

# News Brief

## Report: Half of Managers Expect Layoffs in 2025

According to a new [report](#) from ResumeTemplates.com, nearly half (45%) of U.S. managers said their company will likely lay off workers this year. ResumeTemplates surveyed 1,000 U.S. managers in January, and most expect modest impacts. Among companies expecting layoffs, 28% plan to lay off fewer than 5% of their workforce, and 44% project to lay off between 5% and 10%. Most companies (51%) cited an economic downturn as the driving force behind layoffs.

**“Layoffs can be tricky because you never know if a company will use performance metrics, last in first out or a percentage across the board to make decisions.”**

- Julia Toothacre, chief career strategist,  
ResumeTemplates

Consider these additional takeaways from the survey:

- Eleven percent of companies say they'll "definitely" proceed with layoffs in 2025, and 34% say they "probably" will.
- Over a third (39%) of companies said they "probably won't" lay off employees in 2025, and 16% are confident they "definitely won't."
- Larger layoffs are less common, as 20% expect workforce reductions of 11% to 25%, and fewer than 8% will cut more than 25%.
- Impending layoffs are attributed to industry-

specific challenges (39%), artificial intelligence and automation (32%), overstaffing (32%) and anticipated policies from the Trump administration (24%).

- Nearly one-third (31%) of companies currently have a hiring freeze, with an additional 13% saying they'll definitely or probably implement one this year.
- Cost-reduction strategies include reducing bonuses (32%), eliminating office space (25%), cutting benefits (17%) and reducing employees' salaries (12%).

An Express Employment Professionals report revealed that job seekers are also split about their expectations for the 2025 labor market. Half of surveyed job seekers are optimistic about finding a job in the next six months, and the other half expect difficulties. Employed workers said they're looking for a new role with better compensation, growth opportunities and improved work-life balance.

### Employer Takeaways

The labor market will remain challenging in 2025 for workers and organizations alike. Unfortunately, salary or benefits cuts can negatively impact company culture. Instead of laying off employees, employers could offer upskilling opportunities to help equip employees with the skills they need for different roles. Furthermore, employers can consider ways to avoid or mitigate layoffs, such as through workforce planning or layoff alternatives (e.g., hiring freezes and furloughs).

Employers should continue to monitor labor market trends to inform specific attraction and retention strategies for their organizations. Contact us for more resources.