

WORKER CONFIDENCE INDEX:

Fourth Quarter 2023



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Background

HRO Today Magazine and Yoh Recruitment Process Outsourcing have been working together since 2014 to produce an index that measures employment security from the perspective of employees in the U.S.

There are already multiple indices that examine attitudes about the economy, such as the Consumer Confidence Index, Gallup's Economic Confidence Index, BLS Job Openings and Labor Turnover Survey (JOLTS), and the United States Consumer Sentiment. However, these indices focus on macro metrics and do not emphasize specific attitudes of those employed.

In contrast, the U.S. Worker Confidence Index measures employee attitude, and their perceived level of job security. This is significant because more than two-thirds of gross domestic product in the U.S. comes from individual consumption,¹ and a sense of job security greatly determines how much households are willing to spend.² As a result, there may be a need to focus on the confidence of workers to help us explain and forecast economic performance.

Methodology

Each month, *HRO Today* Magazine employs Big Village's CARAVAN® Omnibus Surveys to collect data about worker satisfaction. Each month, approximately 1,000 online interviews are conducted of full-time workers in the U.S. aged 18 and older. Quarterly reports are based on 3,000 responses per quarter.

Respondents were asked four questions. Each question used a five-point scale, with one meaning "strongly disagree" and five meaning "strongly agree." The four questions addressed each of the following areas: possibility of involuntary job loss, likelihood of a promotion, likelihood of a raise of at least three percent, and trust in company leadership.

These four areas comprised the overall Worker Confidence index: Job Security, Likelihood of a Promotion, Likelihood of a Raise of Three Percent or More, and Trust in Company Leadership. This analysis illustrates the results from all four and overall worker confidence.



Executive Summary

2023 was a worrisome year for Americans, but the fourth quarter swept in and brought a sigh of relief, as the U.S. economy and job market performed brilliantly. Worker confidence hit a record high and finally lifted after nine months of decline, marking this quarter as a time of significant psychological change in the American workforce.

Let's cover what happened for the American worker in the final quarter of 2023, starting with the results of the Worker Confidence Index (WCI). Then we will review the broader trends in the U.S. economy and labor market to give context to the WCI results and paint a complete picture of how workers felt and why.

The Worker Confidence Index surged.

Worker confidence rose to its highest level yet. The WCI hit a record high of 114.9, the second highest it has been since this study began in 2014. It jumped 8.1 points from the last quarter and halted the downward trajectory it was on throughout 2023, returning to a level just over what it was in the fourth quarter of 2022, at 114.4. Three of the four indices that comprise the WCI — Likelihood of a Raise, Likelihood of a Promotion, and Trust in Company Leadership — all increased while the Job Security Index fell. This is the same pattern noted in 2022 and could be attributed to seasonality.

Job security declined for men and prime-age workers, as well as the top and bottom income segments. Job security increased for mid-level earners and workers older than 55 and stayed the same for women. But it decreased for men, workers aged 18–54, and those making less than \$35,000 and more than \$75,000. As a result, the Job Security Index fell by 1.5 points to 98.9, as 12.5% of total workers feared involuntary job loss, which marked the third consecutive quarter of decline. But the Index is still 10.9 points higher than the fourth quarter of 2022. Workers aged 18–24 were the least secure in their jobs, as one-quarter feared job loss.

Workers felt much more optimistic about getting a promotion and a raise. The Likelihood of a Promotion Index jumped 15.1 points to 131.9, the largest increase of any index. One-quarter of respondents believed they

would receive a promotion from their current employer within the next 12 months, and workers aged 25–34 held the highest level of confidence, as 43.5% anticipated a promotion. The Likelihood of a Raise Index also went way up, by 12.1 points to 118.8. Almost one-third of all workers expected a raise of at least 3%. Workers aged 35–44 felt the most likely, as 47.6% anticipated a raise. Both indices reversed the downward trend they had been on since the fourth quarter of 2022.

Trust in company leadership rebounded. Workers restored their trust in company leadership and returned to levels seen in 2020, reversing the previous quarter when trust was at its lowest in 2023. The Trust in Company Leadership Index increased 6.7 points to 110. Almost one-half of workers trusted their company's leadership to make sound decisions for the company and its employees. Workers aged 35–44 had the highest level of trust, as 61.5% said they trusted their leadership.

Now let's look at how the WCI results fit into the bigger picture of the U.S. economy and labor market.

The labor market showed remarkable resilience.

The U.S. labor market ended the year strong, as hiring outperformed the Labor Department's predications and wages gained.³ Somehow, the labor market managed to strengthen despite interest rates rising to a 22-year high and inflation decelerating. A total of 494,000 jobs were added in the fourth quarter, down from 584,000

WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

jobs in the third (revised downward from 710,000). In total, the U.S. gained 2.7 million jobs in 2023, down from the previous two years, but higher than the 2010's.⁴ Unemployment remained stable and low but inched up from 3.7% in the third quarter to 3.8% in the fourth. There was a rise in workforce participation from immigrants, as well as prime-age workers (25–54), which caused the unemployment to rise and helped loosen the tight labor market.⁵

The stock market bounced back.

The U.S. stock market rallied in November and December, ending 2023 on a high, which flew in the face of the inflationary concerns and pessimistic outlooks from earlier in the year. This surprising upswing came from a better-than-expected job report, in addition to economic growth and cooling inflation that brought the promise of lower interest rates as well as a “soft landing” where inflation diminished without bringing down jobs or the economy with it.⁶ The S&P 500 ended the year with a 24% gain, the Dow Jones Industrial Average grew more than 13%, and the Nasdaq 43%. Most major indices were able to recover their losses from a dismal 2022.⁷

Consumer confidence buoyed.

The Consumer Confidence Index (CCI) gauges U.S. consumer sentiment about the economy. The CCI plummeted in October to 99.1 but surged to 110.7 in December, which mirrored the strong stock market performance in the last two months of the year. The quarterly average of 103.6 was lower than the third quarter of 109.0 but was on par with the fourth quarter of 2022 with 103.2.⁸ In the following section, we will examine the correlation between consumer and worker confidence.

Quitting and hiring cooled off.

The labor market was strong but not as frenzied or red hot as in 2022. Companies still produced jobs at a faster rate than just before the pandemic, but job

openings and resignations trended downward in the last half of 2023, which signaled the end of the Great Resignation and the beginning of a return to normal hiring trends. Workers became more cautious about switching jobs. Companies hired less but were reluctant to lay off workers after they recently worked so hard to get and keep them. Hiring was concentrated in a few industries, namely healthcare, hospitality, and government.⁹

Companies hired less but were reluctant to lay off workers after they recently worked so hard to get and keep them. Hiring was concentrated in a few industries, namely health-care, hospitality, and government.

Americans went on strike and won.

2023 was the year of the strike in the U.S. There were almost 400 strikes, involving more than half a million workers, who were angered by marginal wage increases that did not match inflation, among other issues, and were empowered by a tight labor market combined with the high number of other workers going on strike.¹⁰ The Writers Guild of America strike ended in September, the Screen Actors Guild strike ended in November, and the United Auto Workers strike ended in October, all of which successfully concluded in wage hikes.¹¹

But strangely, pessimism about the economy lingered.

Wages and confidence went up, inflation came down, and economic data said the U.S. flourished in the fourth quarter. But the average person did not feel it. In a CNN poll conducted in December, 71% of Americans rated economic conditions in the country as poor. In

other words, the economy did well on paper, but Americans felt it was in bad shape, which puzzled economists. It would appear that because of a solid job market and wage increases, workers felt confident about themselves but not necessarily about the greater economy, likely due to sky-high prices and housing costs, warnings about a potential recession, and other post-pandemic phenomena.¹²

Looking Ahead to 2024

Experts are split as to whether the strength of the economy and job market will carry forward into 2024. If the economy, consumer spending, and stock market continue to show strength, then business confidence will increase leading to more job opportunities.¹³ But the days of easy jobs, large raises, and high turnovers are likely over, and uncertainty about the economy will likely make employers and employees more reluctant about making big changes.¹⁴ Twenty-two states will increase their minimum wage in 2024,¹⁵ and companies plan to increase salaries 4%, compared to 4.6% in 2023, according to a survey from consulting firm WTW.¹⁶ The labor market is expected to continue to cool down and stabilize, which may be favorable for the economy as this can help ease inflation, as long as it does not cool down too much and lead to higher unemployment.

Since 2024 is an election year, we will examine worker confidence by political affiliation to find out how the presidential vote impacts worker confidence. When Donald Trump lost to Joe Biden in 2020, confidence for Republican workers took a hit of 13.9 points while it increased for Democrats by 3.5 points.

The Importance of the Worker Confidence Index

The following insights can help employers better appreciate the WCI and how confidence in each area of the Index will improve companies and their bottom lines.

Workers with low job security have worse mental and physical health, along with a more negative attitude toward their jobs.¹⁷ The added stress, frustration,

resentment, and exhaustion that comes from the threat of job loss makes it more difficult for employees to be effective and perform, according to a study by Harvard Business Review.¹⁸ And these employees become more interested in creating the appearance of performance rather than actually improving it. Low job security is defined by those who feel they will likely lose their job involuntarily.

Low pay and no opportunities for advancement were the top two reasons employees quit their jobs, according to Pew Research.

Low pay and no opportunities for advancement were the top two reasons employees quit their jobs, according to Pew Research.¹⁹ Given high inflation, it is clear why finding a new job with higher pay is a prime motivator. And employees continue to want to advance their careers and will be more likely to leave if they cannot do so in their current companies. However, retention may improve if employees feel they will get a promotion or raise, a big issue in today's tight labor market.

Trust in leadership drives employee performance, increasing engagement, productivity, and innovation. But distrust can diminish innovation, morale, and performance among employees, which can ultimately inhibit company growth and hurt the bottom line.²⁰ Workers in high-trust organizations are more engaged, which leads to greater productivity, better quality products, and higher profitability. They are also more energized, collaborative, and stay in their jobs longer than those in low-trust companies.²¹

Simply put, the WCI, which tracks these performance indicators, is critical to ascertain the quality of contribution workers will make.

WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Overview of the Worker Confidence Index

Figure 1A shows the Worker Confidence Index (WCI) for the last five quarters, which surged 8.1 points to 114.9 after three straight quarters of decline. This is the highest worker confidence has been since our research began in 2014, second only to the third quarter of 2019 when it hit 116.7. The WCI index is comprised of four sub-indices: Job Security, Likelihood of a Promotion, Likelihood of a Raise of Three Percent or More, and Trust in Company Leadership.

Figure 1B shows the predictive correlation between the WCI and U.S. Consumer Confidence Index (CCI). The two indices have gone in nearly the same direction and are highly correlated statistically. In fact, at least two-thirds of the time, the WCI indicates the direction the CCI will go in. When the WCI increases one quarter, the CCI will typically increase in the next, the same for decreases. As a result, the WCI can predict the CCI most of the time. In the chart, the WCI is shifted one quarter in advance to show how it aligns with the previous CCI quarter.

In the third quarter of 2023, the WCI decreased and the CCI increased, but then the CCI decreased in the fourth quarter to follow the WCI's path.

In the third quarter of 2023, the WCI decreased and the CCI increased, but then the CCI decreased in the fourth quarter to follow the WCI's path. Therefore, we predict that the CCI will increase in the first quarter of 2024 since the WCI increased in the fourth quarter of 2023.

The CCI is viewed as a leading indicator because it asks consumers about their spending plans in the near-term future. Banks look to the CCI to forecast

lending, and retailers and manufacturers use it to set inventories. The Federal Reserve watches this measure closely to determine whether to raise, maintain, or lower interest rates.

Figure 2 shows worker confidence in each of the four areas of the WCI. Job Security was the only index to decrease, although minimally by 1.5 points to 98.9, which mirrored a similar decline in the third quarter by 1.8 points to 100.4. The Likelihood of a Promotion and Likelihood of a Raise indices both shot up, by 15.1 points to 131.9 and 12.1 points to 118.8, respectively. The Trust in Company Leadership Index rose to 110 points, recovering from its concerning drop down to 103.3 last quarter.

Figure 3A shows worker confidence by gender. Confidence increased for both genders. But even though men historically have higher confidence levels, confidence increased more for women this quarter than for men. Quarter-over-quarter, confidence increased for men by 7.5 points to 116.7, and for women by 8.5 points to 112.7.

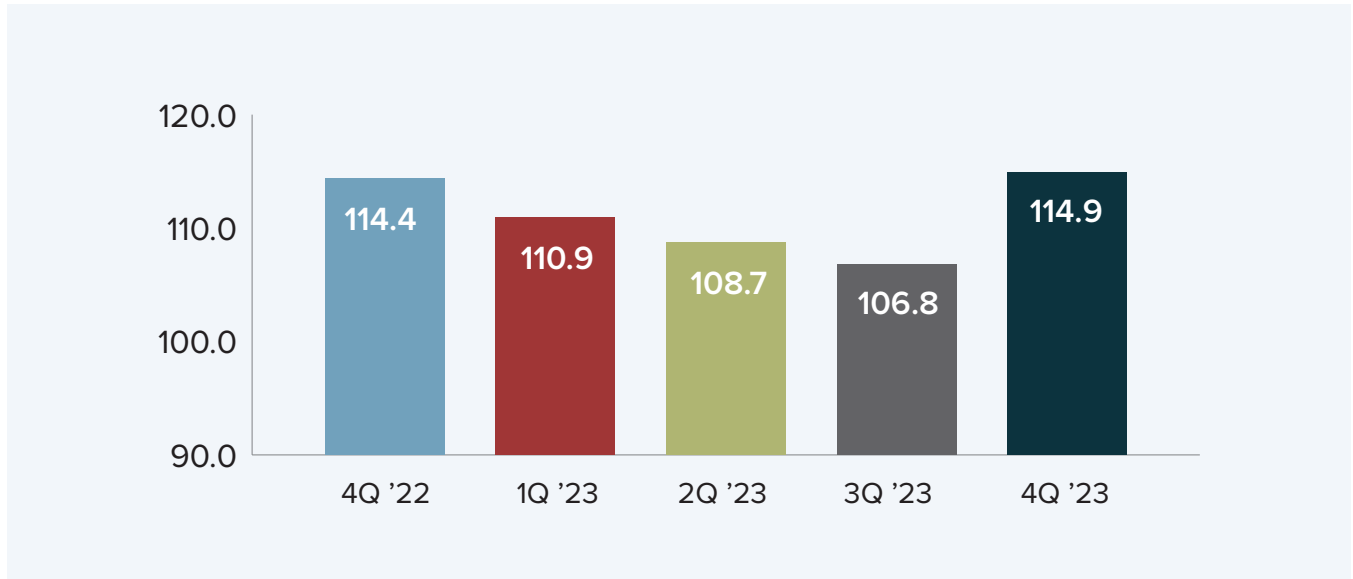
Figure 3B shows worker confidence by race. Workers of all races increased confidence. African Americans continued to have the highest level of confidence and increased their confidence the most this quarter, by 14.8 points to 150.1. Confidence among Hispanics increased 10.6 points to 126.9. Confidence among Caucasians increased the least, by 5.9 points to 104.8, but it decreased 4.3 points from the fourth quarter of 2022, the only race that had a year-over-year decline in confidence.

Figure 3C shows worker confidence by education. Workers in all education levels increased confidence. But for the first time, those with high school or less had more confidence than college graduates, 120.9 vs. 119.3, respectively. And they increased their confidence more than any other education group, by 15 points. This is an interesting finding, as it may correlate with the decreasing trend of college enrollment and the growing sentiment that college may not be necessary or worth it.²²

WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

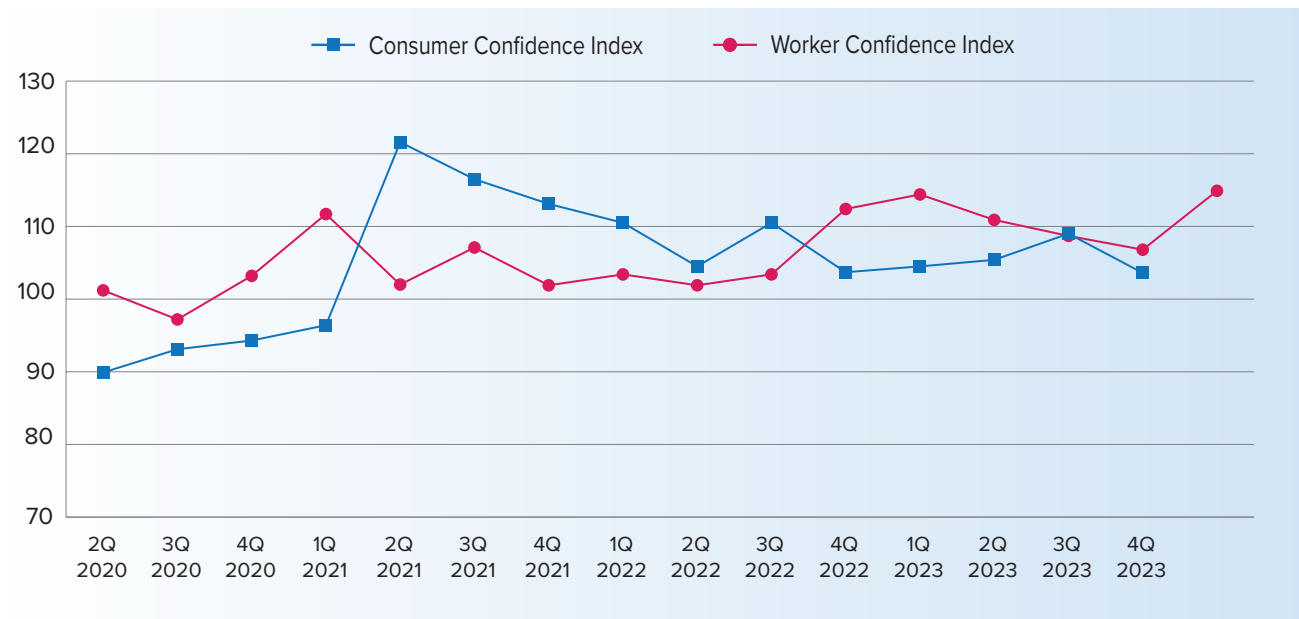
Worker Confidence Index

Fig. 1A



U.S. Consumer Confidence Index vs. Worker Confidence Index

Fig. 1B



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Index Category Detailed Trend Analysis

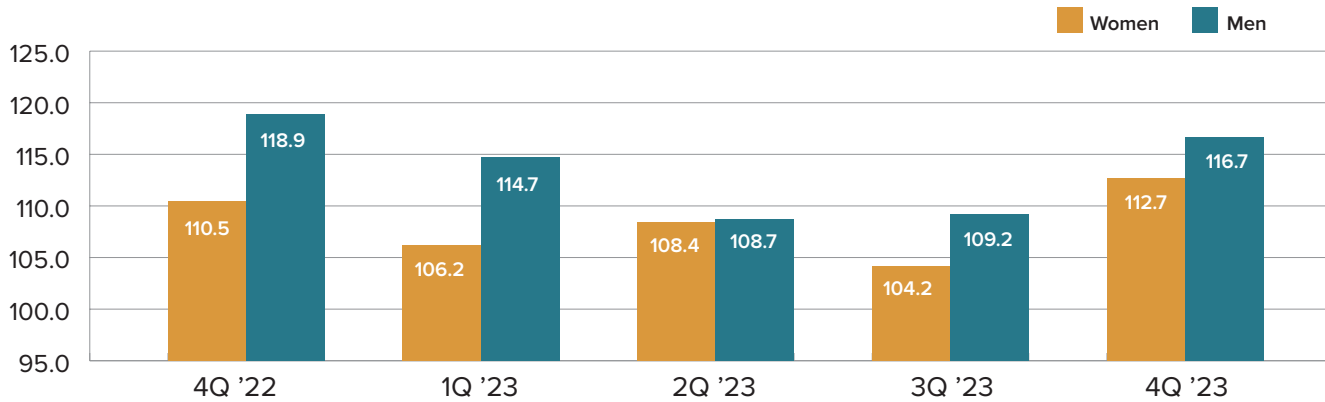
Fig. 2



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

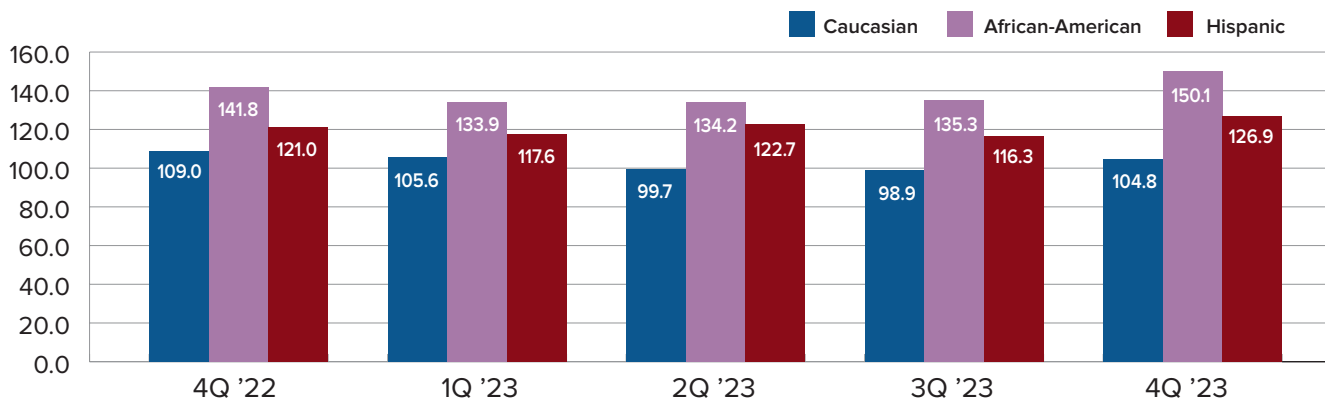
Worker Confidence Index: Gender

Fig. 3A



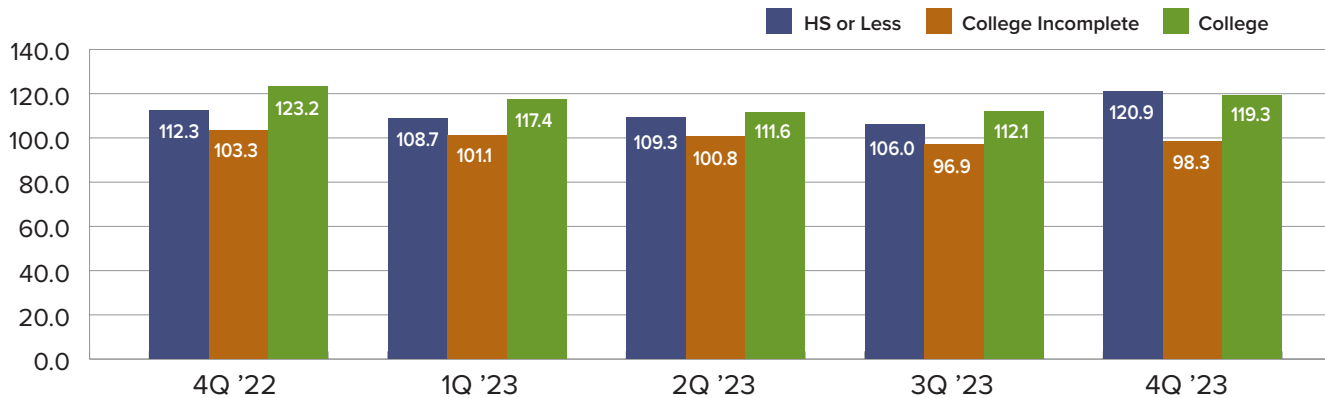
Worker Confidence Index: Race

Fig. 3B



Worker Confidence Index: Education

Fig. 3C



WHAT'S DRIVING THE WORKER CONFIDENCE RESULTS?

Job Security

Do you feel it likely that you will involuntarily lose your job or that your job will be eliminated in the next 12 months?

The Job Security Index decreased slightly for the second straight quarter, as it fell 1.5 points to 98.9. But every demographic group improved job security year-over-year. Of all respondents, 12.5% felt they may involuntarily lose their job in the coming year, up one percentage point from last quarter, but down from 18.1% in the fourth quarter of 2022.

It is worth noting that overall job security went down while overall confidence went up. Also, the Job Security Index had significant variability between demographics, as some groups increased job security while others decreased. However, almost every demographic group increased confidence in the other three indices. We will keep an eye on this trend in the coming quarters to see if it is significant or anomalous.

For men, job security decreased but stayed flat for women. Fear of job loss went up for men by 2.1 percentage points, as 15.4% of men feared job loss, and down slightly for women by 0.3 percentage points, as 9.5% of women feared the same. According to our data, men have lower job security than women but are higher in the other three indices which makes their overall confidence higher.

Historically, workers aged 18–44 are the most concerned about job loss and have the most quarter-to-quarter

variability, indicating a lower and more unstable sense of security compared to older workers. For workers aged 18–44, job security decreased, but increased for workers older than 55. Workers aged 18–24 feared job loss the most (25.3%) and those aged 25–34 had the greatest increase in job loss fear of 4.8 percentage points to 18.5%.

Based on income segment, job security was variable and interesting. Those making more than \$75,000 also had lower job security, but their fear of job loss decreased the most year-over-year. Workers making \$35,000–\$50,000 had the greatest security, as their fear of job loss decreased by 1.3 percentage points to 8.3%.

For every race, job security diminished. Fear of job loss increased the most for African Americans, by 2.4 percentage points to 20.7%.

By education level, job security varied, especially compared to last quarter when security was essentially the same across education levels. The only improvement in job security came from workers with an incomplete college degree, which made them the most secure of any education level, as 10.1% feared job loss. Security for workers with a high school education or less was the lowest, as job loss fear increased the most, by 2.9 percentage points to 14.2%.

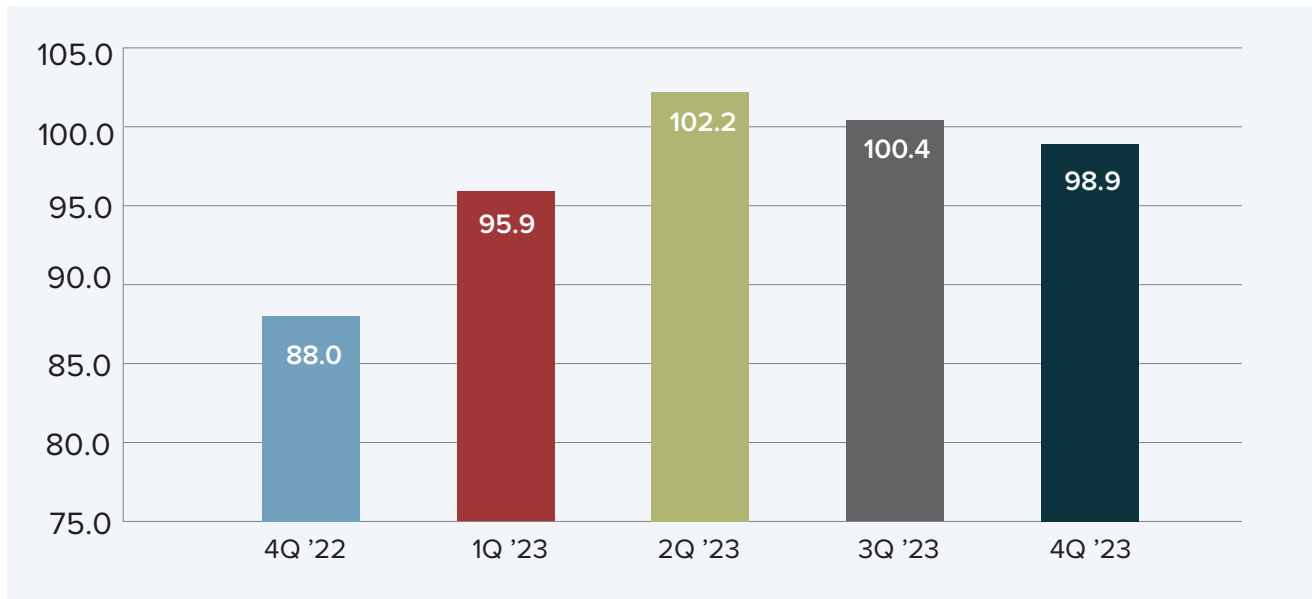
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WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

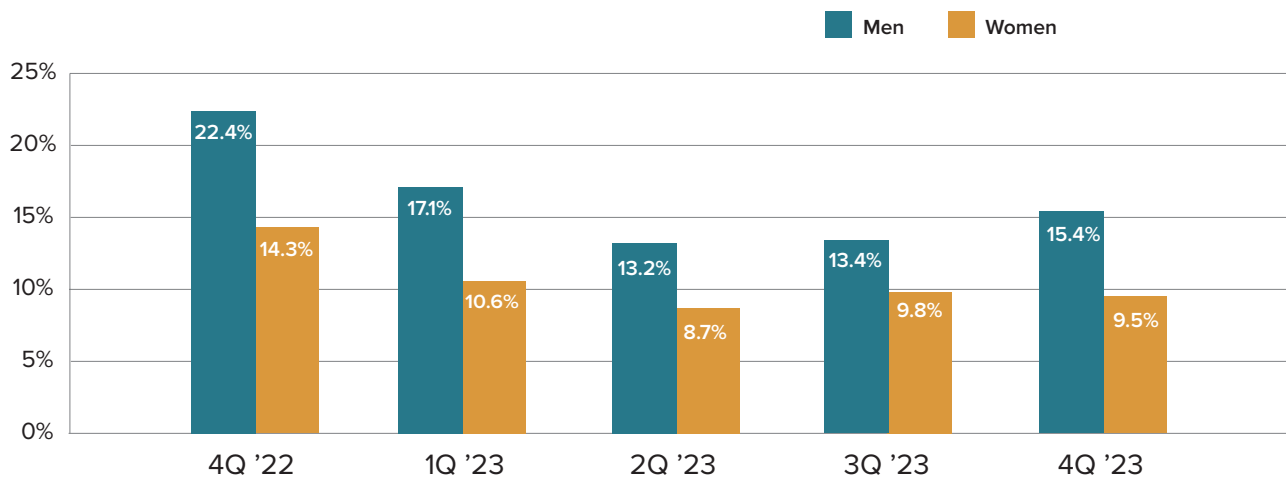
Job Security Index

Fig. 4



Likelihood of Job Loss by Gender

Fig. 5



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Fig. 6

Likelihood of Job Loss by Age	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
18–24	29.7%	23.3%	20.8%	23.4%	25.3%
25–34	33.0%	23.4%	14.6%	13.7%	18.5%
35–44	25.5%	20.2%	15.1%	16.9%	18.5%
45–54	16.4%	12.4%	10.8%	9.9%	11.4%
55–64	7.1%	5.6%	5.5%	7.0%	5.9%
65+	3.9%	3.5%	3.9%	4.0%	2.5%

Fig. 7

Likelihood of Job Loss by Household Income	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
< \$35K	16.7%	14.5%	12.7%	12.3%	14.0%
\$35–\$50K	13.6%	13.7%	9.6%	9.6%	8.3%
\$50K–\$75K	14.9%	11.0%	9.7%	11.8%	11.5%
\$75K–\$100K	21.8%	13.7%	10.9%	11.2%	13.5%
\$100K+	23.5%	14.8%	9.9%	11.5%	13.1%

Fig. 8

Likelihood of Job Loss by Race	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
Caucasian Only	15.2%	11.3%	9.0%	9.5%	9.9%
African American Only	25.4%	24.3%	18.9%	18.3%	20.7%
Hispanic	24.0%	16.5%	11.6%	13.3%	15.0%

Fig. 9

Likelihood of Job Loss by Education	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
HS Grad or Less	15.8%	14.0%	11.3%	11.3%	14.2%
College Incomplete	16.7%	11.9%	11.6%	11.7%	10.1%
College Grad	21.5%	14.9%	10.1%	11.6%	12.5%

Likelihood of a Promotion

Do you feel you'll receive a promotion from your current employer over the next 12 months?

The Likelihood of a Promotion Index shot up 15.1 points to 131.9, reversing the downward trend that occurred in the previous three quarters. Of all workers, 25.5% believed they would receive a promotion from their current employer within the next year, up 2.9 percentage points from last quarter but down 0.7 percentage points from the fourth quarter of 2022.

Both men and women felt they were more likely to get a promotion, but men increased their belief more. Of men, 31% believed they would get a promotion, up 4.1 percentage points. Of women, 20.4% believed so, up 1.8 percentage points. Men historically are more confident about receiving a promotion, but they also have more quarter-to-quarter variability, suggesting a more up-and-down mindset. Women tend to be more stable in their outlook, according to our data.

For all age groups, confidence about receiving a promotion increased, except for ages 55–64, which fell by 4.6 percentage points, as only 7.7% felt a promotion was likely. However, 28.4% of those aged 45–54 felt it likely, with the largest increase in confidence of 7.7 percentage points. Those aged 25–34 and 35–44 had the highest confidence at 43.5% and 41.7%, respectively, but those aged 25–34 decreased in confidence the most year-over-year, by 6.8 percentage points. In general, workers start their careers feeling confident about receiving a promotion, with about 40% feeling

confident, but this confidence turns downward after age 45 and gets closer to zero after age 65.

For all income levels, confidence about receiving a promotion increased, except for \$75,000–\$100,000 that decreased marginally by 0.4 percentage points to 29.5%. Those making more than \$100,000 felt the most confidence, as 34.4% felt they would receive a promotion, up 2.5 percentage points from last quarter but down 3.8 percentage points from the fourth quarter of 2022. Of those making less than \$35,000, 19.9% felt confident, which had the highest quarter-over-quarter increase of 4.2 percentage points.

While every race segment increased confidence this quarter, minority respondents, especially African Americans, felt the most confident about receiving a promotion (41.4%), which follows the historic trend. Hispanic workers had the greatest increase in confidence of 6.1 percentage points to 33.4%.

Across all education levels, confidence increased. Those with high school or less had the greatest jump in confidence of 5.1 percentage points to 24.8%. College graduates still had the highest confidence, as 29.7% felt that a promotion was likely. But the confidence gap between these two groups was at an all-time low of 4.9 percentage points.

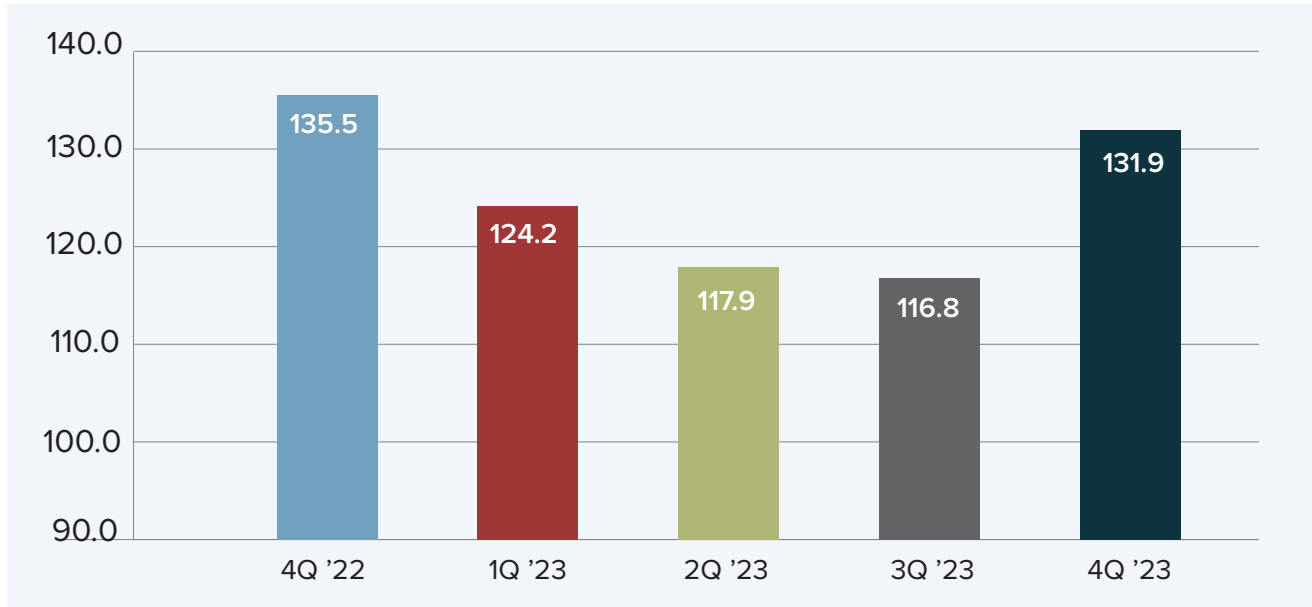
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WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

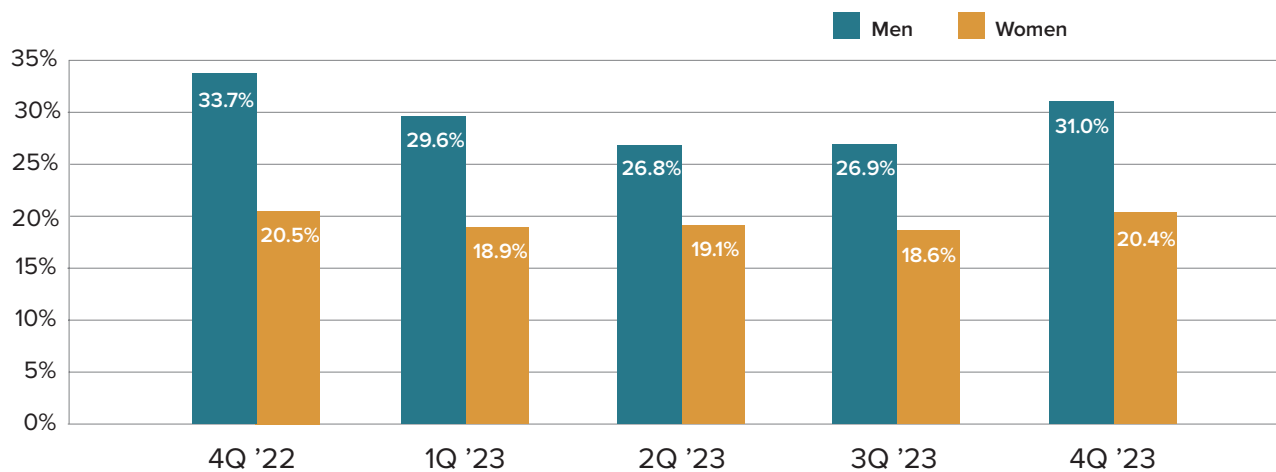
Likelihood of a Promotion Index

Fig. 10



Likelihood of a Promotion by Gender

Fig. 11



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Fig. 12

Likelihood of Promotion by Age	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
18–24	42.5%	38.8%	40.9%	34.5%	40.5%
25–34	50.4%	37.7%	40.0%	37.3%	43.5%
35–44	39.9%	38.4%	35.5%	37.6%	41.7%
45–54	26.0%	26.2%	19.3%	20.7%	28.4%
55–64	10.6%	11.5%	9.9%	12.4%	7.7%
65+	2.5%	2.4%	2.3%	2.3%	2.6%

Fig. 13

Likelihood of Promotion by Household Income	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
< \$35K	21.2%	20.0%	18.2%	15.7%	19.9%
\$35–\$50K	22.8%	20.3%	20.8%	21.0%	22.9%
\$50K–\$75K	25.1%	25.6%	24.5%	21.8%	25.4%
\$75K–\$100K	28.3%	22.7%	31.0%	29.9%	29.5%
\$100K+	38.1%	31.9%	26.4%	31.8%	34.4%

Fig. 14

Likelihood of Promotion by Race	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
Caucasian Only	23.1%	20.8%	18.0%	18.4%	20.4%
African American Only	36.0%	36.8%	36.3%	37.1%	41.4%
Hispanic	31.6%	26.7%	30.4%	27.3%	33.4%

Fig. 15

Likelihood of Promotion by Education	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
HS Grad or Less	21.3%	21.0%	19.8%	19.7%	24.8%
College Incomplete	25.6%	22.6%	23.0%	20.4%	20.7%
College Grad	33.6%	28.3%	25.9%	27.3%	29.7%

Likelihood of a Raise of Three Percent or More

Do you feel you'll receive a raise of 3% or more after your next review?

The Likelihood of a Raise Index leaped 12.1 points to 118.8. Of all workers, 32.5% anticipated a raise of 3% or more. However, almost every demographic group had less confidence about getting a raise compared to the fourth quarter of 2022. This index has been particularly volatile since 2020, likely due to retention efforts, shifts in employment, and inflation.

Both men and women felt more optimistic about receiving a raise, but men more so. Of men, 38.6% believed they would get a raise, up 4.5 percentage points. Of women, 26.9% felt the same, up 2.3 percentage points. Historically, men are more confident in this area than women, by around 12 percentage points.

Every age group, except 55–64, felt they were more likely to get a raise this quarter compared to last. Workers aged 55–64 decreased confidence by 1.3 percentage points, as 22.9% anticipated a raise. Workers aged 25–44 felt the most likely to receive a raise, as those aged 35–44 had the most confidence of 47.6% and those aged 25–34 increased confidence the most, up 8.2 percentage points to 45.7%. Historically, confidence in getting a raise starts off relatively high and increases somewhat until it peaks at around 45%, and then begins to decline after age 45 until it reaches less than 10% after age 65.

Every income level reported an increased likelihood of getting a raise. Those earning \$75,000–\$100,000 saw the largest increase in confidence, by 7.3 percentage points to 41.3%, which reversed the drop they experienced last quarter. Once again, those making more than \$100,000 had the highest level of confidence, at 46.3%. Historically, the more money a worker makes, the more they expect to get a raise.

Every racial group also increased their sense of likelihood. African Americans continued to have the highest level of confidence and increased it the most this quarter, by 8.8 percentage points to 46.9%. Caucasians had the lowest level of confidence, as only 29.1% felt they were likely to get a raise.

Every education level increased, as well. Workers with high school or less increased confidence the most, by 5.4 percentage points to 29.4%. Confidence goes up with education level; as such, 38% of college graduates felt confidence about getting a raise.

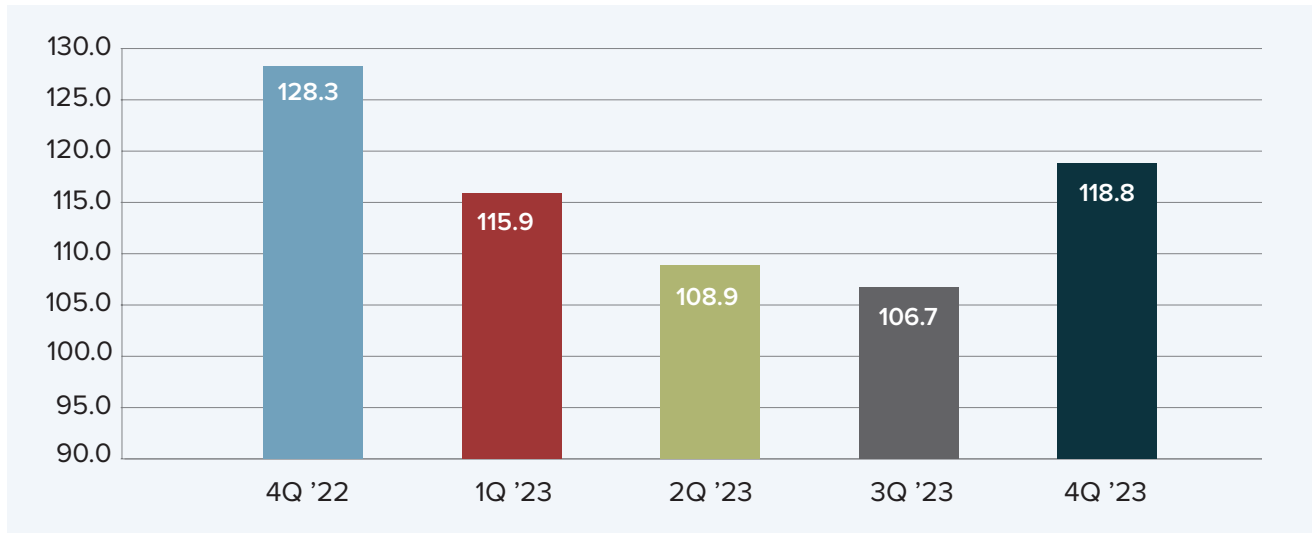
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WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

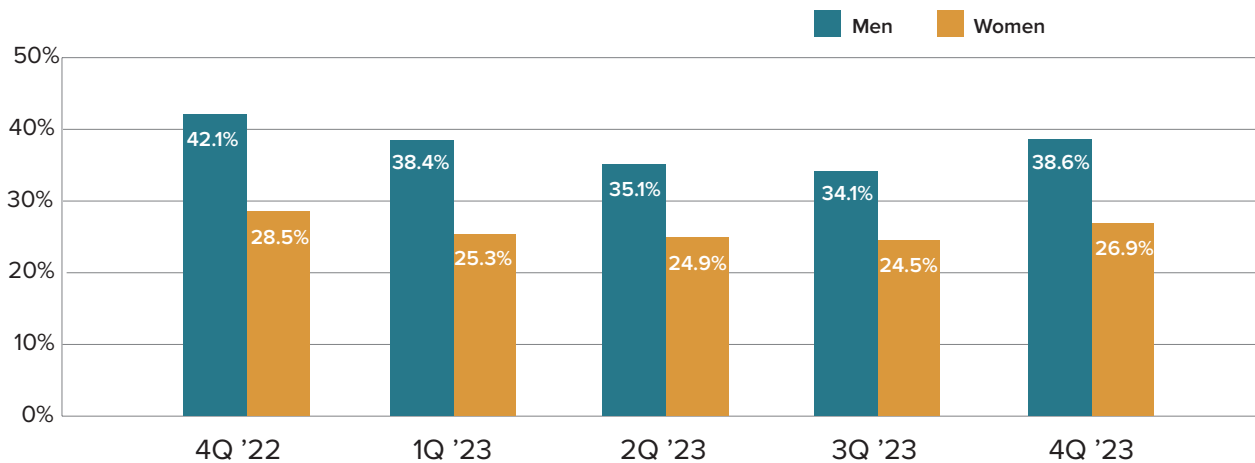
Likelihood of a Raise of Three Percent or More Index

Fig. 16



Likelihood of a Raise of More Three Percent or More by Gender

Fig. 17



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Fig. 18

Likelihood of a Raise of More than Three Percent by Age	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
18–24	41.7%	39.8%	39.7%	36.0%	40.4%
25–34	55.5%	43.2%	44.5%	37.5%	45.7%
35–44	47.1%	44.0%	43.6%	44.5%	47.6%
45–54	38.2%	39.1%	34.8%	33.3%	37.1%
55–64	26.0%	25.8%	20.5%	24.3%	22.9%
65+	10.8%	7.9%	5.6%	8.0%	10.3%

Fig. 19

Likelihood of a Raise of More than Three Percent by Household Income	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
< \$35K	25.1%	22.8%	21.7%	19.3%	22.6%
\$35–\$50K	31.0%	30.6%	27.4%	26.1%	31.0%
\$50K–\$75K	32.7%	30.2%	30.6%	29.0%	31.3%
\$75K–\$100K	43.4%	32.4%	38.8%	33.9%	41.3%
\$100K+	50.6%	46.9%	39.3%	44.2%	46.3%

Fig. 20

Likelihood of a Raise of More than Three Percent by Race	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
Caucasian Only	32.7%	29.3%	26.6%	26.9%	29.1%
African American Only	46.1%	41.8%	39.6%	38.1%	46.9%
Hispanic	38.3%	35.9%	34.5%	31.9%	34.6%

Fig. 21

Likelihood of a Raise of More than Three Percent by Education	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
HS Grad or Less	29.6%	25.3%	24.7%	24.0%	29.4%
College Incomplete	31.8%	29.8%	27.8%	28.3%	29.3%
College Grad	43.4%	39.9%	36.7%	35.2%	38.0%

Trust in Company Leadership

Do you trust your company's leadership to make sound decisions for the company and its employees?

The Trust in Company Leadership Index rose 6.7 points to 110, as 47.5% of workers trusted their leadership. Typically, this index has been the most stable but declined in the previous two quarters.

Trust for men did not change much from last quarter but went much higher for women, as 43.6% of women trusted in their company's leadership, up 5.4 percentage points. This was the highest level of trust women have had since 2019, reversing last quarter's dip. However, men historically are more trustful than women, typically by around ten percentage points.

Trust in leadership varied among different ages. Workers aged 35–44 had the greatest level of trust, as 61.5% trusted their leadership. Those aged 25–34 increased trust the most, up 6.4 percentage points to 60.8%. Trust went down the most for workers aged 55–64, by 2.4 percentage points to 37.3%. Historically, trust starts at a higher level, around 60%, and then begins to decline after age 45, reaching around 20% after age 65.

Every income level felt greater trust in their leadership. Workers who made \$35,000–\$50,000 increased trust the

most, by 4.5 percentage points to 44.5%. Those making more than \$100,000 had the highest level of any income group, as 60.9% trusted in their leadership. Historically, income and trust in leadership rise together, as workers with higher salaries are close to or part of their leadership teams, but those who make more than \$100,000 experience more quarter-to-quarter variability, suggesting their trust wavers the most.

Every race felt greater trust in their leadership, as well. For African Americans, trust was the highest and increased the most, by 5.9 percentage points to 57.6%. Caucasians trusted leadership the least, with only half (49.7%) trusting.

Trust by education level varied. Workers with a high school diploma or less increased trust the most, by 4.4 percentage points to 43.3%. College graduates had the highest level of trust, as is normally the case, with 55.2% trusting in their leadership.

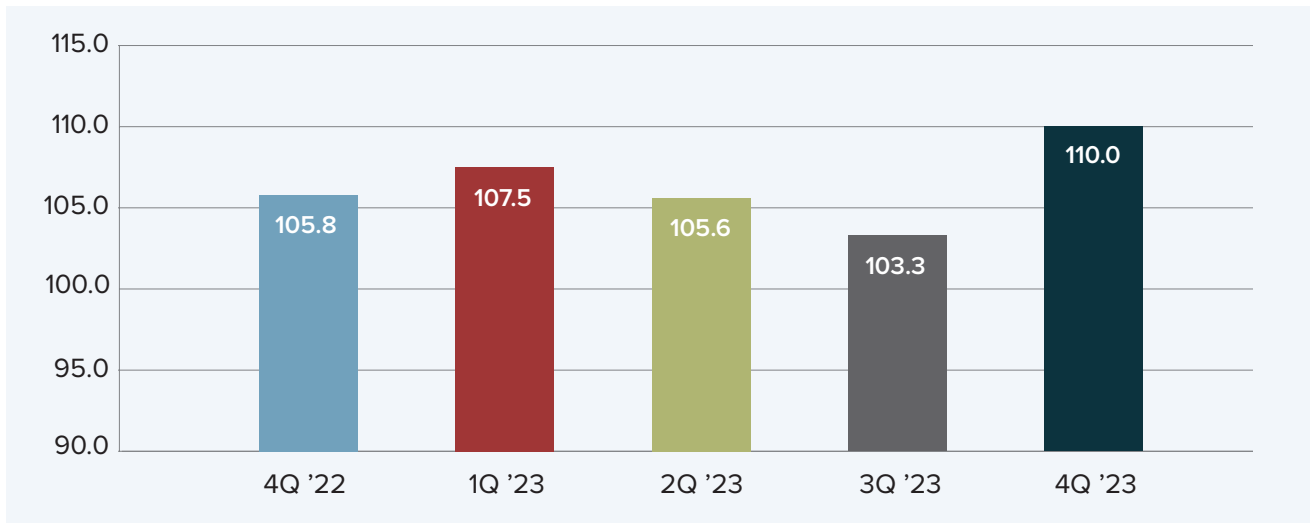
Workers with a high school diploma or less increased trust the most, by 4.4 percentage points to 43.3%. College graduates had the highest level of trust, as is normally the case, with 55.2% trusting in their leadership.



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

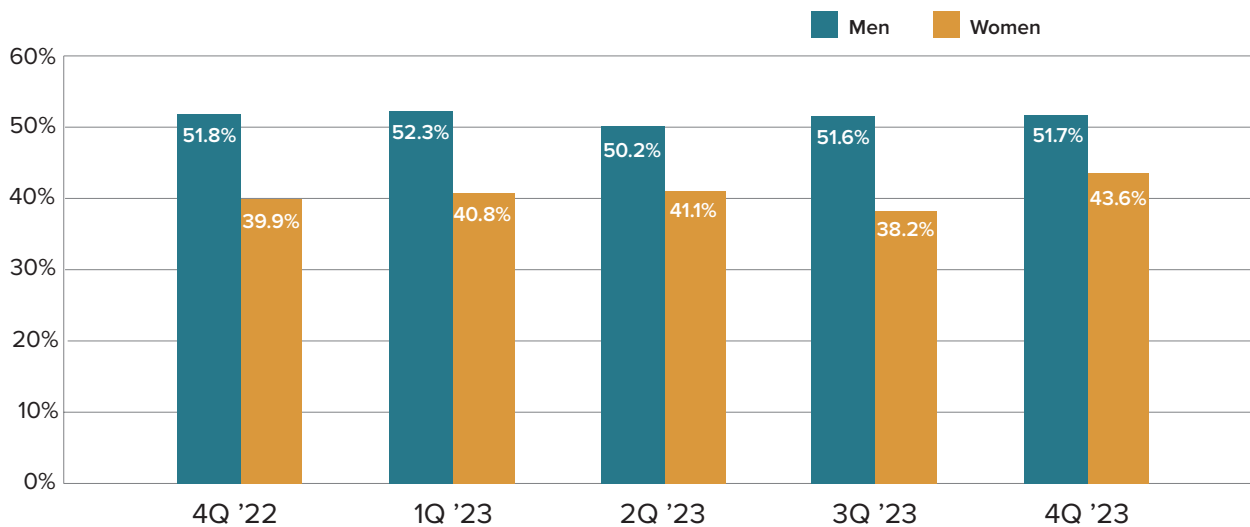
Trust in Company Leadership Index

Fig. 22



Trust in Company Leadership by Gender

Fig. 23



WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Fig. 24

Trust in Company's Leadership by Age	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
18–24	59.4%	58.9%	60.9%	57.8%	57.2%
25–34	61.0%	55.8%	60.2%	54.4%	60.8%
35–44	57.9%	57.3%	56.2%	58.8%	61.5%
45–54	47.7%	53.8%	51.1%	48.4%	55.2%
55–64	35.5%	39.7%	36.4%	39.7%	37.3%
65+	23.2%	23.9%	20.8%	20.1%	23.4%

Fig. 25

Trust in Company's Leadership by Household Income	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
< \$35K	35.6%	36.5%	38.6%	33.8%	36.7%
\$35–\$50K	38.2%	44.6%	44.1%	40.0%	44.5%
\$50K–\$75K	46.1%	47.7%	48.9%	49.4%	50.8%
\$75K–\$100K	51.9%	52.5%	49.8%	49.0%	53.9%
\$100K+	62.0%	59.0%	53.1%	58.3%	60.9%

Fig. 26

Trust in Company's Leadership by Race	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
Caucasian Only	44.0%	44.8%	43.1%	42.2%	44.2%
African American Only	57.2%	49.8%	52.0%	51.7%	57.6%
Hispanic	46.5%	51.0%	49.1%	46.4%	49.7%

Fig. 27

Trust in Company's Leadership by Education	4Q '22	1Q '23	2Q '23	3Q '23	4Q '23
HS Grad or Less	39.5%	41.0%	42.9%	38.9%	43.3%
College Incomplete	44.1%	43.7%	43.3%	43.8%	43.1%
College Grad	53.3%	54.2%	50.2%	51.2%	55.2%

WORKER CONFIDENCE INDEX | FOURTH QUARTER 2023

Fig. 28

Study Demographics 4Q 2023		Percent
Gender		
Male		48.6%
Female		51.4%
Age		
18–24		11.3%
25–34		17.4%
35–44		16.9%
45–54		15.7%
55–64		16.6%
65+		22.1%
Race		
White Only		68.0%
Black Only		13.2%
Hispanic		18.8%
Household Income		
\$35K or Less		35.7%
\$35K–\$50K		14.0%
\$50K–\$75K		18.6%
\$75K–\$100K		8.9%
\$100K+		22.9%
Education		
HS Grad or Less		39.0%
College Incomplete		25.3%
College Graduate		35.7%

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