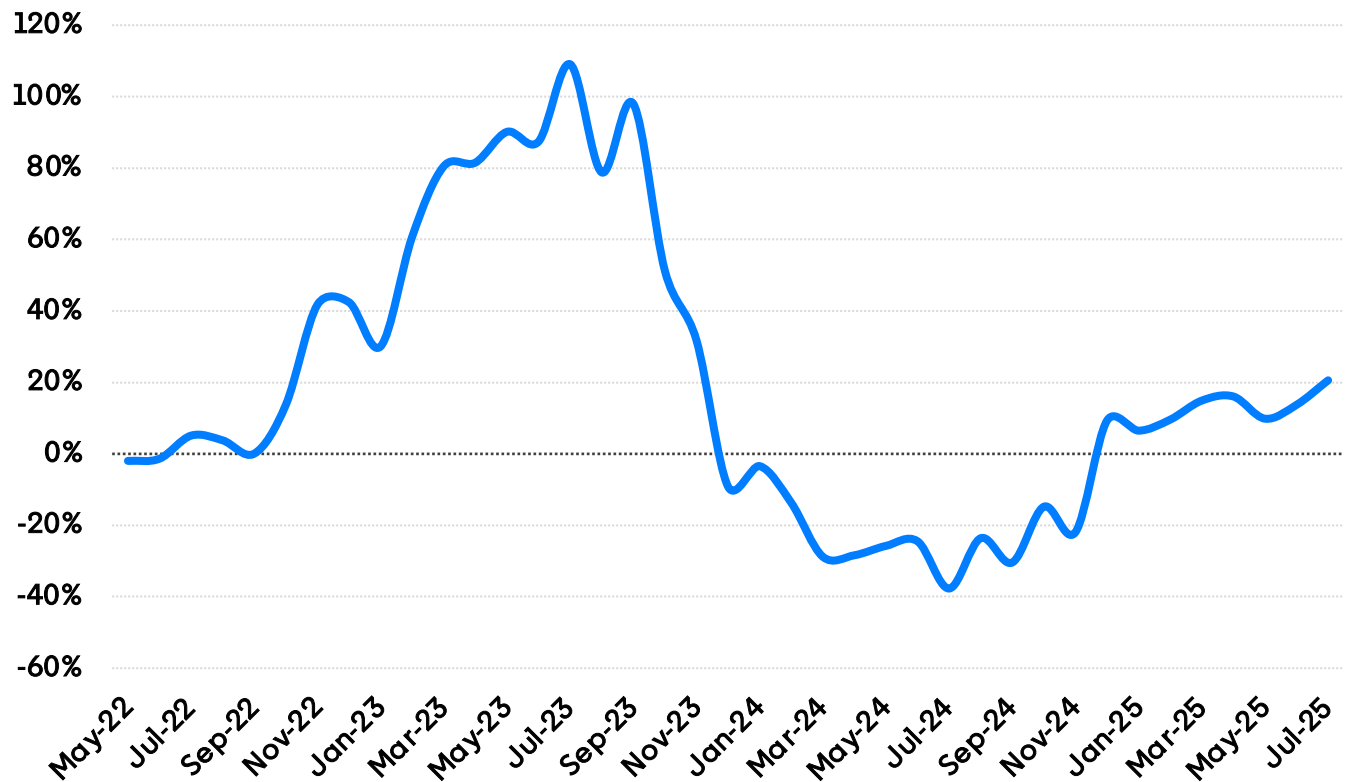
# Staffing Market Stabilizes, But Undercurrents Are Reshaping Staffing Demand

## EMPLOYERS REBALANCE TALENT ACQUISITION APPROACHES IN RESPONSE TO COST PRESSURES

During the first half of the Great Reshuffle (2021–2022), many employers expanded headcount aggressively, adding both permanent and contract workers. In the second half (2022–2023), rising labor costs pushed employers to favor contract and part-time roles over full-time ones. As costs surged in late 2023 and through 2024, demand for staffing services declined, and employers leaned more heavily on their regular workforce—coinciding with a broader drop in job postings and hiring. This correction followed pandemic-driven disruptions, especially a spike in quits that left many employers short-staffed. Today, while companies are scaling back labor investments, relative demand for staffing roles is rising again, driven by the flexibility employers now seek as the market stabilizes.

### Ratio of Staffing Talent Job Postings to All Job Postings

Year-over-Year Percentage Change



## STAFFING DEMAND NORMALIZES ALONGSIDE OVERALL LABOR DEMAND

While some sectors are experiencing greater demand for contract workers than others, additions and subtractions in headcount have sharply decelerated since 2022 owing to increased economic uncertainty as well as economic policy. Employers remain concerned about elevated labor costs due to rising inflation, higher-for-longer interest rates, reduced demand owing to changes in trade policy, as well as immigration. Additionally, structural changes within the labor market, such as the rise of artificial intelligence, have prompted employers to hold off on all personnel decisions except when facing acute labor shortages. Sectors like Healthcare and Construction could help lead the recovery in staffing employment given their sustained demand for contract workers despite low levels of churn within the labor market at large. A more robust recovery will hinge on the performance of sectors like Manufacturing as well as Transportation, Logistics, Supply Chain, and Storage, which historically employ a larger share of contract workers.

### Change in Staffing Talent Job Postings by Industry

Year-over-Year Percentage Change

	2022	2023	2024	2025
Hospitals and Health Care	50%	99%	25%	35%
Utilities	96%	52%	52%	-23%
Government Administration	94%	39%	49%	19%
Administrative and Support Services	37%	28%	10%	-6%
Manufacturing	13%	25%	15%	-7%
Consumer Services	-66%	18%	14%	2%
Professional Services	-38%	14%	-27%	-4%
Education	41%	9%	20%	0%
Accommodation and Food Services	-80%	5%	30%	22%
Construction	-40%	4%	21%	44%
Financial Services	-9%	0%	-2%	-2%
Transportation, Logistics, Supply Chain and Storage	130%	-10%	-2%	0%
Entertainment Providers	131%	-37%	-39%	-9%
Technology, Information and Media	300%	-61%	44%	-6%

## STAFFING MARKET TRENDS REFLECT BROADER SHIFTS IN THE LABOR MARKET

Sectors with more staffing and recruiting job postings tend to show stronger overall labor demand. Rising labor costs have not slowed hiring in essential services like Utilities or in sectors facing acute shortages, such as Healthcare and Accommodation and Food Services. In contrast, sectors with highly skilled workers—like Professional Services and Financial Services—have seen smaller declines in staffing activity, helped by productivity gains from capital investments in technology and process efficiency. Meanwhile, Light Industrials such as Manufacturing, Transportation, Logistics, Supply Chain, and Storage have experienced sharper drops in demand due to interest rate sensitivity and global supply chain volatility.

### Change in Staffing Talent Jobs by Industry (July 2025 vs. July 2022)

Utilities	314%
Accommodation and Food Services	260%
Hospitals and Health Care	182%
Construction	145%
Government Administration	99%
Education	49%
Consumer Services	26%
Oil, Gas, and Mining	11%
Professional Services	-6%
Financial Services	-16%
Transportation, Logistics, Supply Chain and Storage	-22%
Manufacturing	-24%
Administrative and Support Services	-29%
Real Estate and Equipment Rental Services	-32%
Farming, Ranching, and Forestry	-41%
Entertainment Providers	-43%
Technology, Information and Media	-46%
Wholesale	-78%

# Staffing Talent Is Becoming More Specialized And Diversified

## STAFFING TALENT SHIFTING TOWARDS SECTORS THAT REQUIRE MORE HANDS-ON WORK AND SPECIALIZATION

LinkedIn data reveals significant shifts in staffing talent roles since 2022. At the height of the pandemic between 2021 and 2022, roles surged within sectors composed of remote jobs, or those requiring less in-person interaction like Technology, Information, and Media. Conversely, roles in sectors depending on in-person interaction like Accommodation and Food Services declined. This trend reversed itself between 2022 and 2023 as rising interest rates reduced labor demand in Technology, Information, and Media, as well as Professional Services and Entertainment. In 2025, Construction and Healthcare are driving gains in staffing roles owing to demand for hands-on roles in sectors facing labor shortages. Throughout this timeframe, contract demand in Administrative and Support Services has declined due to constraints fostered by the pandemic, as well as automation and other disruptions that have arisen because of elevated labor costs, depressing appetite for additional headcount. Unlike decades prior, where contract work was considered generalized or supportive in nature, sectors driving gains require a higher degree of specialization and technicality.

### Year-over-Year Change in Spread of Staffing Talent by Industry

	2020	2021	2022	2023	2024	2025
Accommodation and Food Services	5%	5%	3%	3%	2%	1%
Administrative and Support Services	-6%	-5%	-5%	-3%	-3%	-2%
Construction	5%	3%	1%	2%	4%	3%
Consumer Services	6%	5%	4%	4%	5%	3%
Education	7%	5%	4%	4%	4%	3%
Entertainment Providers	5%	3%	3%	3%	3%	2%
Financial Services	5%	2%	2%	2%	1%	1%
Government Administration	10%	5%	4%	5%	4%	3%
Hospitals and Health Care	6%	9%	8%	2%	1%	0%
Manufacturing	3%	2%	1%	1%	1%	1%
Oil, Gas, and Mining	-1%	-4%	-3%	-1%	0%	0%
Professional Services	3%	2%	1%	1%	1%	1%
Real Estate and Equipment Rental Services	7%	4%	4%	3%	2%	2%
Retail	5%	4%	2%	2%	1%	1%
Technology, Information and Media	6%	4%	4%	2%	2%	1%
Transportation, Logistics, Supply Chain and Storage	5%	2%	3%	2%	2%	2%
Utilities	5%	0%	4%	5%	3%	4%
Wholesale	4%	5%	3%	3%	2%	1%

## STAFFING TALENT SHIFTING TOWARDS FUNCTION THAT DIVERSIFY STAFFING REVENUE

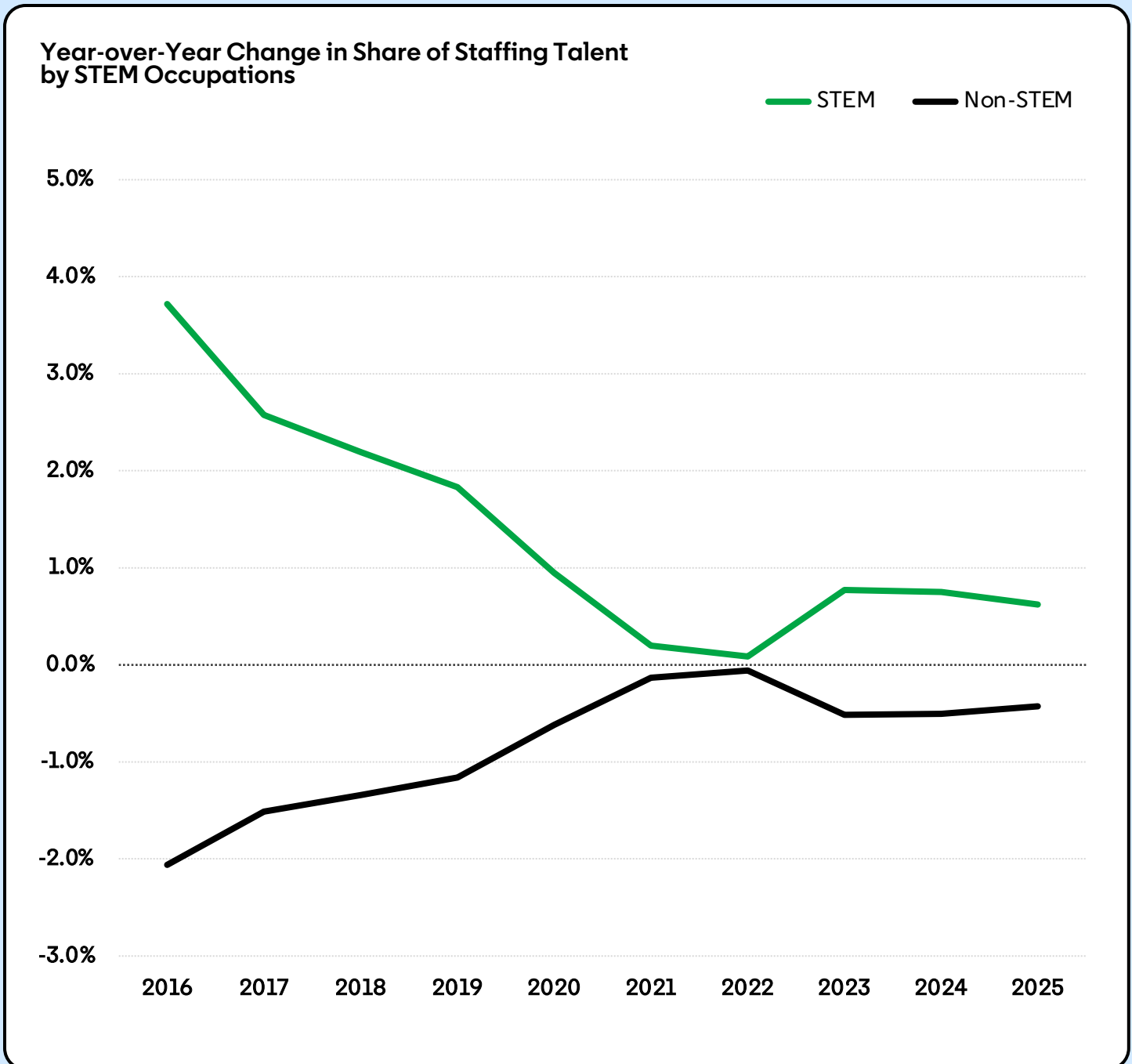
From 2020 to 2025, LinkedIn data shows a steady shift in job functions among workers following their initial engagement with a staffing and recruiting firm: a move away from process-centric tasks such as accounting, IT, and quality assurance and toward people-centric tasks like consulting, project management, and social services. The widespread adoption of remote work has made consulting roles more viable and appealing, enabling professionals to contribute across sectors without geographic constraints. At the same time, technological advancements are set to automate routine tasks in process-centric roles including accounting and IT, reducing demand while elevating the need for strategic, adaptable talent. Moreover, staffing firms themselves appear to be diversifying their service offerings, expanding into specialty services like consulting, not only to meet evolving client needs, but also to foster alternative revenue streams amidst a landscape where traditional staffing placements are scarcer and more competitive.

### Year-over-Year Change in Spread of Staffing Talent by Job Function

	2020	2021	2022	2023	2024	2025
Accounting	-4%	-6%	-3%	-2%	-2%	-2%
Administrative	-4%	-3%	-3%	-1%	0%	-1%
Arts and Design	-1%	-2%	-2%	-1%	0%	0%
Business Development	1%	-1%	-1%	2%	3%	2%
Community and Social Services	5%	5%	4%	4%	3%	2%
Consulting	6%	3%	2%	2%	3%	2%
Customer Success and Support	1%	3%	-1%	0%	-1%	0%
Education	3%	1%	2%	3%	3%	2%
Engineering	-1%	-3%	-2%	-1%	-1%	0%
Finance	3%	2%	1%	1%	0%	0%
Healthcare Services	2%	8%	8%	0%	-2%	-2%
Information Technology	-3%	-4%	-3%	-2%	-1%	-1%
Legal	-1%	0%	0%	-1%	-1%	0%
Marketing	1%	-1%	0%	1%	0%	1%
Media and Communication	-1%	-1%	-1%	0%	0%	0%
Military and Protective Services	9%	6%	3%	4%	4%	2%
Operations	0%	0%	-1%	0%	0%	0%
Product Management	8%	8%	6%	2%	1%	2%
Program and Project Management	-2%	-1%	0%	-1%	-1%	0%
Purchasing	-4%	-2%	3%	-2%	-1%	-2%
Quality Assurance	-1%	-2%	-4%	-2%	-2%	-1%
Real Estate	4%	5%	2%	3%	3%	1%
Research	1%	2%	1%	1%	0%	0%

## TALENT DRIFT TOWARDS STEM ROLES BUT THE STEM STAFFING PREMIUM HAS NARROWED

Since 2016, LinkedIn data shows a steady, sustained increase in the number of workers transitioning into Science, Technology, Engineering, and Mathematics (STEM) jobs after their initial engagement with a staffing and recruiting firm. This upward trend highlights the growing demand for STEM roles across industries, and the strategic positioning of staffing firms to channel talent into these high-growth areas. However, the pace of this shift has noticeably decelerated since the onset of the pandemic. Factors such as economic uncertainty as well as shifting employer priorities may have contributed to the slowdown. Despite this, STEM jobs continue to attract a significant share of post-engagement placements, suggesting that while the momentum has cooled, the long-term trajectory remains positive as many employers use staffing companies to place technical expertise in their organizations.



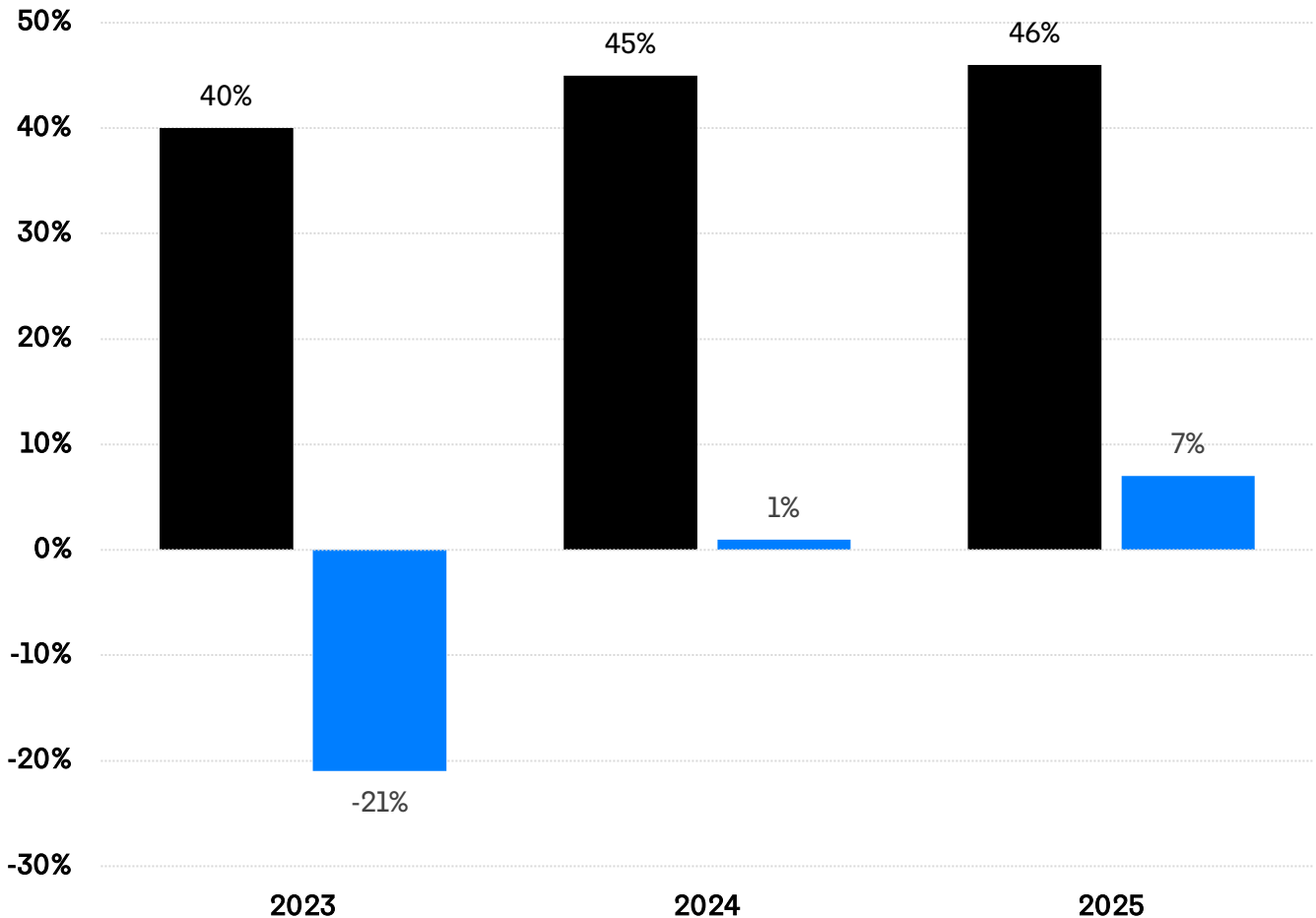
## STAFFING TALENT IS ADOPTING AI SKILLS FASTER THAN THE AVERAGE PROFESSIONAL

Between 2023 and 2025, LinkedIn data shows that staffing professionals consistently added AI Literacy skills at a higher rate than overall members—40% more in 2023, rising to 46% by 2025. This sustained lead suggests that staffing talent is actively developing foundational AI capabilities to stay competitive and meet evolving client needs. In contrast, staffing members added AI Engineering skills 21% less often than overall talent in 2023. However, by 2025 that gap reversed, with staffing talent adding these more technical skills 7% more often than LinkedIn members at large. This shift reflects a growing alignment with broader AI adoption and deeper technical engagement across staffing roles.

### Percent Difference Between the Share of Members Adding AI Skills (Staffing Talent vs. All Talent)

2023–2025

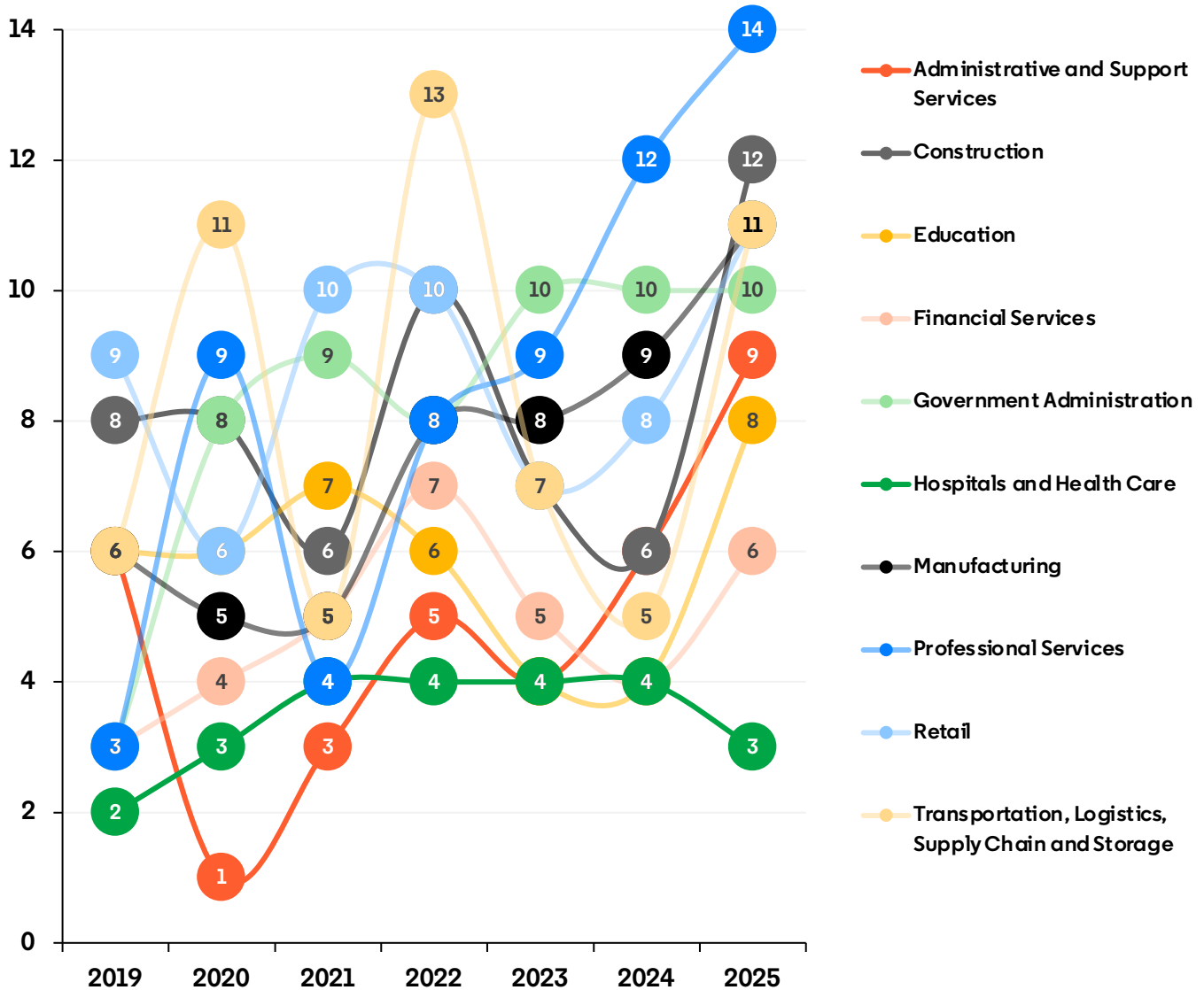
■ AI Literacy ■ AI Engineering



## SKILLS FOR STAFFING TALENT ARE RAPIDLY SHIFTING WITHIN MANY INDUSTRIES

The skills needed by staffing talent have rapidly shifted over the past seven years. Out of 10 industries constituting 80% of temporary employment, six had more than 10 new skills that were the most prominent in 2025. Hospitals and Healthcare appear to be the only industry where the skillset has remained stable, as there are few new entries to its roster of most prominent skillsets. Professional Services is an outlier amongst its peers, with its sheer quantity of newly surfaced skills likely driven by an uptick in automation and productivity. These trends suggest that most employers have different expectations of prospective candidates than they did just a few years earlier, which means staffing firms must adapt to this new climate by keeping abreast of the latest trends in their industry. Upskilling and reskilling initiatives are critical to ensure that contract workers, like their regular counterparts, are aware of the latest innovations, expectations, and standards in their field.

### Number of New Additions to the Top 15 Most Prominent Skills for Staffing Talent by Industry

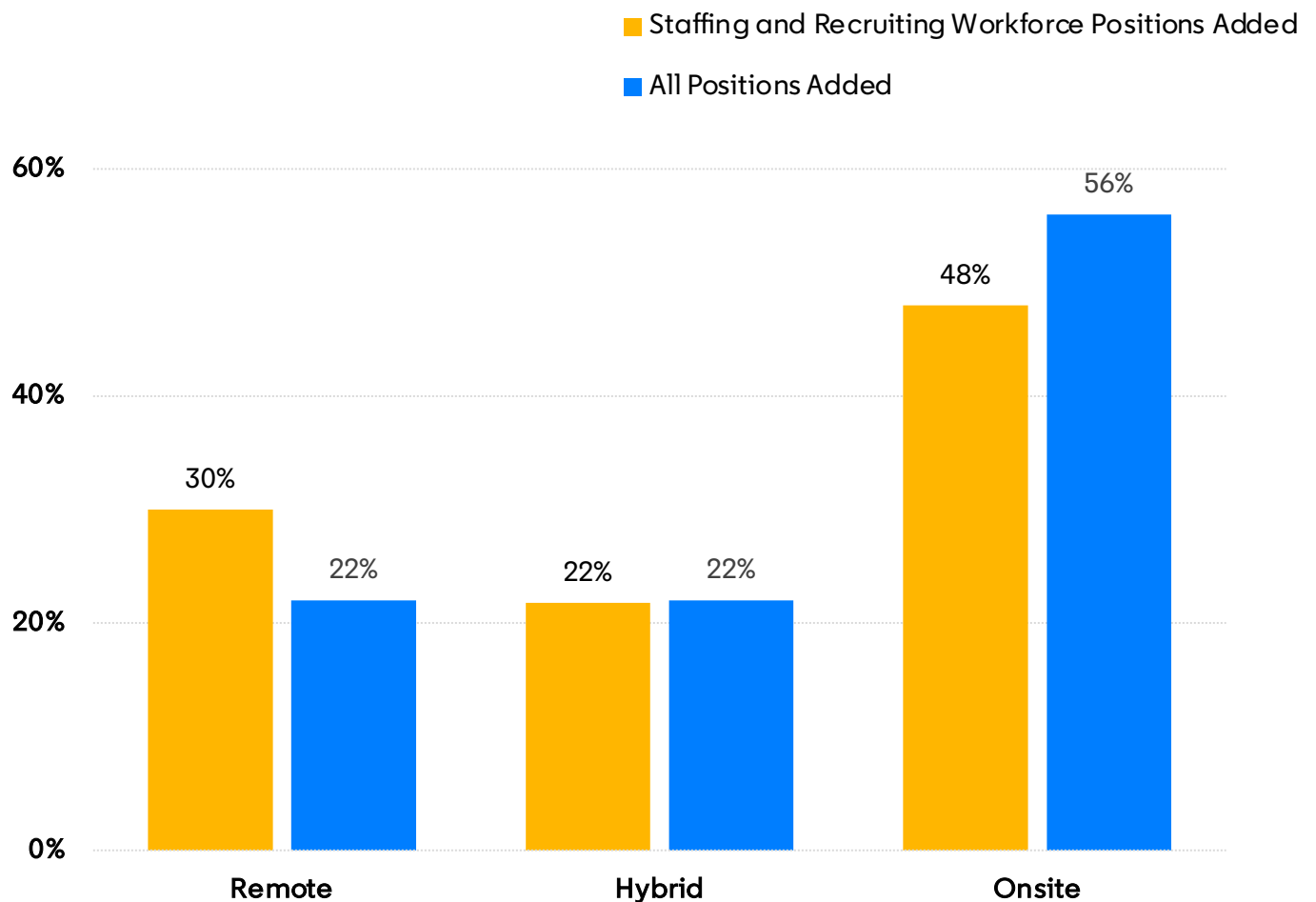


## STAFFING MORE LIKELY TO SUPPORT EMPLOYERS SEEKING REMOTE WORKERS

Between July 2023 and June 2025, LinkedIn data shows the staffing industry continued to facilitate remote work. Across all LinkedIn members who added a new position during this period, 22% added fully remote roles. But among those which previously listed a role within the staffing and recruiting industry that figure rose to 30%, suggesting the staffing industry is more oriented towards and able to accommodate such arrangements. Hybrid roles remained consistent at 22% for both groups, while onsite positions were more prevalent overall than in staffing. These trends suggest companies that employ temporary workers are slightly more likely to be hybrid/remote, underscoring the profile of employers who value flexible, quality talent. Considering that flexibility has become a major priority for employees when evaluating the merits of a new position, the embrace of remote work by the staffing industry could be a catalyst for additional talent pursuing such arrangements.

### Share of Positions Added by Workplace Type

2023–2025

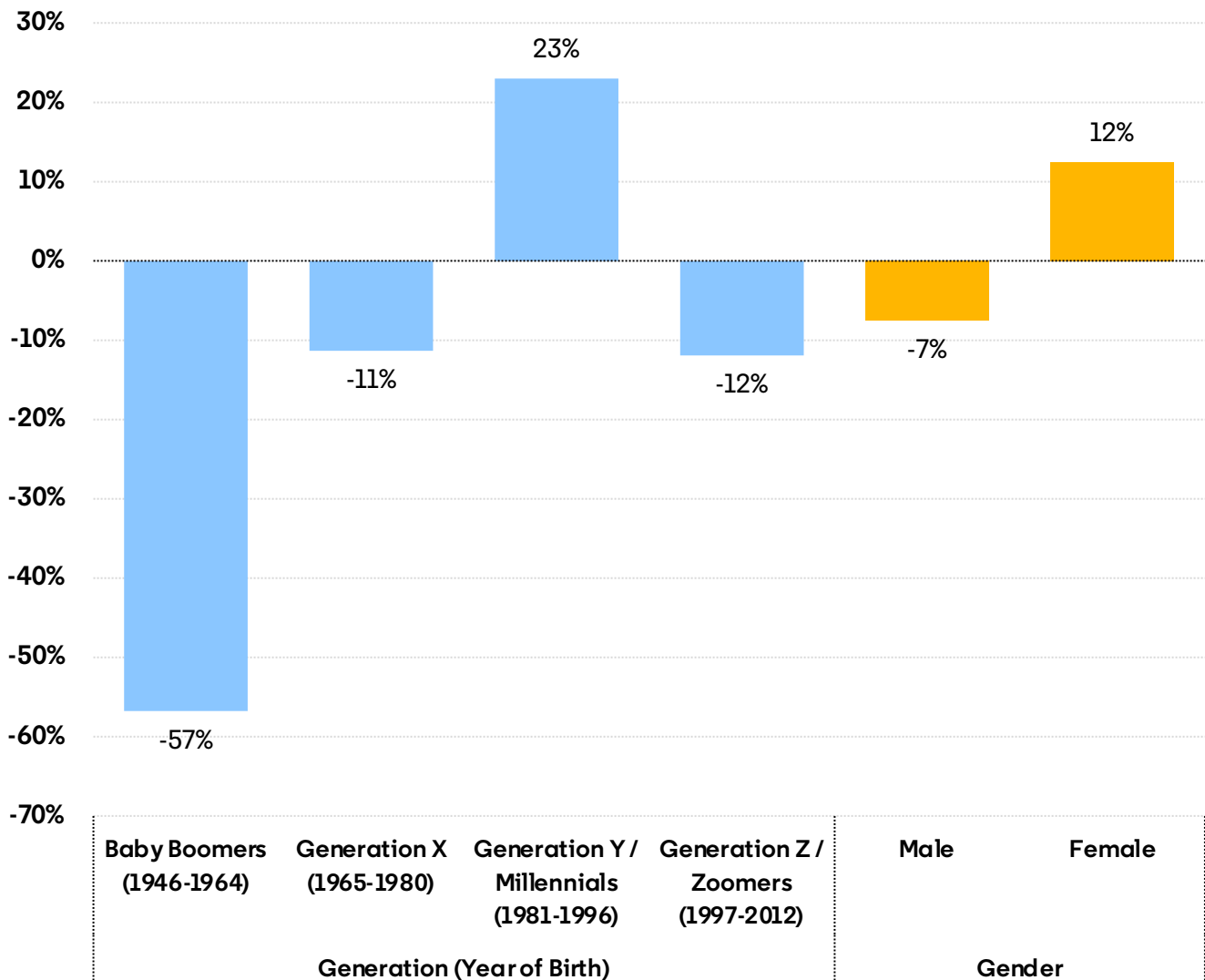


## STAFFING JOBS ARE ATTRACTING WORKERS WHO OFTEN REQUIRE FLEXIBILITY

Demographics with known requirements or preferences for flexibility are more attracted to contract jobs. LinkedIn data shows that Millennials and women saw an increase in the number of individuals reporting themselves to have worked in contract roles. In the case of women, who often disproportionately report having to [balance their professional responsibilities with competing priorities at home](#), contract work offers flexibility in terms of both time and commitment. In the case of Millennials, whose financial prospects have struggled amid two historic recessions, the flexibility afforded by contract work likely enables them to pursue different opportunities that are conducive to their income goals. These trends suggest that contract work is engendering a more inclusive workforce through providing opportunities for prospective employees who might otherwise be inhibited from participating if they were confined to a traditional full-time or part-time employment arrangement.

### Difference in Demographic Distributions: Staffing Talent vs. All Talent

Share of Staffing Talent Distribution



# The Future of Staffing & Search

The staffing industry is not a passive participant in labor market shifts—it is actively shaping the future of work. As flexibility, cost control, and AI adoption redefine employer priorities, staffing firms stand at a critical juncture. To thrive, they must embrace innovation, anticipate evolving skill demands, and position themselves as strategic partners in workforce planning.

- **Contract work is central, not peripheral:** Employers are embedding contract roles into long-term labor models, signaling a structural shift that staffing firms must leverage for sustainable growth.
- **AI skills are a competitive differentiator:** Staffing talent is gaining AI skills faster than the broader market, positioning firms to lead in an AI-driven labor economy where demand for AI talent outpaces its supply.
- **Specialization and diversification drive resilience:** Movement toward specialized and hands-on roles underscores the need for staffing firms to expand offerings and reskill their talent pools.

The future will favor firms that combine agility with foresight—those prepared to face tomorrow’s challenges with data-driven strategies and a diverse workforce. AI and an aging workforce will strain the US labor market in the coming years, widening gaps between talent supply and demand that staffing and search firms must close to succeed.

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# Data and Methodology

## DATA

LinkedIn is the world's largest professional networking platform with over 1 billion members globally and over 200 million members in the US alone. Members use LinkedIn to connect with other professionals, find jobs, share knowledge, learn new skills, hire, and conduct a host of other professional activities. LinkedIn's Economic Graph consists of anonymized and aggregated data aimed to help its members and customers better understand the world of work by tracking economic trends and studying labor market outcomes.

For this report, we leverage LinkedIn's Economic Graph data on skills, job postings, and job experiences to map out the labor market landscape for current and former US talent engaged with staffing and search firms ("Staffing Talent"). LinkedIn data analyzed includes thousands of job postings and the skills and job experiences of over 500,000 US members who taken on a role through the Staffing and Recruiting industry in the last decade.

## METHODOLOGY

### Job Postings

Paid job postings refer to listings sponsored by employers. Staffing and Recruiting paid postings are those published by job posters within the Staffing and Recruiting industry, excluding job postings for corporate roles at Staffing and Search companies. Changes over time are measured as of June in each respective year unless otherwise stated.

### Positions and Transitions

Analyses include US LinkedIn members who have held roles in the Staffing and Recruiting industry within the past 10 years ("Staffing Talent"). To exclude roles at staffing firms, members in Human Resources and Sales functions are omitted. Only roles occurring after a member's first Staffing and Recruiting role are considered.

Contract-to-permanent conversion rate is calculated as the share of members moving from contract roles to permanent full-time roles, divided by all transitions from contract roles. Within-industry contract-to-contract transitions are measured as the share of members moving from one contract role to another within the same industry, divided by all transitions from contract roles within that industry. Changes over time are measured as of June in each respective year unless otherwise stated.

The pre-pandemic period spans January 2016 to February 2020; the post-pandemic period spans March 2020 to July 2025. Job transitions are tracked through July 2025.

# About the Authors



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