NWTS
NORTHWEST TALENT SOLUTIONS
The Workforce Signal
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THIS WEEK

Quits pick up, benefits outpace pay, and Colorado drafts AI review rules

Quits rose to 2.1% a month in September, the first reading above 2% since June 2025, while layoffs stayed near 1%. Private-sector benefit costs rose 3.9% over the year, faster than wages at 3.1%. And Colorado's draft AI rules, due to take effect January 1, 2027, would require written explanations and human review for adverse employment decisions.

1 Quits climb back above 2%

Job openings rose to about 7.5 million in September 2026 (a 4.5% rate). Quits increased to about 3.4 million, or 2.1% a month, up from 1.9% in August and above 2% for the first time since June 2025. Hires rose to about 5.4 million (3.4%), and layoffs and discharges fell to about 1.6 million (1.0%).

What it means for your plan: One month is not a trend, but attrition may be edging up from its lows. If your plan assumes last year's very low turnover, test a scenario with slightly higher attrition before you set the replacement-hire budget.

Source: BLS JOLTS, Nov 3, 2026 (figures as reported by Reuters and Indeed Hiring Lab, Nov 3, 2026)

2 Benefit costs outpace wages

The cost of employing a worker rose 0.8% in the third quarter of 2026, down from 0.9% in the second quarter. For private-industry workers, total compensation rose 3.4% over the year, wages and salaries 3.1%, and benefit costs 3.9%, led by a 6.4% rise in employers' health insurance costs.

What it means for your plan: Wage growth near 3% is only part of the cost of a hire. If your loaded cost per head uses a single growth rate, benefits may push the real increase higher. Price the hire option with wages and benefits grown separately.

Source: BLS Employment Cost Index, Oct 30, 2026 (via Marketplace and Indeed Hiring Lab, Oct 30, 2026)

3 Colorado drafts AI review duties

Colorado's Automated Decision-Making Technology Act and its rules are due to take effect January 1, 2027, and expressly cover hiring and other employment decisions. The draft rules would require notice before a covered tool is used, a written explanation within 30 days of an adverse outcome, meaningful human review where commercially reasonable, and at least three years of compliance records. A public hearing was held October 26, 2026; the rules are not yet final.

What it means for your plan: If you employ or recruit people in Colorado, an AI tool that screens or ranks them may need a trained human reviewer and a paper trail. Count reviewer hours and record-keeping as part of the automate option, not as an afterthought.

Source: Jackson Lewis, Workplace Privacy Report, Nov 3, 2026; Fisher Phillips, Aug 14, 2026

4 AI layoffs may be reversed later

Gartner predicts that by 2029 around 30% of employees who were terminated and replaced by AI will be rehired, typically at a greater cost to the enterprise. Gartner also found that only 19% of firms have practices in place to help leaders understand how work is changing.

What it means for your plan: Cutting roles before the work is redesigned can cost more later in rehiring and lost knowledge. Map how the work changes first, then decide whether a role shrinks, shifts or stays.

Source: ITPro, reporting Gartner research, Nov 2, 2026

THIS WEEK'S PLAYBOOK

Refresh your 2027 cost and attrition assumptions

1. Compare your trailing 12-month attrition with last year's plan figure, then add a sensitivity case a few points higher to see how many more replacement hires it would take.
2. Split the cost of a hire into salary and benefits, grow each at its own rate, and check the benefits line against your actual renewal quote.
3. For any automate scenario, describe how the work changes before you remove a role, and keep a redeploy option alongside the reduce option.
4. If a tool screens, ranks or decides about Colorado employees or applicants, add notice, human review and three-year record-keeping to its cost.
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/2026-11-05. NWTS DecisionIQ subscribers also see which assumption to update in their model.

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