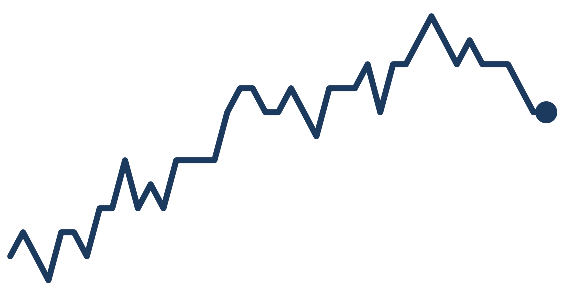
US jobs: the calm before the storm?

The unemployment rate, at **4.1 per cent**, and some other measures have eased this year. The Fed calls the economy solid, and several economists called August's jobs report strong. But the pressure built over three years is still there: people are out of work for longer, hiring is near its lowest on record, and payroll jobs for August 2024 and 2025 were each revised down by about a million. And the pressure from outside the job market has not let up.

THE HEADLINE NUMBER

Unemployment rate

per cent

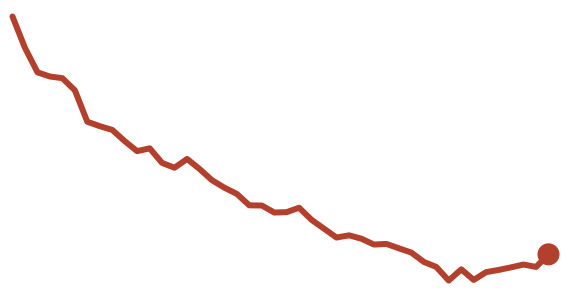


3.5 **4.1**

Jan 2023 Aug 2026

Payroll jobs, YoY

per cent change on a year

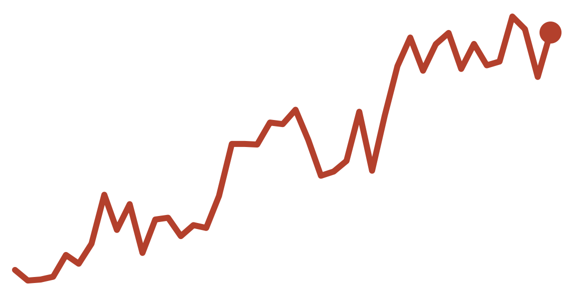


3.2 **0.4**

Jan 2023 Aug 2026

Out of work 6 months+

per cent of the labour force

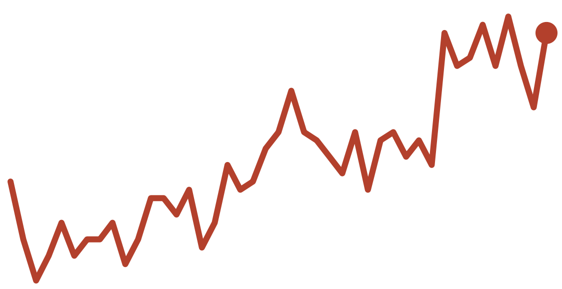


0.66 **1.14**

Jan 2023 Aug 2026

Median time out of work

weeks

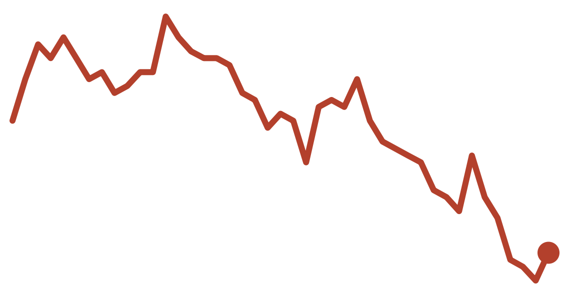


9.6 **11.4**

Jan 2023 Aug 2026

Personal saving rate

per cent

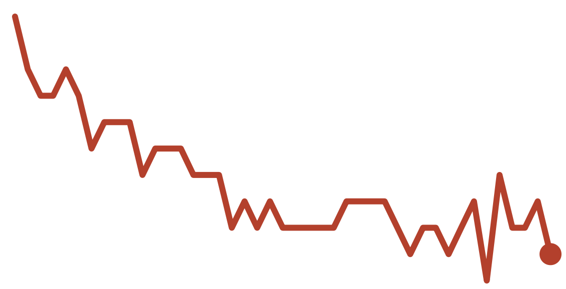


4.9 **3.0**

Jan 2023 Jul 2026

Hiring rate

per cent of employment



4.1 **3.2**

Jan 2023 Jul 2026

SOURCES FRED, BLS and BEA. Full sources on page two and each page.

Where these numbers come from

Six official sources carry most of this deck, each counting a different thing on a different clock.

WHY THE TWO JOB NUMBERS DISAGREE

Payrolls count jobs. The household survey counts people. Someone holding two jobs adds two to the first and one to the second.

The household survey is the wider one. It takes in the self-employed, farm work, paid help in homes and people on unpaid leave. Payrolls leave all four out.

Neither one is exact. A payroll change has to reach **122,000** before the survey can tell it from noise. A household change has to reach **650,000**.

Every series here can be pulled from its original source. Many are also in one place on TIGZIG TREMOR, to chart, overlay, download or pull through an API or MCP.

SOURCE	WHO IS COUNTED	HOW LATE	IS IT REVISED
CPS The household survey	About **60,000 households**. Counts people, so a second job shows once.	First Friday after the month	**Once a year.** The seasonally adjusted series, used here, are recut each January over five years.
CES The payroll survey	**119,000 businesses**, **622,000 worksites**, **26 per cent** of payroll jobs. Counts jobs.	Same day as the household survey	**Twice** in two months, then checked each year against a near census of employers.
JOLTS Openings and turnover	About **21,000 establishments**.	Five to six weeks after	**Once**, the next month. Then pinned to revised payrolls each January.
CPI Consumer prices	Prices taken in **75 urban areas**. Urban households, no farm or rural.	About two weeks after	**The raw index, never.** The seasonally adjusted series, used here, is recut each year over five years.
BEA The national accounts	**Nobody.** An accounting build from Census, BLS, IRS and Treasury data.	About four weeks after	**Three cycles.** Each month, five years every September, a rebuild every five years.
ALFRED Every figure as first published	Not a survey. The archive of what each series said on the day it came out.	Updated with each release	**Never.** That is the point: it keeps the versions others overwrite.

The Fed and several economists read the same numbers as solid

The Fed raised rates, and economists called August strong.

The Fed, 16 September

WHAT THE FED SAYS	WHAT THE DATA SHOWS
"Economic activity is expanding at a solid pace."	Real GDP is up **2.1 per cent** on a year earlier.
"Job gains have kept pace with the workforce, and the unemployment rate has changed little."	The rate has held between **4.0 and 4.5** since 2025. But the workforce is **688,000 smaller** than in January, so keeping pace takes fewer jobs.

Economists and strategists on August jobs, 4 September

Payrolls rose **162,000** against about 53,000 expected, the most since March.

"This print was unambiguously strong."	Jeff Schulze, Franklin Templeton
"...evidence of a stable labor market..."	Jennifer Timmerman, Wells Fargo
"Very strong" on payroll.	Jan Hatzius, Goldman Sachs
Labor market clearly not weakening	Roger Ferguson, former Fed vice chair

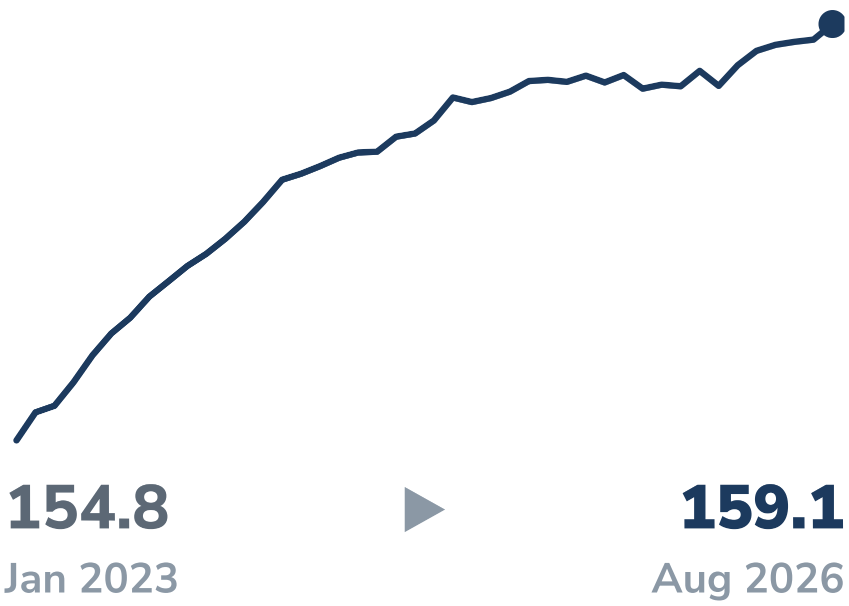
Not all agreed. "The broader trend of labor market rebalancing is still intact," said Tim Urbanowicz of Innovator ETFs. The next pages look at that side.

SOURCES Federal Reserve, FOMC statement, 16 Sep 2026. CNBC, 4 Sep 2026: Schulze, Timmerman, Urbanowicz and the Dow Jones payroll forecast from CNBC's round-up of the report; Hatzius and Ferguson as CNBC headlined their interviews (Hatzius, Ferguson). Data from FRED; labour force January to Aug 2026 on one population base.

The headline numbers look calm, but jobs are being added far more slowly

Job growth has slowed sharply over three years. This year has been better than last, ▶ **in months not yet revised.**

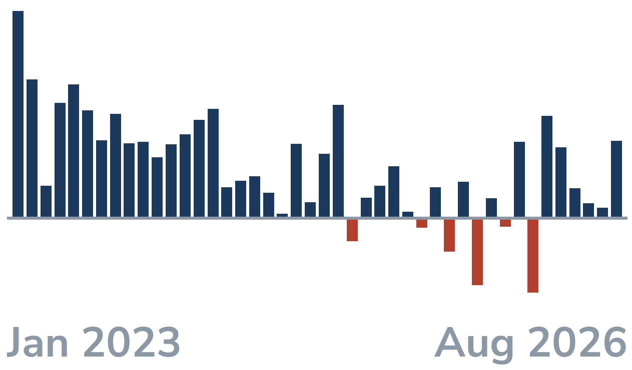
Payroll jobs
millions



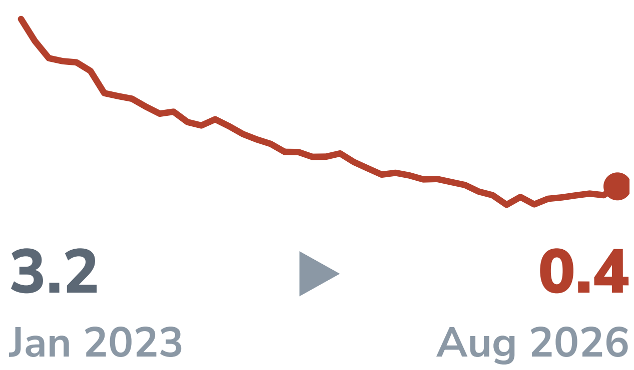
- Jobs are at a record **159.1 million**.
- YoY growth: **3.2 per cent** in Jan 2023, **0.07** in Dec 2025, **0.4** now.
- Added Jan to Aug: **1.9 million** in 2023, **900,000** in 2024, **156,000** in 2025, **643,000 in 2026**.
- **Five months of 2025 lost jobs**, four within the margin of error. 2026 has had one, in February.
- Unemployment is **4.1 per cent**: 3.5 in Jan 2023, 4.3 in January.

Unemployment rate
per cent

Jobs added each month
thousands, change on month

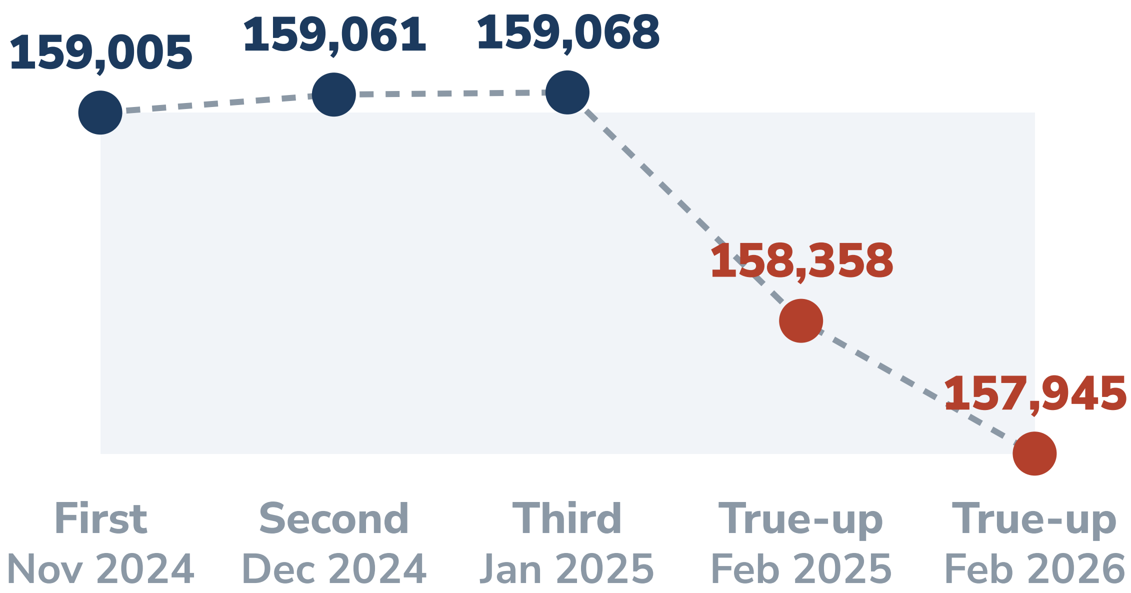


Payroll jobs, YoY
per cent change on a year



SOURCES FRED. Unemployment rate from the Current Population Survey, a survey of households; payroll jobs from the Current Employment Statistics survey, a survey of employers; both from the US Bureau of Labor Statistics, seasonally adjusted. The bars are the change on the previous month and the latest two are preliminary. YoY is the per cent change on the same month a year earlier.

Payroll jobs were revised down by a million, two years running



Payroll jobs for **October 2024**, counted five times, in thousands.

The last count is **1,060,000 fewer** than the first. Both big cuts came at the **yearly true-ups**, against tax records.

THOUSANDS	FIRST	TODAY	CHANGE
August 2021	147,190	147,314	+124 (+0.08%)
August 2022	152,744	153,362	+618 (+0.40%)
August 2023	156,419	156,261	-158 (-0.10%)
August 2024	158,779	157,757	-1,022 (-0.64%)
August 2025	159,540	158,472	-1,068 (-0.67%)
August 2026	159,075	159,075	not yet

It does not always go this way. Fourteen of the twenty-six Augusts since 2000 now stand higher than first reported. The early estimate of the next true-up, published on **28 August**, is a cut of **79,000**, far smaller than the last two.

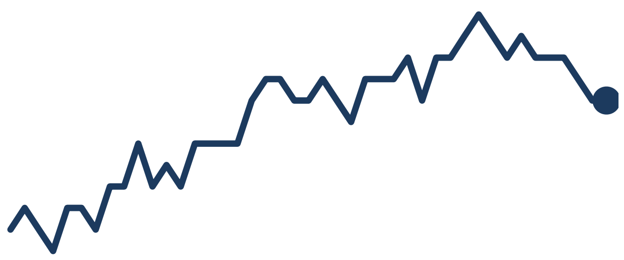
SOURCES ALFRED, the vintage archive behind FRED, which holds every figure as first published. Payroll jobs, seasonally adjusted, from the Current Employment Statistics survey (CES), US Bureau of Labor Statistics. The staircase is October 2024 counted five times; the table is August of each year. The yearly true-up reconciles the survey against tax records, and August 2026 has not had one.

Unemployment fell this year, but people are out of work for longer

Fewer people are out of work than at their recent peaks. Those who are out are **staying out longer** than three years ago, and that has barely eased. Since January **337,000 fewer** are unemployed, but 351,000 fewer are in work too, on the household survey. Payrolls show 483,000 more jobs.

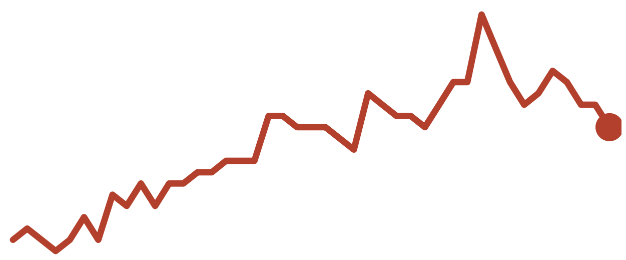
HOW MANY ARE OUT OF WORK

Unemployment rate
per cent



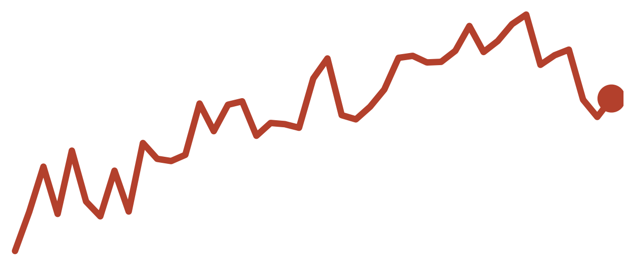
3.5 ▶ **4.1**
Jan 2023 Aug 2026

Broad rate, U-6
adds part-timers, discouraged



6.7 ▶ **7.7**
Jan 2023 Aug 2026

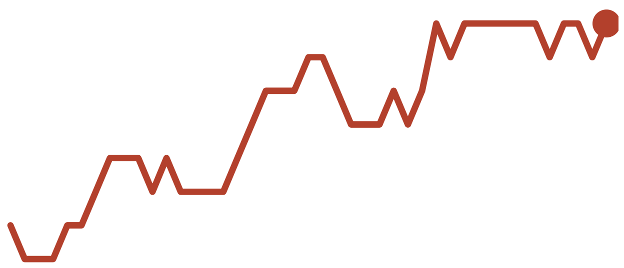
Laid off for good
per cent of the labour force



0.78 ▶ **1.05**
Jan 2023 Aug 2026

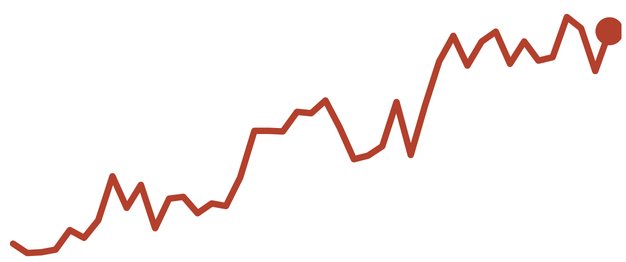
HOW LONG THEY STAY OUT OF WORK

Out of work 15 weeks+
per cent of the labour force



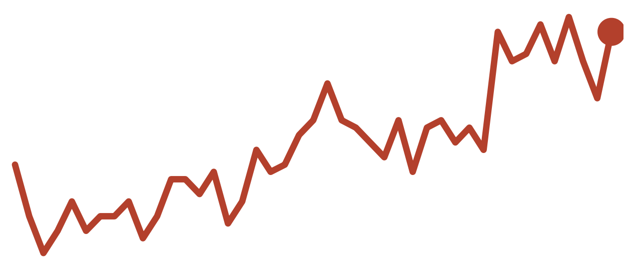
1.2 ▶ **1.8**
Jan 2023 Aug 2026

Out of work 6 months+
per cent of the labour force



0.66 ▶ **1.14**
Jan 2023 Aug 2026

Median time out of work
weeks



9.6 ▶ **11.4**
Jan 2023 Aug 2026

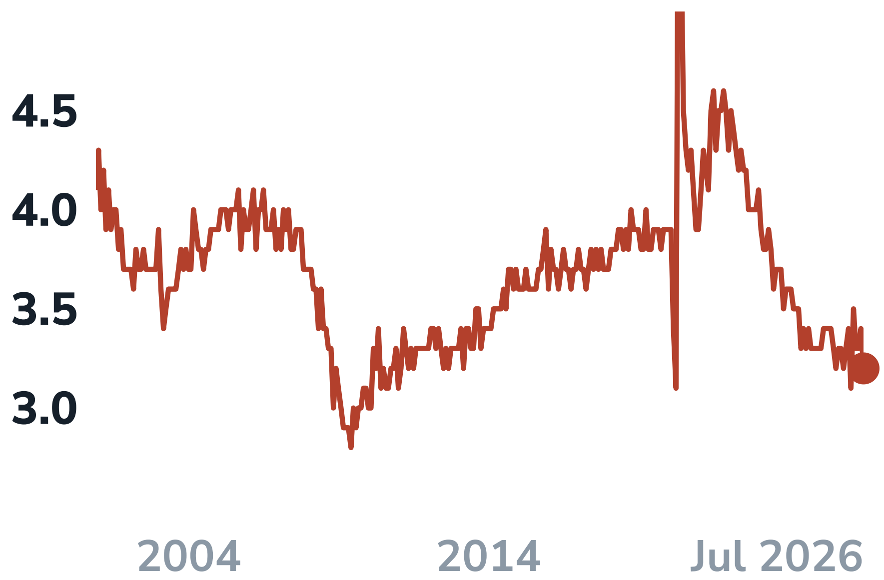
SOURCES FRED, Current Population Survey, published by the US Bureau of Labor Statistics, seasonally adjusted. The unemployment rate is U-3, the published headline. U-6 adds people working part time who want more hours and people who have stopped looking. Out of work 15 weeks+ is U-1. Laid off for good is permanent job losers still unemployed, a count of people out of work now; JOLTS layoffs on page eight count layoffs in a month. There is no October 2025 reading in any of these series: the survey was not carried out during the government shutdown.

Job openings are high, but hiring is near its lowest on record

Hiring has been lower than today only **during and just after the 2008 financial crisis**, for one month in the pandemic, and in February this year.

Job openings **4.4**
per cent of employment plus openings

Hires **3.2**
per cent of employment
peaks at 6.1 in May 2020, above the top



Employers are still advertising, but hiring has slowed to levels last seen after 2008.

SOURCES FRED. The Job Openings and Labor Turnover Survey (JOLTS), published by the US Bureau of Labor Statistics, monthly since December 2000. Openings have been lower than today's 4.4 in 226 of 308 months, hires lower than 3.2 in 21. The two rates do NOT share a denominator: openings are a share of employment plus openings, hires a share of employment alone, so they can be read side by side and cannot be subtracted from one another. Ends in Jul 2026.

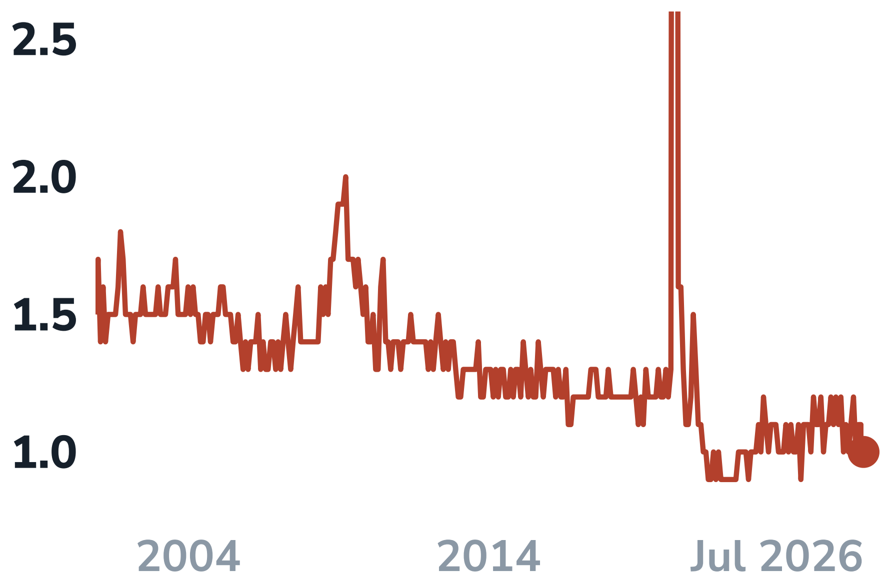
People are holding on to the jobs they have

Layoffs have been lower only in **2021 and 2022**, when employers were short of workers, and in one month of 2024. People quit about as rarely as in **2014**.

Layoffs **1.0**

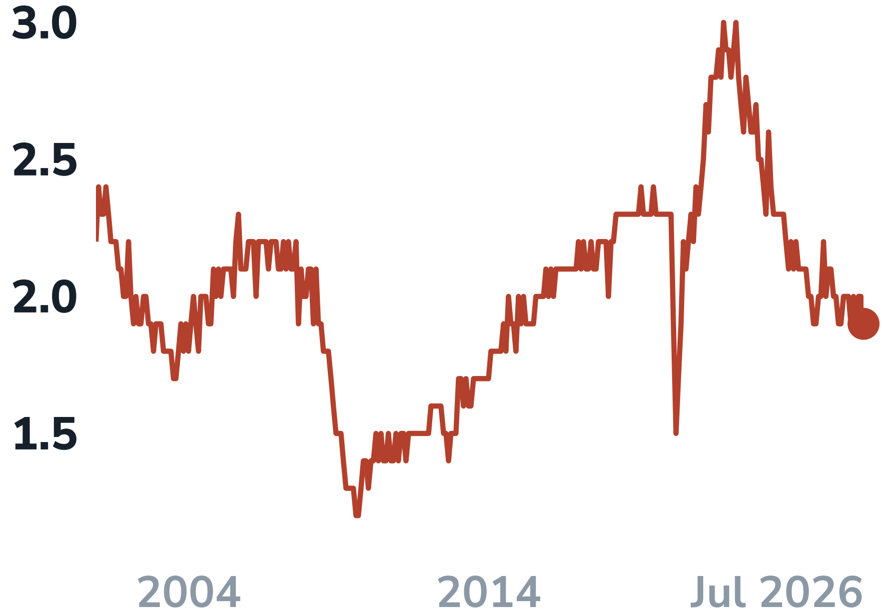
per cent of employment

peaks at 8.6 in Mar 2020, above the top



Quits **1.9**

per cent of employment



Slow hiring normally comes with more people losing their jobs. Not this time. Hiring and layoffs this low together **did not happen once from 2000 to 2023**, and it has happened **13 times since June 2024**.

If layoffs are this low, why is "laid off for good" on page six higher than three years ago? Layoffs count people let go each month, and that is flat. Laid off for good counts those still out of work. With hiring slow they stay out longer: the average for everyone unemployed went from **20.4 weeks** in January 2023 to **26.3**.

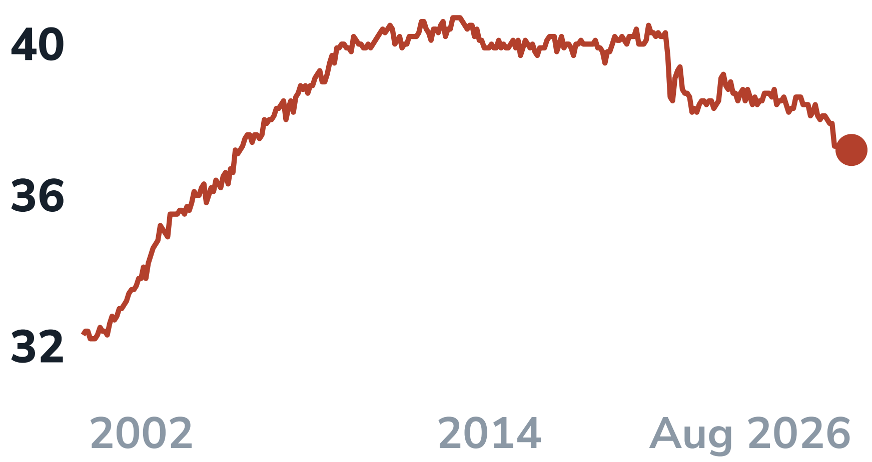
SOURCES FRED. The Job Openings and Labor Turnover Survey (JOLTS), published by the US Bureau of Labor Statistics, monthly since December 2000. Both rates are a share of employment, and the layoffs series is layoffs and discharges. HOW THE MONTHS ARE COUNTED: hiring at or below 3.3 and layoffs at or below 1.1, a tenth above today's readings so one-decimal rounding cannot decide it, with 2020 excluded because both series leave their range that year. On today's exact readings the count is 2. Ends in Jul 2026.

Bank of America: the stock boom is fuelling a retirement party

The share of over-55s in the workforce fell from **38.6** per cent in August 2024 to **37.2**. If stocks fall, some may come back.

All adults **61.6**
per cent in the workforce, 16 and over

Over 55 **37.2**
per cent in the workforce



> *"Labor force participation is collapsing among older workers. We think the strength of the equity market is partly to blame."*
>
> Bank of America economists, via CNBC

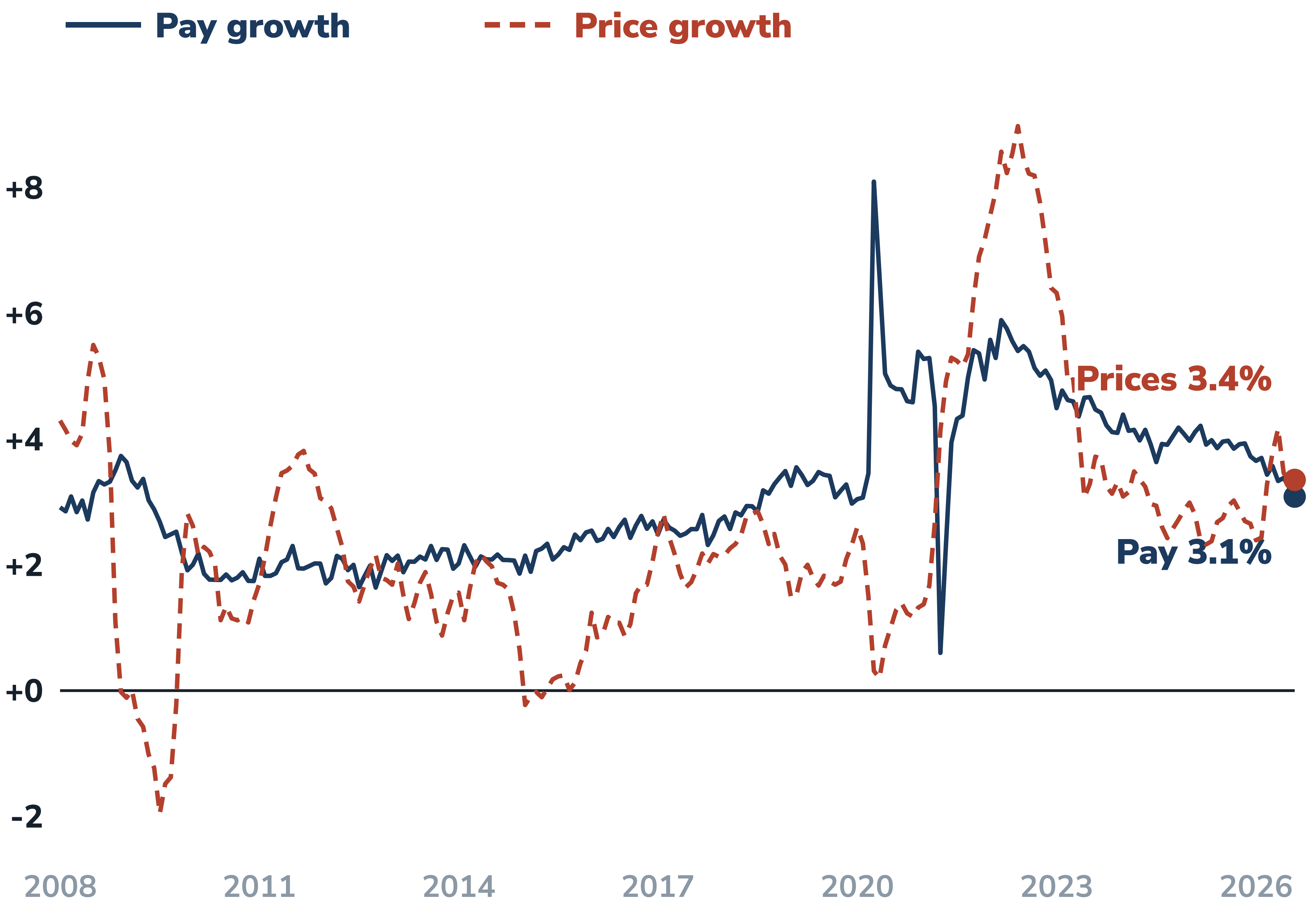
> *"An end to the boom-fueled retirement party could pose a risk to the labor market and economy."*
>
> CNBC, summarising economists

Age plays the larger part. More than 4 million Americans turn 65 each year, and people aged 55 to 64 are more likely to be in the workforce than in 2019.

SOURCES AND METHOD US Bureau of Labor Statistics, Current Population Survey, seasonally adjusted via FRED; charts cross yearly population revisions, and 0.6 of the over-55 fall came in January 2026 when BLS revised its population figures. Age: a shift-share split by band (55 to 64, 65 and over), January to Aug each year, puts most of the fall since 2019 on the rising share of over-65s. CNBC, 21 Sep 2026: stock gains fuel retirements (also the 4 million).

Pay growth slowed, prices sped up

Over the year to Aug 2026, pay growth fell from 4.0 per cent to 3.1 while inflation went from 2.9 to 3.4. The two lines crossed.



WHAT MOVED THE GAP, OVER THE YEAR

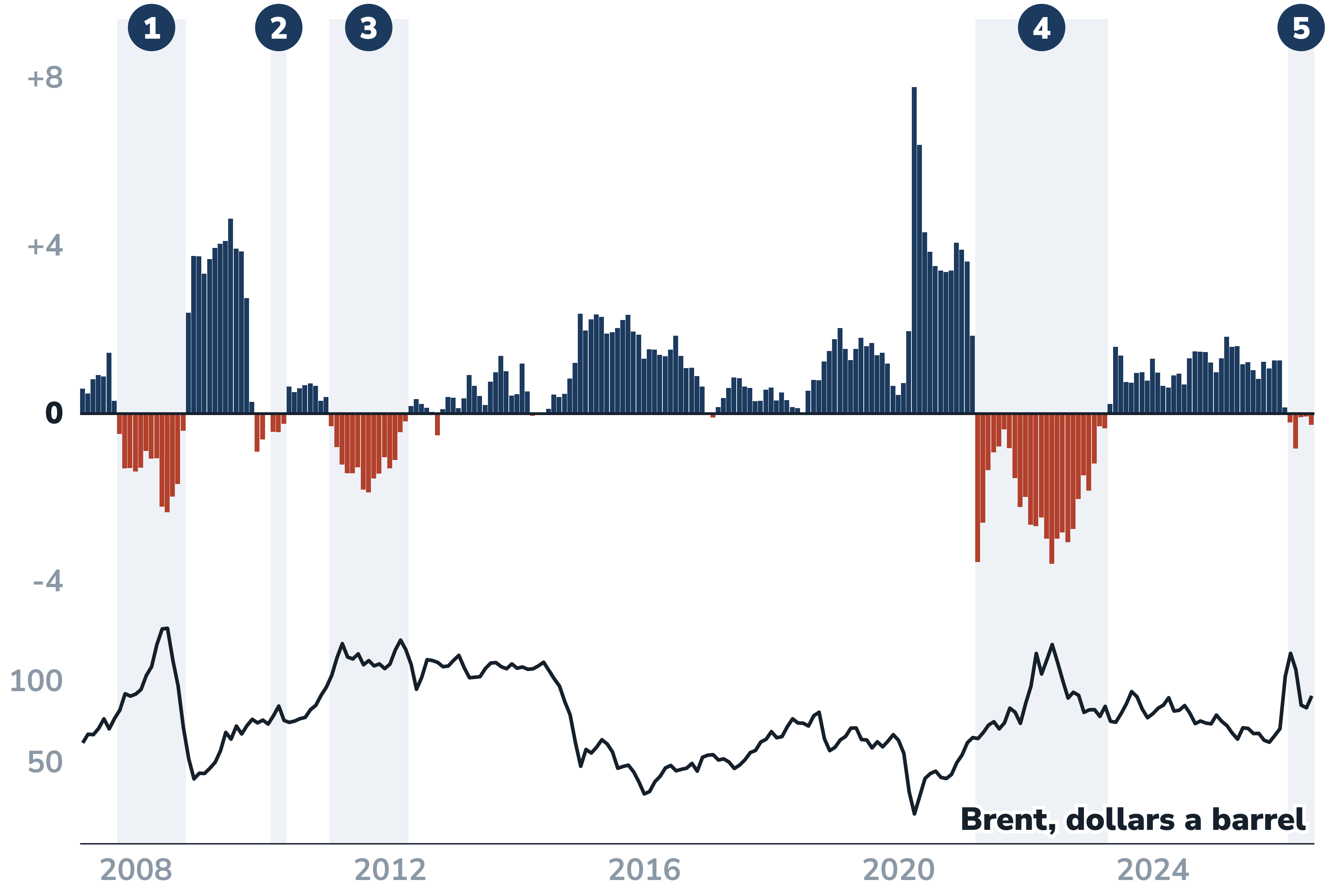
Pay growth slowed	**0.89 points**
Prices sped up	**0.41 points**
The gap moved	**1.30 points**

SOURCES FRED. Average hourly earnings for all private employees, from the Current Employment Statistics survey (CES), against CPI for all urban consumers, year on year, both published by the US Bureau of Labor Statistics. The chart draws both from 2008.

So pay fell behind prices

Private-sector hourly pay has grown more slowly than prices for **five months in a row**, the first such stretch since 2023, by **0.3 of a point** in the latest month.

How far pay growth ran ahead of or behind price growth, percentage points · all private employees, monthly, with Brent below on the same timeline. Shaded stretches are the five episodes, listed on the next page



SOURCES AND METHOD FRED. Average hourly earnings for all private employees, from the Current Employment Statistics survey (CES), against CPI for all urban consumers, both from the US Bureau of Labor Statistics. Oil is Brent, monthly averages, published by the US Energy Information Administration and taken from FRED. This is **hourly** pay against **headline** prices, and both choices decide the answer: against core prices pay is ahead in all five months, and against weekly pay there is no 2026 stretch. The 2020 spike reflects who was still employed, not pay rises.

Five times in twenty years

What else was going on. Oil rose in the year before all five, twice as a rebound from a crash rather than a shock.

1. **Oct 2007 to Oct 2008**
13 months below, deepest -2.4 points

Oil went from **82 dollars to 133**. The **financial crisis** ran through the same months: recession from December 2007, Lehman in September 2008.

2. **Mar 2010 to May 2010**
3 months below, deepest -0.4 points

Gasoline fell **43 per cent** in 2008 and came back **54** in 2009, a rebound rather than a shock. Unemployment near 10.

3. **Feb 2011 to Apr 2012**
15 months below, deepest -1.9 points

The Arab Spring. Libya's civil war cut its oil output by **60 to 90 per cent** and oil went from 104 dollars to 123.

4. **Apr 2021 to Apr 2023**
25 months below, deepest -3.6 points

Reopening and **supply-chain shortages**, then Russia invaded Ukraine. Prices peaked at 9 per cent and **core prices at 6.6**, which is food and energy stripped out.

5. **Apr 2026 to Aug 2026**
NOW
5 months below, deepest -0.8 points

A war with Iran **shut the Strait of Hormuz**. Oil left its old range in March: **above 90 dollars on seven trading days in ten** since, against a 2024 to 2025 median of 75.

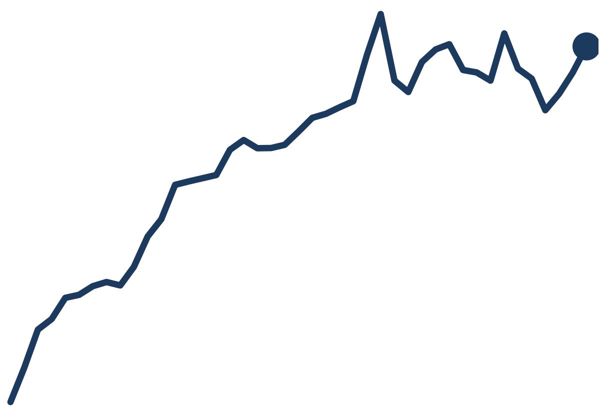
SOURCES AND METHOD A stretch is **three or more months in a row** with pay behind prices, and two stretches three months or less apart count as one; the month count is the months below, not the span. Oil is Brent (DCOILBRENTEU), published by the US Energy Information Administration and taken from FRED; the Libya output cut is from EIA, 2011. Dollar figures are monthly averages; seven in ten is 101 of 142 daily closes since 1 March; the latest months are not final. Gasoline, pay and prices are BLS. Prices here are **CPI**, and that decides the count: against core PCE, the Federal Reserve's own target index, there is **one** episode in twenty years rather than five.

Incomes have stopped growing and people are saving less

Income per head is up **0.2 per cent** over the year, and spending per head **1.9**. Spending has kept going, so people save less.

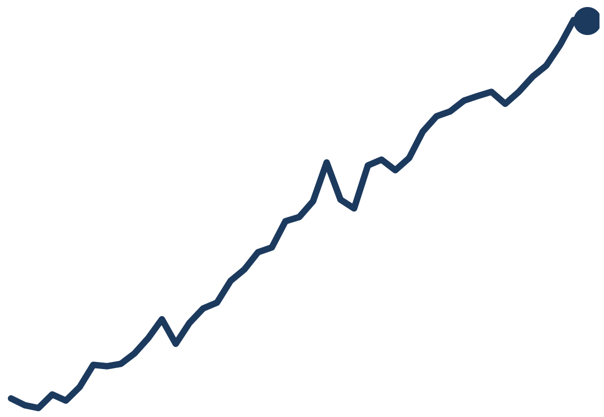
The same three years, to Jul 2026

Income per person
dollars a year, after inflation



50,353 ▶ **52,849**
Jan 2023 Jul 2026

Spending per person
dollars a year, after inflation



46,167 ▶ **49,288**
Jan 2023 Jul 2026

Personal saving rate
per cent

4.9 ▶ **3.0**
Jan 2023 Jul 2026

On today's figures, which BEA revises heavily, Americans have saved this little in only **three other stretches since 1959**: a single month in 2001, three months in 2022, and the three years to **April 2008**, before the financial crisis.

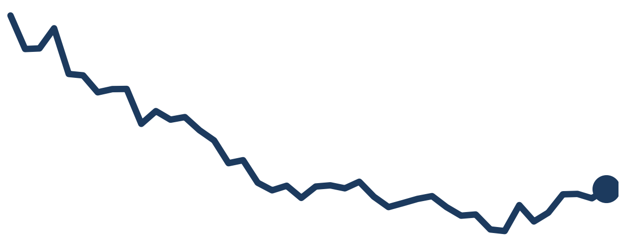
Over the year, spending per head grew **1.7 points** faster than income per head. That gap is why saving fell.

SOURCES FRED. Saving rate and real disposable income per head, real consumer spending and population all from the Bureau of Economic Analysis. Spending per head is real personal consumption divided by population, built on the same basis as income per head. All three charts are drawn to Jul 2026, the latest month all three have. THE SAVING RATE IS A RESIDUAL between two much larger numbers and BEA revises it heavily: July 2024 was first published at 2.9 and now reads 5.3. The direction holds on any vintage; a single month should not be read too closely.

Other measures give a more mixed picture

The first two point the same way as the pages before. The other four show a steadier job market: fewer people stuck in part-time work, few being let go, and weekly pay still ahead of prices.

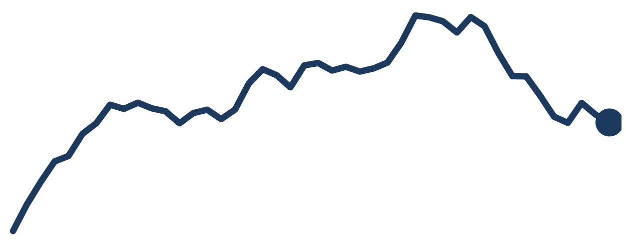
Job openings
per unemployed person



1.79 ▶ **1.05**
Jan 2023 Jul 2026

Fewer openings for each person looking, and below the 1.16 of 2018 and 2019.

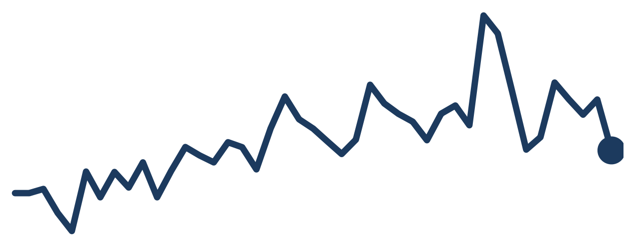
Continuing claims
thousands, still on benefit



1604 ▶ **1778**
Jan 2023 Aug 2026

More people still drawing unemployment benefit, though fewer than last year.

Part time, want full time
millions



4.0 ▶ **4.4**
Jan 2023 Aug 2026

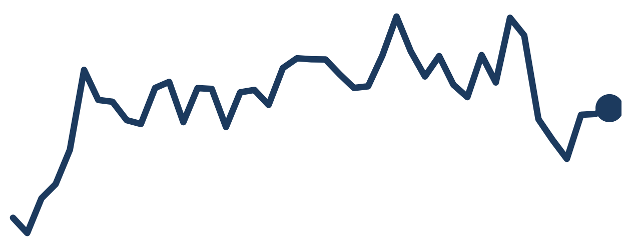
Below the 4.6 million of 2018 and 2019, and down from 4.8 a year ago.

New claims
thousands a week

204 ▶ **206**
Jan 2023 Aug 2026

No lasting rise, and below the 219 thousand of 2018 and 2019.

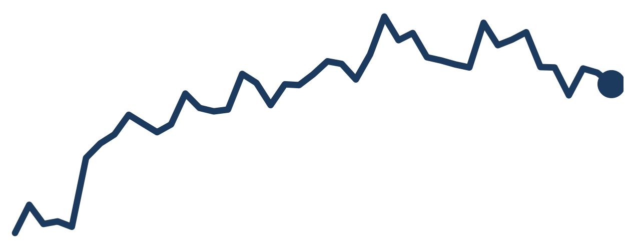
Pay minus prices
weekly pay, points



-1.53 ▶ **0.34**
Jan 2023 Aug 2026

Ahead of prices from June 2023. Behind in April and May, just ahead now.

Hourly pay minus core
points



-1.05 ▶ **0.64**
Jan 2023 Aug 2026

Against prices without food and energy, ahead every month since August 2023.

SOURCES AND METHOD FRED, from the US Bureau of Labor Statistics and the Department of Labor. Job openings per unemployed person is JOLTS openings over the unemployed, to Jul 2026. Claims are weekly filings to state programmes, averaged by month. Part time, want full time is people working part time for economic reasons. Pay minus prices is year-on-year growth in average weekly earnings (CES0500000011) less CPI inflation; the core panel is average hourly earnings (CES0500000003) less core CPI. All charts run from Jan 2023, with no October 2025 household reading (shutdown).

My read

Labour is under pressure, and that is one part of a bigger story. The pressure runs across the economy, the markets and geopolitics, and the pieces are listed on the next page. My read is that, unless something changes drastically, we are moving fairly rapidly towards a tipping point, and not only for the US economy.

- **Long rates are going up, and the Fed raised rates in September.** The US thirty year is 5.3 per cent, a level last seen in 2007, and it sets mortgages, refinancing and government borrowing alike.
- **Credit is under pressure, and deteriorating in parts.** The household, bank and credit union data I track each show it differently.
- **Private credit is the new risk, and not only for banks.** Banks have 2.8 trillion dollars committed to non-bank financial firms, Fitch puts defaults at a record 6.3 per cent, and life insurers hold a great deal of it.
- **The AI build has turned cash negative.** Three of the five hyperscalers had negative free cash flow in the June quarter.
- **Valuations are close to their record.** The Shiller CAPE is 40.6, higher in only nineteen months since 1881. It was 27 before the 2008 crash.
- **Inflation has not gone and the war keeps oil up.** Core PCE is 3.34 per cent against a 2 per cent target, and Brent has been above 90 dollars on seven trading days in ten since March.
- **The people who run the money are saying it too.** Dimon says a credit recession would be worse than people think, and the FSB chair told the G20 that leverage and AI cross-investment could amplify a correction.

My previous analyses

Each pressure behind this story has its own piece.

MACRO AND RATES

CONSUMER AND BANK CREDIT

PRIVATE CREDIT AND NON-BANK LENDING

VALUATIONS AND THE AI BUILD

WHAT THE REGULATORS ARE SAYING

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