

THE EDGE OF WHAT'S NEXT: IRI'S QUARTERLY TRENDS ANALYZER



2025

OCTOBER 2025

About The Trends Analyzer

The Edge of What's Next examines the strategic environment in which innovation and R&D take place and flags up potential trends that you should factor into your strategic planning. At the end of each quarter, trends are examined by the IRI Foresights Advisory Board and assessed for their potential impact on innovation. In this report, key trends are described and vital questions you should ask yourself as you conduct your strategic planning are listed. In addition, we include some interesting possibilities ('weak signals') at the end of the report that we will keep an eye on to see if they will rise to the level of a bigger, more impactful trend.

Innovation Research Interchange (formerly the Industrial Research Institute) is an inclusive membership organization with hundreds of global members in private-sector companies and federally funded laboratories. Founded in 1938, we lead and advance the field of innovation management by creating contemporary practices. Some of the world's most widely adopted models – such as "open innovation", "front end of innovation", and "stage-gate" – were born from the work of our members. We value strength in cooperation and partner with other organizations at the forefront of developments in innovation management, creating a hub for all to convene and contribute in an experimental, noncompetitive, and noncommercial environment. The IRI is a division of the National Association of Manufacturers.

October 2025 Trends

1

The Immigration Squeeze
on America's Workforce
(Revisited)

2

Gen Z at Work: Stability,
Strategy, and Shifting
Expectations

3

Speak at Your Own Risk

2



THE IMMIGRATION SQUEEZE ON AMERICA'S WORKFORCE (REVISITED)

Labor market pressures related to immigration have grown more pronounced during the second Trump administration, with more than a million immigrant workers exiting the labor market in the first half of the year. Once a key force in sectors like agriculture, construction, health care, and food processing, immigrant labor is now in steep decline due to stepped-up enforcement, visa restrictions, and program rollbacks. In California, farm labor has been cut by as much as 40%, leading to billions in lost crops and higher food prices. In the Midwest, the end of parole programs and increased deportations have pulled 10–20% of the workforce out of meatpacking plants, disrupting supply chains and raising costs. These labor gaps are already showing up in the data: the immigrant share of the U.S. labor force dropped from 20% to 19% in just six months—the steepest decline in decades. Economists warn that this labor shortfall is driving inflationary pressures, with projections indicating inflation could reach 4% next year.

Companies are enhancing automation and reevaluating hiring practices, including how they approach talent acquisition and navigate legal complexities around sponsorship. Human resources teams are being challenged to innovate, often relying more heavily on automation and considering international recruitment strategies—particularly in rural areas where local labor pools may be insufficient. Historically, immigrant workers have filled roles that domestic workers were less likely to pursue, and changes in immigration policy could influence whether that trend continues.



These developments raise broader questions about the future of staffing in the U.S., including whether shifts in policy or economic conditions might reverse current trends, or whether new models will emerge that require fewer people or more strategic global recruitment. For business leaders, this is not a short-term disruption but a structural shift, requiring preparation for sustained workforce volatility.

LEARN MORE

- [1.2 Million Immigrants Are Gone From the US Labor Force Under Trump-](#) (AP News)
- [Wisconsin Meat Packers Face Labor Shortage After Trump Orders Migrants Home](#) (The Financial Times)
- [US Workers Say Trump's Immigration Crackdown is Causing Labor Shortage: A Strain on Everybody](#) (The Guardian)
- [US Migrant Halt May Wipe Potential Job Growth](#) (Reuters)
- [ICE in the Fields](#) (The Week)



ASK YOURSELF THESE QUESTIONS:

1

Are we treating the current immigration shift as a short-term disruption or a long-term structural shift in how work gets done?

2

Which parts of our business can be sustainably automated—and which still depend on human capability we risk losing?

3

How do we redesign difficult-to-fill roles to make them more attractive to domestic workers without undermining cost competitiveness?

4

Do we have a viable global talent strategy if U.S. immigration channels stay tight—offshoring, nearshoring, or distributed work models?

5

What is our exposure if a significant share of immigrant workers—especially in essential or rural operations—can no longer stay?

6

Could US policies trigger a “reverse brain drain” of our top knowledge workers to more open economies—and how do we stay competitive if that happens?

5



GEN Z AT WORK: STABILITY, STRATEGY, AND SHIFTING EXPECTATIONS

Many recent college graduates are facing challenges securing roles that align with their degrees and salary expectations. Factors such as increased AI adoption, corporate cost-cutting, and slower white-collar hiring have contributed to a mismatch between graduate supply and job availability—particularly in fields like computer science, where layoffs, hiring freezes, and automation have intensified competition. This disconnect threatens economic mobility and raises concerns about the perceived value of higher education. At the same time, companies that overlook early-career talent risk long-term shortages and reputational harm among younger generations. Strategic employers may benefit by tapping into a digitally fluent, underutilized talent pool, balancing short-term hiring needs with long-term workforce development.

Gen Z workers are responding to economic uncertainty and shifting workplace norms with a trend known as “job hugging”—staying in roles longer than expected to maintain stability. This shift reflects a desire for financial security and a reaction to broader societal disruptions, including the pandemic, remote work, and safety concerns. While this behavior may help employers retain talent, it also presents risks of employee stagnation if growth opportunities are limited. Gen Z’s awareness of AI’s impact, their preference for flexible work environments, and growing recognition of neurodiversity are reshaping expectations around work.



As the traditional social contract evolves, organizations must adapt by offering meaningful work, clear advancement paths, and cultures that align with the values of a generation seeking both security and purpose.

LEARN MORE

- [Comp-Sci Majors Suddenly have Sky-High Unemployment](#) (*The Futurist*)
- [The Computer Science Dream Has Become a Nightmare](#) (Tech Crunch)
- [Labor Day Blues: Is Job Hugging Replacing Job Hopping?](#) (*Forbes*)
- [Are You a Job Hugger: Fears of Labor Market are Preventing People from Moving On](#) (*Investopedia*)
- [Holding On for Dear Life](#) (*Entrepreneur*)



ASK YOURSELF THESE QUESTIONS:

1

Are we designing enough entry points for new graduates, or are job-huggers and delayed retirements creating a structural bottleneck in early-career mobility?

2

What's the hidden cost of "job hugging" for innovation, agility, and leadership development?

3

How can we balance Gen Z's need for security with their expectations for growth, voice, and purpose?

4

What's the organizational cost when employees "job-hug" out of fear rather than engagement?

5

What happens when AI makes technical skills ubiquitous – how do we differentiate and reward human creativity, judgment, and learning agility?

6

How is remote work reshaping belonging and career visibility for young employees who've never experienced in-person mentorship?

7

Is our organization keeping pace with the evolving social contract – one that prizes flexibility, neurodiversity, and authenticity over traditional office norms?

8



SPEAK AT YOUR OWN RISK

Questions around freedom of speech are becoming increasingly visible across entertainment, journalism, and the workplace. Public figures and employees alike are facing consequences—from backlash to job loss—for expressing political or socially charged views, particularly on social media. This has created a chilling effect, where individuals and organizations are more hesitant to speak openly, raising concerns about authenticity, credibility, and the boundaries of expression in a polarized climate. Companies are navigating complex risks: being seen as silencing voices or facing backlash for allowing controversial speech. Legal uncertainty, regulatory dependencies, and the morale impact of self-censorship are compounding the challenge. Communication departments are under pressure to manage these dynamics while maintaining community trust and brand integrity.

At the same time, social activism within the workforce is evolving. What was once traditional labor organizing is now often framed as social justice advocacy, and many companies are unsure how to respond. Employees are increasingly seeking visible support from their employers on social issues, but many organizations are choosing silence as the safest option. This tension is prompting a rise in executive coaching for public speaking and reputation management. As companies grapple with these shifts, questions remain: Do they feel empowered to shape public discourse? What is the tipping point between caution and engagement? The changing social contract, influenced by generational values, remote work, and broader societal concerns, is reshaping how organizations communicate and connect with their communities.



LEARN MORE

- [In Jimmy Kimmel's Words: What the Late Night Host Said Upon His Return From Suspension](#) (AP News)
- [Is Free Speech Under Threat](#) (Newsweek)
- [Warning of a Chilling Effect on the Free Press After Journalists Fired or Suspended](#) (PEN America)
- [Workers Commenting on Kirk's Death Learn the Limits of Free Speech In and Out of Their Jobs](#) (AP News)
- [Jimmy Kimmel Defends Free Speech](#) (The New York Times)



ASK YOURSELF THESE QUESTIONS:

1

Do we have a clear framework for when — and when not — to take a public stance on social or political issues?

2

Are our leaders equipped to communicate with nuance, empathy, and neutrality in a polarized environment?

3

At what point does “neutrality” become complicity in the eyes of our employees or communities?

4

Do our policies and training help leaders navigate free speech boundaries without chilling authentic dialogue?

5

What is our long-term communication philosophy in an era where every statement — and every silence — is politicized?

6

How do we protect employees’ right to personal expression without allowing it to undermine trust, safety, or our brand?



ADDITIONAL TRENDS TO WATCH:

- [US Plummets To Lowest-Ever Rank in World Happiness Report](#) (Newsweek)
- [Americans Under 30 Are So Miserable...](#) (Fortune)
- [Women are Taking Pay Cuts As Employers Mandate Return to Office](#) (Washington Post)
- [Microsoft: Russia and China are Increasingly Using AI to Escalate Cyber Attacks on the US](#) (Associated Press)
- [The Economy On A Knife's Edge:](#) (Kiplinger)



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