

**NWTs**

NORTHWEST TALENT SOLUTIONS

The Workforce Signal

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THIS WEEK

Hiring nearly stalls, and AI rules for people decisions get 2027 dates

Employers added just 29,000 jobs in September, and July and August were revised down by a combined 60,000. California and Connecticut have put firm dates on rules for AI in people decisions, starting January 1, 2027 in California. And small firms that use AI expect to add staff, not cut them.

1 Job growth nearly stalls

Employers added 29,000 jobs in September 2026, below the average monthly gain of 45,000 over the prior 12 months, and July and August were revised down by a combined 60,000. Unemployment was 4.2%, health care added 17,000 jobs, and average hourly earnings rose 3.0% over the year.

What it means for your plan: A slower market can make some roles easier to fill. But unemployment is still near 4.2% and health care keeps hiring, so do not assume every role fills faster or cheaper. Pay is still rising about 3% a year.

Source: [BLS Employment Situation, Oct 2, 2026](#)

2 California sets AI deadlines for 2027

California's CCPA rules on automated decision-making technology require compliance for significant decisions by January 1, 2027, including pre-use notice, an opt-out (not required if a human appeal process is offered) and access rights. Governor Newsom signed S.B. 947, the No Robo Bosses Act, on September 30; it takes effect July 1, 2027 and requires a stand-alone post-use notice.

What it means for your plan: An automate scenario that affects California workers or candidates needs notices and a human review or appeal step built in, and the first deadline is about ten weeks away. Budget reviewer time, not just software.

Source: [Gibson Dunn, AI in Employment Newsletter, Oct 5, 2026](#)

3 Connecticut's AI law is partly in force

The anti-discrimination provisions of Connecticut's S.B. 5 (Public Act 26-15) took effect October 1, 2026. Its provisions on automated employment decision technology apply to tools deployed on or after October 1, 2027.

What it means for your plan: If you employ people in Connecticut, AI-assisted decisions already sit under the new anti-discrimination provisions. A tool you deploy after October 2027 carries added duties, so the go-live date of an automation project can change its cost.

Source: [Gibson Dunn, AI in Employment Newsletter, Oct 5, 2026](#)

4 Small firms using AI expect to hire

46% of small employer firms said they or their employees were using AI tools, and another 15% planned to adopt them within a year. AI users had a 33-point net expectation of higher employment over the next 12 months, versus 15 points for non-users, and 77% reported no change in labor costs from AI. The survey was fielded September to November 2025.

What it means for your plan: In this survey, using AI went with plans to grow headcount, not shrink it. These are expectations, not results, so model an automate scenario as capacity you can redeploy before you count it as headcount savings.

Source: [Federal Reserve Bank of New York, Liberty Street Economics, Oct 8, 2026](#)

THIS WEEK'S PLAYBOOK

Check AI rules before you automate a people decision

1. List each scenario where a tool screens, ranks, schedules, disciplines or ends employment for people, and note the states where those people work.
2. For California and Connecticut workers, add the cost of notices, a human review or appeal step, and record-keeping to the automate build cost.
3. Set the go-live date with the rule dates in view: January 1, 2027 (California CCPA rules), July 1, 2027 (No Robo Bosses Act) and October 1, 2027 (Connecticut tool provisions).
4. Model the hours the tool frees up as capacity to redeploy, then compare that scenario with the hire option.
5. Ask employment counsel to confirm which rules apply before you commit. This is planning guidance, not legal advice.

Read online and see past issues: nwtalentsolutions.com/signal/2026-10-19. NWTS DecisionIQ subscribers also see which assumption to update in their model.

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