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The Workforce Signal
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THIS WEEK

Hiring is slow, quits are low, and AI rules now carry a cost

Openings hold at 7.1 million while quits sit at 1.9% a month: fewer people leave, so replacement hiring shrinks but growth roles stay hard to fill. Wages are rising 3.1% a year. And AI used in hiring now carries notice duties in Illinois and audit duties in New York City.

1 Openings steady, quits low

US job openings were 7.1 million in August 2026 (a 4.3% rate), hires 5.2 million, and quits 3.1 million (1.9% a month), all little changed from July.

What it means for your plan: A 1.9% monthly quits rate adds up to roughly 23% a year across the economy, but voluntary churn is cooling. If your attrition assumption was set in a hotter market, your replacement-hire count may be overstated, which inflates the hires your plan needs.

Source: BLS JOLTS, Sept 29, 2026

2 Wages up 3.1% a year

Private-industry wages and salaries rose 3.1% in the 12 months ending June 2026; total compensation rose 3.3%. The next Employment Cost Index lands October 30.

What it means for your plan: A scenario built on today's salaries understates next year's cost of the hire option by about 3%. Outsourcing contracts with fixed rates look relatively better the longer the horizon.

Source: BLS Employment Cost Index, July 31, 2026

3 AI in hiring now has compliance costs

Illinois requires employers to notify applicants and employees when AI is used in employment decisions (in effect January 1, 2026). New York City requires an independent bias audit and candidate notice before automated hiring tools are used. Colorado's AI Act is enacted but its enforcement was stayed by a federal court on April 27, 2026.

What it means for your plan: If an automation scenario touches recruiting or employee decisions, audits, notices and record-keeping belong in its cost. Leaving them out flatters the automate option.

Source: National Law Review, May 2026

4 Few plans account for AI yet

Only 19% of CHROs say AI's expected effects are built into enterprise-wide workforce and financial planning, and 4% feel very prepared to lead AI-driven change.

What it means for your plan: Running the AI readiness assessment and putting an automate scenario in front of your leadership team puts you ahead of most peers.

Source: The Conference Board via HR Dive, Oct 7, 2026

THIS WEEK'S PLAYBOOK

Hire or outsource when the gap may be temporary

1. Set the horizon to the period you expect the gap to last, not 12 months by default.
2. Enter recruiting cost per hire and a realistic ramp-up: three months is common for skilled roles.
3. Compare the outsource break-even with the hire break-even. If outsourcing breaks even first and the gap may close, outsource and revisit in a quarter.
4. If the gap is permanent, extend the horizon: hiring usually wins once the ramp-up cost is spread over 24 months or more.

Read online and see past issues: nwtalentsolutions.com/signal/2026-10-12. NWTS DecisionIQ subscribers also see which assumption to update in their model.

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