

# ATHENS STATE UNIVERSITY ECONOMIC UPDATES

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### **The Great Resignation to the Great Reshuffling, and Now the Great Stay: Trends in the Labor Market**

Jeff Johnson

The labor market of the early to mid-2020s has undergone significant transformations, marked by phases known as the Great Resignation, the Great Reshuffling, and the Great Stay. These trends reflect evolving worker sentiments and behaviors in response to global events, economic conditions, and shifting personal priorities.

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### **Side Hustles, Spreadsheets, and Self-Employment: Accounting for the Gig Economy**

Stacie Hughes & Michael Phillips

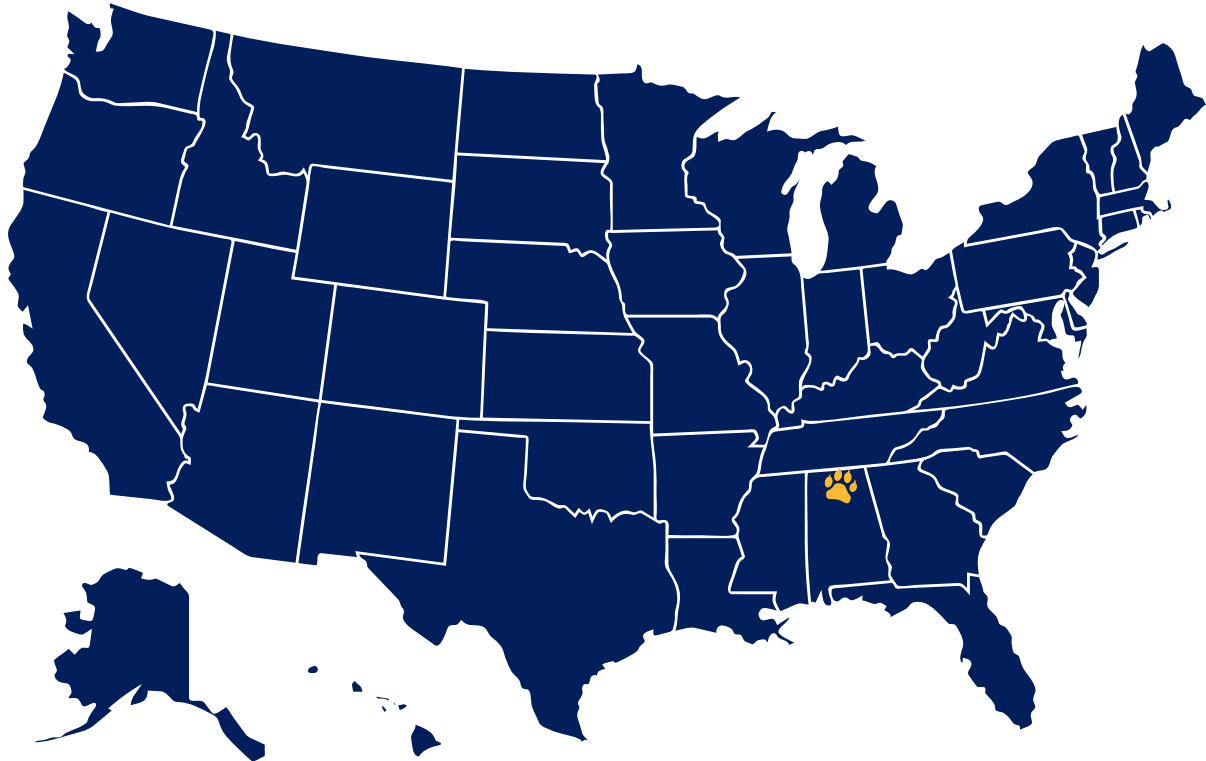
From Birmingham to Huntsville and beyond, more Alabamians and Americans are turning to gig work and self-employment to supplement their income or replace it entirely.

Whether delivering groceries, freelancing online, running an Etsy shop, or creating digital content, the gig economy has become a significant part of the modern workforce.

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**The mission of the College of Business is to offer programs of study to students that will prepare them for positions in business, finance, or government; enhance the professional development of those already employed; and provide an academic framework for graduate study leading to professional positions.**



## A LETTER FROM THE ASSISTANT DEAN

Dear Readers,

It is with great pleasure that I welcome you to this edition of Economic Updates, a publication of the College of Business at Athens State University. This communication reflects our ongoing commitment to academic inquiry and practical insights concerning the economic factors impacting various sectors of the local economy.

In these pages, you will find thoughtful analyses, current data trends, and forward-looking perspectives from faculty experts in several areas of business management. Whether examining regional market dynamics or global financial shifts, each contribution aims to equip our readers—students, professionals, and engaged citizens alike—with a deeper understanding of the economic forces shaping our region.

As we continue to navigate a rapidly changing economic landscape, the importance of sound research, critical thinking, and responsible leadership cannot be overstated. The work showcased here highlights not only the strategic business management focus of our College, but also our shared responsibility to contribute meaningfully to conversations that affect both our local economy and the global stage.

Thank you for your continued support of the College of Business. I hope this edition of Economic Updates informs, inspires, and sparks discussion as we collectively advance the mission of business, education, innovation, and service.

Warm regards,

*Cynthia Lovelace*

Assistant Dean, College of Business



## THE GREAT RESIGNATION TO THE GREAT RESHUFFLING, AND NOW THE GREAT STAY: TRENDS IN THE LABOR MARKET

Jeff Johnson, Assistant Professor of Management  
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### THE GREAT RESIGNATION

Initiated in early 2021 during the COVID-19 pandemic, the Great Resignation saw a substantial number of employees voluntarily leaving their jobs. In 2021, approximately 47.8 million workers quit their positions, averaging nearly 4 million resignations per month—the highest annual average on record at that time. This trend continued into 2022, with over 50 million workers resigning, indicating a persistent shift in the labor market.



Several factors contributed to this mass exodus, including wage stagnation amid rising living costs, limited opportunities for career advancement, hostile work environments, lack of benefits, inflexible remote-work policies, and long-standing job dissatisfaction. A Pew Research Center survey found that 63% of workers who quit their jobs in 2021 cited low pay, 63% pointed to no opportunities for advancement, and 57% felt disrespected at work as major reasons for leaving.

## THE GREAT RESHUFFLING

Following the initial wave of resignations, the labor market transitioned into a phase termed the Great Reshuffling. Rather than exiting the workforce entirely, many individuals sought roles that better aligned with their personal values, desired work-life balance, and career aspirations. This period was marked by employees moving across industries and positions in search of more fulfilling work environments.

Several factors contributed to this significant shift in the employment landscape:

- **DESIRE FOR GREATER CONTROL AND FLEXIBILITY:**

Many professionals sought more autonomy over their careers, prioritizing roles that offered flexibility, especially in terms of remote work options. This shift allowed individuals to better manage their personal and professional lives.

- **EMPHASIS ON PERSONAL WELL-BEING:**

The pandemic underscored the importance of mental and physical health, prompting workers to seek positions that supported a healthier work-life balance and overall well-being.

- **PURSUIT OF ENTREPRENEURSHIP AND FREELANCING:**

A notable segment of the workforce transitioned to self-employment, exploring entrepreneurial ventures or freelancing opportunities that provided greater control over their work and potential income.

The Great Reshuffling presented both challenges and opportunities for employers:

- **Talent Retention and Acquisition:**

Organizations face the dual challenge of retaining existing talent and attracting new employees in a competitive market. This scenario prompted a reevaluation of compensation packages, benefits, and workplace cultures to meet evolving employee expectations.

- **Adaptation to Employee Priorities:**

Employers recognized the need to adapt to the shifting priorities of the workforce, such as offering flexible work arrangements, opportunities for career development, and initiatives supporting employee well-being.



The Great Reshuffling had lasting effects on the labor market:

- **Normalization of Job Mobility:**

Frequent job changes became more accepted, with professionals seeking roles that better suited their evolving career goals and personal values.

- **Emphasis on Skill Development:**

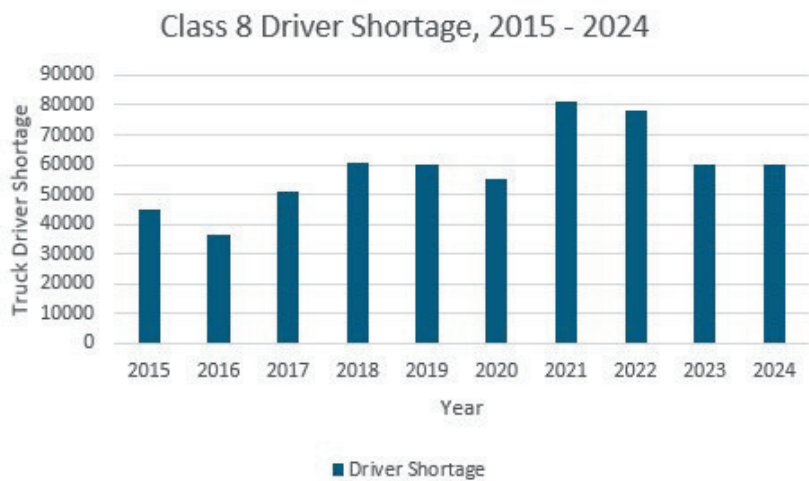
Both employees and employers placed a heightened focus on continuous learning and skill development to remain competitive in a rapidly changing job market.

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# IS THE U.S. TRUCKER SHORTAGE STILL A CONCERN IN THE ERA OF TRUMP TARIFFS?

Cynthia Lovelace, Associate Professor of Logistics,  
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The health of the transportation sector is a strong predictor of the health of the overall U.S. economy. In addition, since the motor carrier mode of freight carriage transports over 72.6% of the nation’s freight, the availability of truck drivers is critical to U.S. economic health. The motor carrier industry is threatened, however, by an ongoing shortage of truck drivers, which has been in place since at least 2005. This is shown in Figure 1 (below).



The American Trucking Association (ATA) calculates the driver shortage each year as the difference between the number of drivers currently in the market and the optimal number of drivers based on freight demand. Therefore, this shortage is also dependent upon current freight demand, which has been markedly dampened since mid-2022 due to the “Great Freight Recession”, characterized by a marked reduction in freight volumes, lower shipping rates, and resultant challenges for both carriers and shippers.

The build-up of excess carriage capacity in response to heavy demand during the COVID-19 pandemic has resulted in lower shipping rates in this current period of lower demand.

Inflationary pressures and diminished consumer spending since that time have further reduced freight demand within the manufacturing and retail sectors, exacerbating the problem. Other factors, such as geopolitical tensions and natural disasters post-pandemic, further reduced demand for freight, and thus transportation by motor carrier (truck). The impact of this reduction was most felt in the for-hire small-operator trucking sector, where over 25,000 for-hire trucking companies have ceased operations. These small operators, typically operating 5 trucks or less, constitute 85% of the trucking market.

There were signs of recessionary recovery within the motor carrier sector in the 2<sup>nd</sup> quarter of 2024, as evidenced by a 9% year-over-year increase in requests for U.S. shipments and a 1.3% increase in tender rejections. This improvement in motor carriage demand has been bolstered, at least temporarily, by President Trump’s new tariff policies, which affect a broad swath of U.S. trading partners, including China.

**LOOMING TARIFFS ON IMPORTED GOODS HAVE TEMPORARILY BOOSTED PORT ACTIVITY, WAREHOUSE VOLUMES AND TRUCKING DEMAND AS MANUFACTURERS AND RETAILERS SCRAMBLE TO IMPORT THOSE GOODS BEFORE THE TARIFFS TAKE EFFECT.**



This boost in trucking demand is expected to diminish over time as the higher costs of imported goods resulting from the Trump tariff war reduce import volumes and thus lower domestic freight demand. According to the Wall Street Journal (27 June 2025), “the current tariff environment has resulted in unpredictable shifts in import freight volumes and factory orders that have dampened hopes for increased shipping demand”.

The question then becomes, is the ongoing trucker shortage resolving, or is the likely ongoing, certainly volatile, U.S. freight recession masking a problem that hasn't gone away? The factors that motivate current truckers to leave the profession or not join it at all haven't gone away: Long periods away from home, inadequate facilities/parking for trucks while on the road, restrictive Hours of Service regulations, difficulties in finding applicants that meet minimum age and drug screen requirements, and safety concerns, among others.

While motor carriers have addressed these issues through improved pay, benefits, and other perks, the shortage remains flat at best.

In short, the perceived improvement in the truck driver shortage is driven not by an increase in trucker employment, but by the near-term effect of lower freight demand. Until the underlying causes of long-haul trucking employment decline are addressed, the shortage is expected to intensify once freight demand rebounds.



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Assistant Dean

# SIDE HUSTLES, SPREADSHEETS, AND SELF-EMPLOYMENT: ACCOUNTING FOR THE GIG ECONOMY

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According to Upwork's Freelance Forward 2023 report, there were approximately 64 million freelance or gig workers as of 2023, which is almost 40% of the U.S. workforce. The Association for Entrepreneurship estimates that number will reach nearly 100 million Americans by 2027. In 2023 alone, gig work contributed an estimated \$1.27 trillion to the U.S. economy, with projections climbing to \$1.9 trillion by 2027. This growing sector has a profound impact not only on the economy but also on the lives of those who rely on it.

For many, gig work is a pathway to financial independence. For others, it's a way to bridge the gap between jobs, caregiving responsibilities, or educational goals. But behind the flexibility and entrepreneurial spirit lies a common challenge: managing the financial side of gig work. From inconsistent income to unfamiliar tax obligations, many gig workers struggle to navigate the basics of budgeting, recordkeeping, and compliance. This is where accounting skills (and accountants themselves) can make a real difference.

**"FOR MANY,  
GIG WORK IS A  
PATHWAY TO  
FINANCIAL  
INDEPENDENCE."**



## FROM SIDE HUSTLE TO SMALL BUSINESS: ACCOUNTING IN A 1099 WORLD

Unlike traditional employees who receive a W-2 and have taxes withheld from each paycheck, gig workers often operate in a 1099 world. They're considered independent contractors, responsible for tracking their own income, setting aside money for taxes, and keeping records of deductible business expenses. Without proper guidance, it's easy to fall behind.

Basic accounting principles, like cash flow management, expense categorization, and quarterly tax planning, are essential. Yet, these topics are rarely covered in high school or general education. Many new gig workers learn the hard way when tax season rolls around.

## ACCOUNTANTS AS GUIDES: BRIDGING THE FINANCIAL LITERACY GAP

Accountants are uniquely positioned to help. Whether offering professional services or community education, they can demystify financial obligations and empower people to take control of their earnings. Even simple interventions, like helping someone set up a spreadsheet or understand mileage deductions, can have a meaningful impact.

At the university level, we also have an opportunity to prepare the next generation of workers for this evolving landscape. Integrating gig-economy scenarios into coursework, offering workshops on tax basics, and including freelance financial management in personal finance curricula can help students feel more confident stepping into side hustles or self-employment.



## Smart Accounting Moves for Side Hustles: Practical Tips for Gig Workers

### ✓ Track Everything

Use a simple spreadsheet, a notebook, or an app like QuickBooks Self-Employed to log all income and expenses.

### ✓ Separate Your Finances

Open a dedicated checking account for gig work. It simplifies tax prep and gives you a clearer picture of your finances.

### ✓ Save for Taxes

Set aside 25–30% of your income for taxes. It's better to save a little too much than not enough.

### ✓ Know What's Deductible

Common deductions include mileage, supplies, phone bills, software subscriptions, and a portion of your home office.

### ✓ Ask for Help Early

A short consultation with an accountant can prevent costly mistakes and help you keep more of what you earn.

## FINANCIAL LITERACY: PREPARING FOR THE FUTURE OF WORK

The gig economy is here to stay. As more individuals choose (or are pushed toward) nontraditional work models, the need for accessible, practical financial knowledge will only grow. Universities can play a leading role by making financial literacy and applied accounting knowledge a priority.

For those of us in the accounting profession, this shift is also a reminder that our work doesn't just live in spreadsheets and tax forms; it lives in the financial lives of real people. By meeting them where they are, we can help turn uncertainty into opportunity. As the nature of work continues to evolve, so too must our approach to education, service, and community outreach.



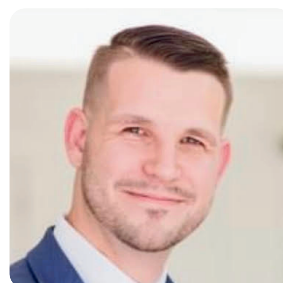
## POLICY IN ACTION: ALABAMA'S PORTABLE BENEFITS LAW

One example of this evolution is recent legislation here in Alabama. In April 2025, the state enacted groundbreaking legislation establishing portable benefit accounts for independent contractors, set to take effect on December 31, 2025. These accounts, managed by approved providers such as banks or investment firms, allow gig workers to save for essential benefits like health insurance, retirement, and income protection.

Beginning in the 2026 tax year, both hiring entities and independent contractors will be able to deduct 100% of their contributions to these accounts on their Alabama state income tax returns. Notably, contributions from hiring parties will not be considered evidence of an employment relationship, preserving the contractor status of gig workers and protecting their flexibility and independence. With this law, Alabama positions itself as a leader in supporting the financial security of its growing gig workforce.



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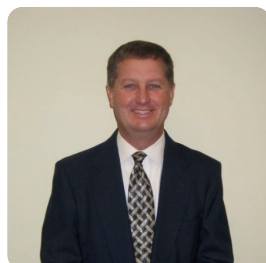
The Great Reshuffling marked a period of significant transformation in the labor market, driven by workers' desires for better alignment between their professional roles and personal aspirations. This shift compelled employers to adapt to new workforce dynamics, leading to lasting changes in employment practices and workplace cultures.

### THE GREAT STAY

In more recent times, a new trend has emerged, often referred to as the Great Stay or the Big Stay. This phase denotes a significant shift from the previous patterns, with workers opting to remain in their current positions longer. Several factors have contributed to this change, including economic uncertainty, improved work-life balance, and more meaningful employment opportunities. The Big Stay reflects employees' motivation to prioritize job stability in the face of evolving economic conditions.

Recent data indicates that the number of Americans quitting their jobs has declined. In November 2023, 3.47 million Americans left their jobs, marking the second-lowest reading since February 2021 and signaling a return to pre-pandemic levels. Additionally, in late 2024, the quit rate dropped to 3.3 million workers per month, nearly 200,000 fewer than pre-pandemic levels, reflecting a significant decrease in job turnover.

written by:  
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### IMPLICATIONS FOR EMPLOYERS AND THE WORKFORCE

These successive trends have profound implications for both employers and the workforce. During the Great Resignation, organizations faced challenges in retaining talent, prompting a reevaluation of workplace policies, benefits, and cultures. The subsequent Great Reshuffling emphasized the need for employers to offer roles that provide personal fulfillment, flexibility, and alignment with employees' values. Now, with the advent of the Great Stay, companies have an opportunity to capitalize on employees' desire for stability by fostering environments that support long-term career development, continuous learning, and job satisfaction.

For employees, these trends underscore the importance of aligning career choices with personal values and long-term goals. The shift from frequent job changes to longer tenures suggests a growing emphasis on stability, professional growth within organizations, and a holistic approach to career planning.

In conclusion, the transition from the Great Resignation to the Great Reshuffling and now to the Great Stay reflects the dynamic nature of the labor market and the evolving priorities of the workforce. Understanding these trends is crucial for both employers aiming to attract and retain talent and for employees seeking fulfilling and stable career paths in an ever-changing economic landscape.



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This publication is a service of the College of Business at Athens State University. It highlights the expertise and research capabilities of the University's faculty, offering valuable insights to both government and industry partners.

Each year, Athens State University releases an updated report to provide key data on the north Alabama economy and support the professional community in meeting the growing demands of an increasingly global marketplace. Our faculty work closely with government agencies and businesses to deliver services such as economic impact assessments, market analysis, employee climate surveys, training, and workforce development. We are ready to support your organization's needs.



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