Opinion | Kathryn A. Edwards

US Companies Aren't Firing as They Usually Do

Corporate America has never been known to shy away from layoffs. Could it finally be putting greater emphasis on human capital?

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For decades, the US labor market has operated on the assumption that workers are mostly expendable, with replacements easily hired from a large, self-replenishing pool. This can be seen in both pay and policy. At the federal minimum wage of $7.25, a person working a full 2,080-hour year, without a single hour off, wouldn't earn enough to breach the poverty threshold of $15,225 a year

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Now, though, the trade-off between short-term cost-cutting and human capital appears to changing, as qualified workers become harder to find and hire. At the end of 2022, US employers had more than 11 million unfilled job openings, yet a lot of potential workers remained on the sidelines. At 83%, the share of the 25-to-

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Tech-industry layoffs aside, some companies appear to be changing their workforce strategy. Despite the Federal Reserve's efforts to slow growth and nudge up the unemployment rate, layoffs overall remain below pre-pandemic levels. Perhaps employers have waded through a shallow talent pool recently and found it unpleasant, or are hesitant to cut anyone loose after putting so much time and money into hiring.