Instawork

Quarterly Pay Index

The Affordability Crisis Goes Local

December 2025

Holiday Paychecks Stretch Very Differently by City — Affordability Gaps Define 2025

Instawork's Quarterly Pay Index — drawn from millions of shift transactions in 60+ markets — reveals what official data misses. 2025 was defined by metro-level divergence — shaped by distinct industry mixes, labor supply patterns, cost structures, and competitive pressures.

Hourly wages on Instawork increased 13.65% from February 2022 to July 2025 – solid growth across millions of shifts.

Yet prices rose even faster - CPI +14.81%, showing that inflation, not wages, was the primary source of real cost pressure during this period.

The national average masks an affordability crisis that is playing out unevenly. In some metro areas, workers have kept pace with rising prices, while others have seen buying power fall by double-digit levels since early 2022.

America’s Wage Divide: Not All Paychecks Survive Inflation

Affordability now depends heavily on location — with San Francisco and Seattle facing the steepest losses, while Atlanta and New York enter the season in positive real-wage territory.

The Wage Gap Is Now Local — The Economy Depends on Where You Live

San Francisco -18.94%

Hourly wages falling behind fast.

Wages ↓ 7.14% vs CPI↑ 11.80%

Seattle -14.91%

Minimal wage growth, major inflation hit.

Wages ↑ 2.87% vs CPI ↑ 17.78%

Chicago -9.97%

Wages rising, but far below inflation.

Wages ↑ 4.68% vs CPI ↑ 14.65%

Atlanta +5.34%

Strong wage gains outpace inflation.

Wages ↑ 19.33% vs CPI ↑ 13.99%

New York +1.40%

Wages edging ahead of inflation

Wages ↑ 16.80% vs CPI ↑ 15.31%

How to read the data:
The percentages represent the gap between local wage growth and inflation (Consumer Price Index) since early 2022.

- A negative number = wages are losing to inflation
- A positive number = wages are outpacing inflation

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What’s Ahead

2026 Signals

The Next Winning Metros Will Attract More Business Investment

- New York and Atlanta wage stability makes them standouts heading into 2026.
- These cities are positioned to attract logistics, events, and hospitality expansion — particularly as businesses look for predictable labor markets.
- Meanwhile, San Francisco and Seattle risk labor shortages.

Flexible Staffing as a Volatility Hedge

- Flexible hourly staffing gives businesses the agility to match labor to real-time demand without overextending resources.
- What used to be a scheduling tactic is now a strategic buffer — helping operators stay lean, responsive, and resilient in unpredictable conditions.

Real-Time Staffing is the New Competitive Advantage

- Instawork filled nearly 95% of shifts in 2025, often within hours, giving operators a convenient, reliable way to match labor with real-time needs.
- Workers who consistently show up on time are locking in better hours — and in some markets, it matters more than prior experience.

About the Instawork Quarterly Pay Index

The Instawork Quarterly Pay Index measures the relationship between hourly wages and consumer prices across key U.S. metros, providing one of the most real-time views of current labor market dynamics available. All series are indexed to February 2022 (100), with real-wage change calculated as wage growth minus the Consumer Price Index (CPI). Data sources include Instawork transactions (2022–2025), The Bureau of Labor Statistics, The Employer Cost Index and The Consumer Price Index.

Instawork

Instawork is the leading AI-powered marketplace in the U.S. and Canada, connecting local businesses with more than nine million skilled hourly professionals across hospitality, industrial, and retail. With its network of verified professionals and industry-leading trust and safety, Instawork helps companies like DoorDash, Hilton, Alibaba, and Walmart scale staffing with speed and confidence.

Our top-rated app attracts the largest pool of talent by offering flexibility, competitive pay, and meaningful opportunities for advancement—keeping businesses fully staffed and operational in fast-changing labor markets.

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