Job gains bounced back. Households are still squeezed.

BOUNCED BACK

Employers added far more jobs than expected. Unemployment edged down and job openings rose.

STILL SQUEEZED

Hourly pay has trailed prices since April, mostly because of energy. People save at the lowest rate since 2022, and those out of work stay out the longest since 2021.

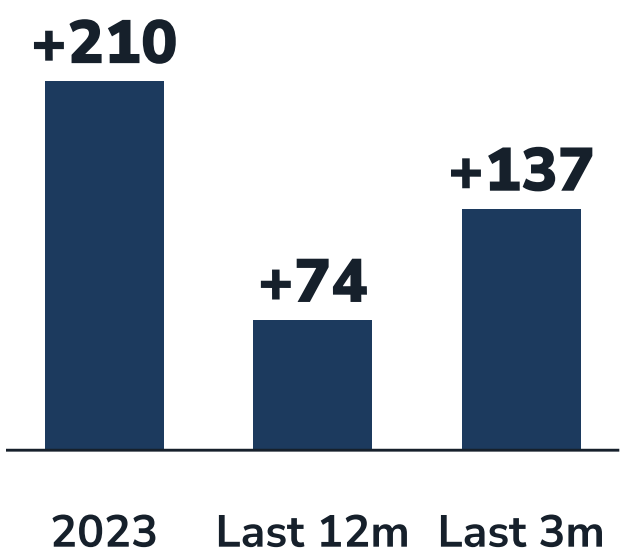
MEASURE	LATEST		STATUS	LAST 3 MONTHS
Jobs added, 3-month average	137K	Oct	Weak	✓ Better
Unemployment rate	4.1%	Oct	Weak	✓ Better
Typical time out of work, weeks	11.9	Oct	Weak	✗ Worse
Unemployed 6 months+, share	27.6%	Oct	Weak	✗ Worse
Job openings per person looking	1.06	Sep	Weak	✓ Better
Hiring rate	3.4%	Sep	Weak	↔ Steady
Layoffs rate	1.0%	Sep	Strong	✓ Better
New jobless claims, a week	200K	Nov	Strong	✓ Better
Hourly pay minus prices	-0.5 pts	Oct	Weak	✗ Worse
Weekly pay minus prices	+0.1 pts	Oct	Mixed	✗ Worse
Saving rate	3.8%	Sep	Weak	✗ Worse

Status: latest against the 2023 and 2018-19 averages (weak is worse than both). Last 3 months: against January to March 2026. Pay rows: 13 months from September 2025.

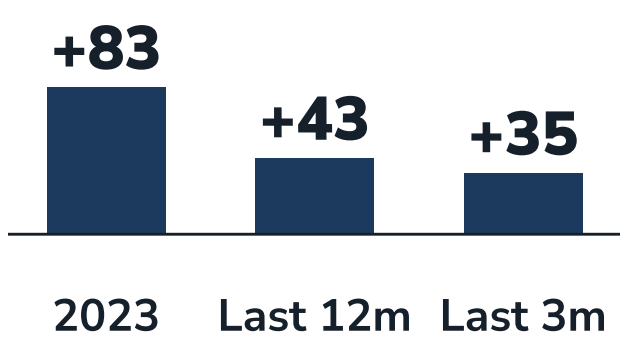
Job gains picked up: 137K a month in the last three months, against 28K in the three before.

Average jobs added a month, in thousands

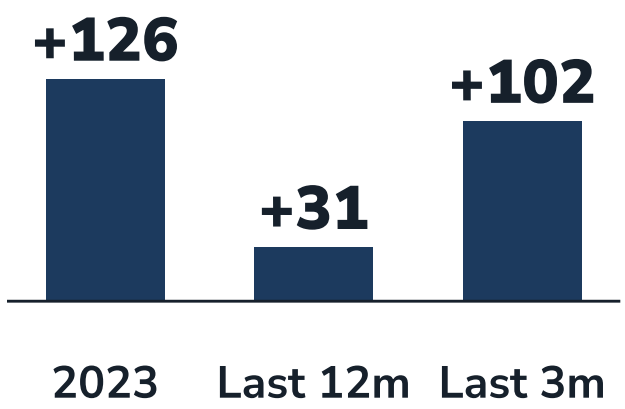
All jobs



Health care, social



All except health



OTHER SECTORS	2023	LAST 12M	LAST 3M
Government	+60	−5	**+11**
Professional, business	−11	+22	**+36**
Leisure, hospitality	+38	+1	**+14**
Construction	+18	+10	**+10**
Financial	+2	−8	**−4**
Information	−11	−10	**−11**

One month’s change has a margin of about ±122K (BLS), so the three-month average is the better guide. Temporary help added 19K of professional and business services’ 70K in October. Last 12 months is November 2025 to October 2026. It leaves out October 2025, when a one-off federal drop of 166K took the month to -140K.

SOURCES BLS payroll survey via FRED; margin, BLS technical note. Full sources and method on the last page.

Unemployment has eased since late 2025. Since July the share of adults in work has risen three months in a row.

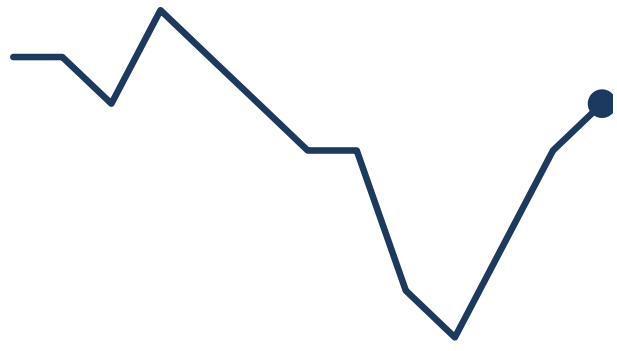
Since July, participation rose from 61.4 to 61.9 per cent and the share in work from 58.9 to 59.3.

Unemployment rate
per cent



3.5 Jan 2023 — 4.1 Oct 2026

Participation
like for like, since Sep 2025



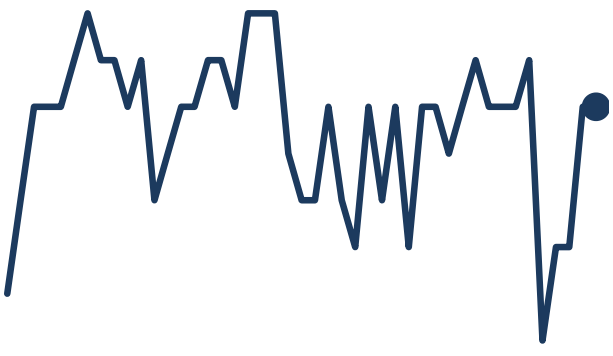
62.0 Sep 2025 — 61.9 Oct 2026

Share of adults in work
like for like, since Sep 2025



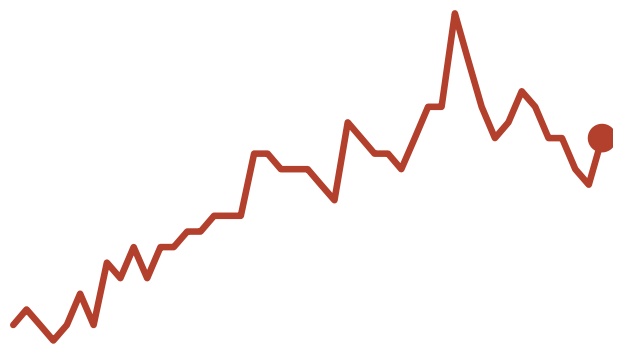
59.2 Sep 2025 — 59.3 Oct 2026

Prime-age in work
ages 25 to 54, per cent



80.3 Jan 2023 — 80.7 Oct 2026

Broad rate, U-6
adds involuntary part-time



6.7 Jan 2023 — 7.9 Oct 2026

Part time, want full time
per cent of employment



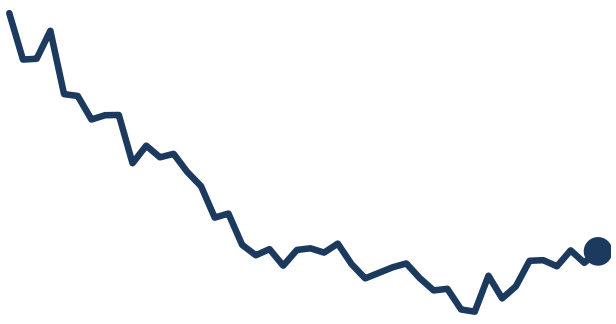
2.52 Jan 2023 — 2.96 Oct 2026

U-6, the broad rate, fell from 8.4 in December to 7.6 and ticked up to 7.9 in October, as did part time wanting full time. Both fell in the first half. Since September 2025, participation is down 0.1 and the share in work up 0.1.

SOURCES BLS household survey via FRED and the BLS population-adjusted series. Full sources and method on the last page.

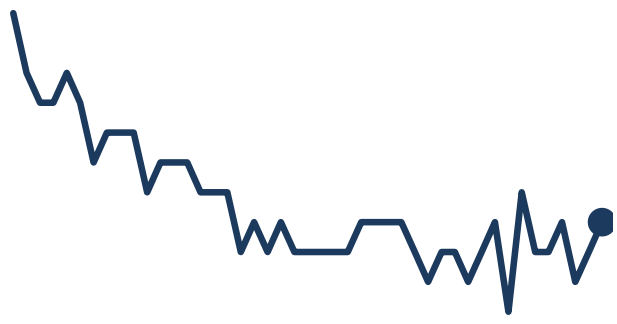
More openings, hiring and quits than a year ago, and fewer layoffs. Most of September's extra quits were in restaurants, hotels and leisure.

Job openings
per person looking



1.79 Jan 2023 — **1.06** Sep 2026

Hiring rate
per cent of employment



4.1 Jan 2023 — **3.4** Sep 2026

Quits rate
per cent of employment



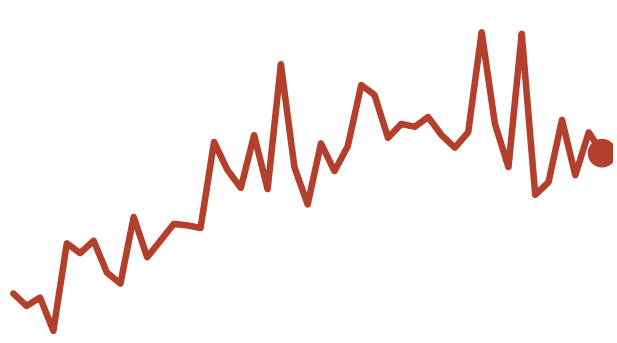
2.5 Jan 2023 — **2.1** Sep 2026

Layoffs rate
per cent of employment



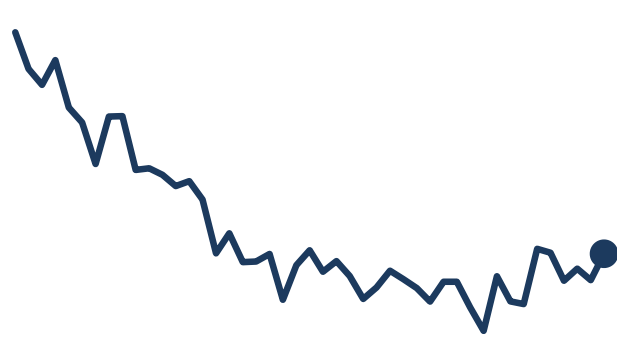
1.1 Jan 2023 — **1.0** Sep 2026

Hires per opening
hires over openings



0.62 Jan 2023 — **0.72** Sep 2026

Job openings
millions



10.32 Jan 2023 — **7.52** Sep 2026

A year ago: openings 7.17 million (now 7.52), hiring rate 3.3 (3.4), quits 1.9 (2.1), layoffs 1.1 (1.0). Hires per 100 openings are 72, against 73 a year ago and 81 in 2018 and 2019.

The news is full of layoffs. Why is the rate low? About 1.6 million people were laid off or let go in September, against 1.8 million a month in 2018 and 2019. As a share of all jobs, layoffs are below the pre-pandemic level.

SOURCES BLS JOLTS via FRED. Full sources and method on the last page.

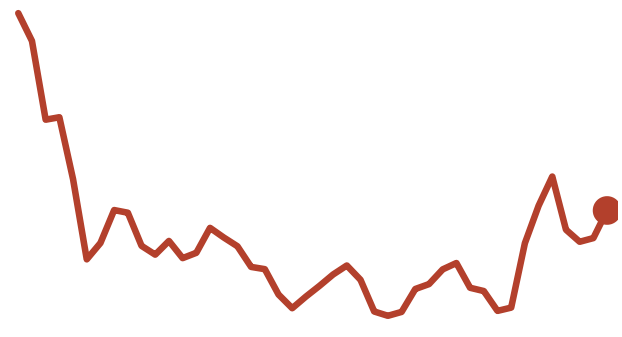
Hourly pay beat prices from May 2023 to March 2026. Since April it has been behind.

Hourly pay
growth on a year, per cent



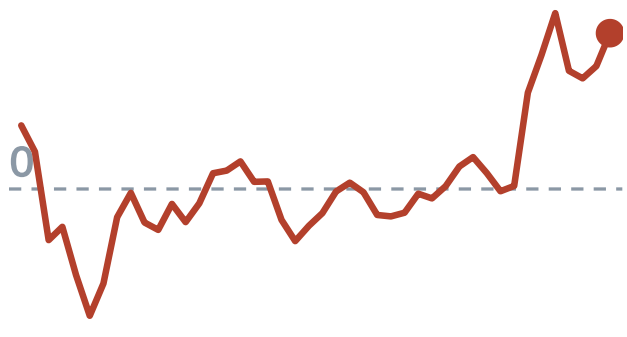
4.5 Jan 2023 — 3.2 Sep 2026

Prices, CPI
growth on a year, per cent



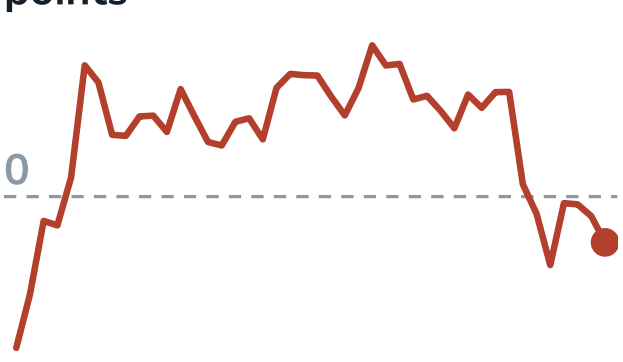
6.3 Jan 2023 — 3.7 Sep 2026

Energy prices
growth on a year, per cent



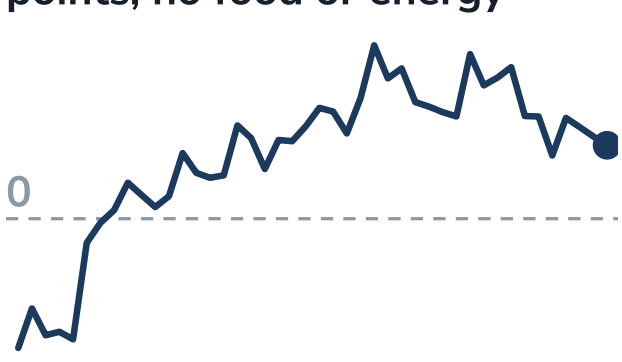
8.3 Jan 2023 — 20.4 Sep 2026

Hourly pay minus prices
points



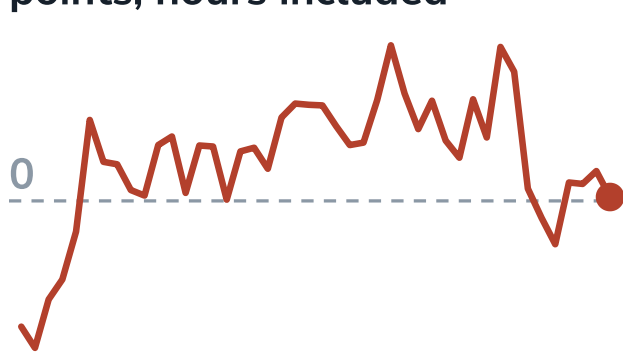
-1.83 Jan 2023 — -0.56 Sep 2026

Pay minus core prices
points, no food or energy



-1.05 Jan 2023 — 0.59 Sep 2026

Weekly pay minus prices
points, hours included



-1.53 Jan 2023 — 0.05 Sep 2026

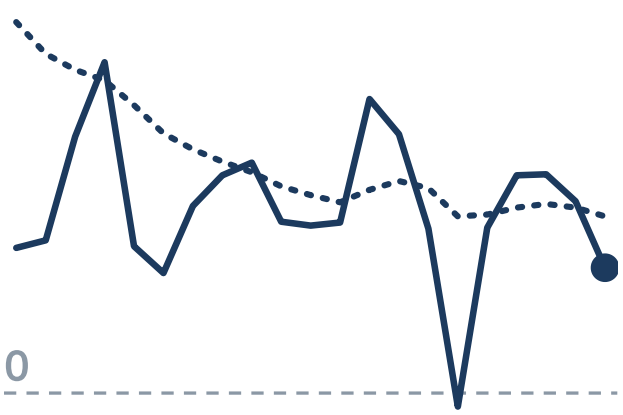
Why it moved. Prices slowed in 2023 and pay pulled ahead. Energy prices rose 13% year on year in March 2026, and from April prices rose faster than pay.

October. BLS has no October 2025 prices. Over 13 months from September 2025, prices rose 4.08% and hourly pay 3.54%. In October alone pay rose 0.37% and prices 0.35%.

SOURCES BLS, via FRED. Full sources and method on the last page.

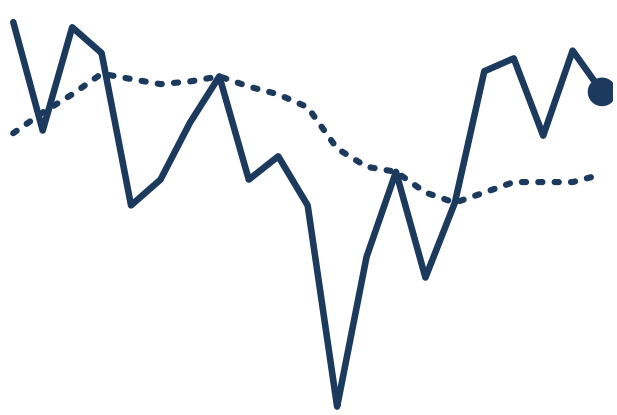
Spending per person is growing faster than income, so people are saving less of their income. Income after prices is still growing, just more slowly.

Income per person
growth on a year, after prices



0.8 Jan 2025 → 0.7 Sep 2026

Spending per person
growth on a year, after prices



2.6 Jan 2025 → 2.3 Sep 2026

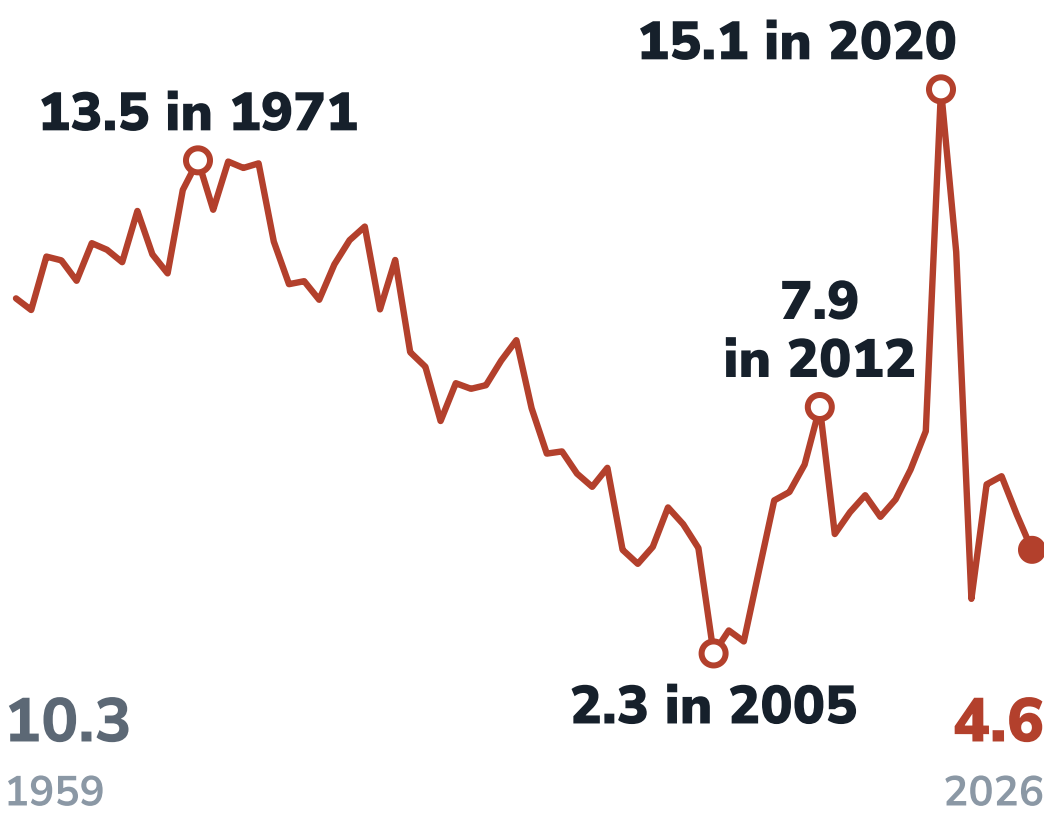
Saving rate
per cent of after-tax income



5.7 Jan 2025 → 3.8 Sep 2026

The dotted line is growth over the last 12 months against the 12 months before.

Saving rate since 1959
per cent of after-tax income, yearly average



10.3 1959 → 4.6 2026

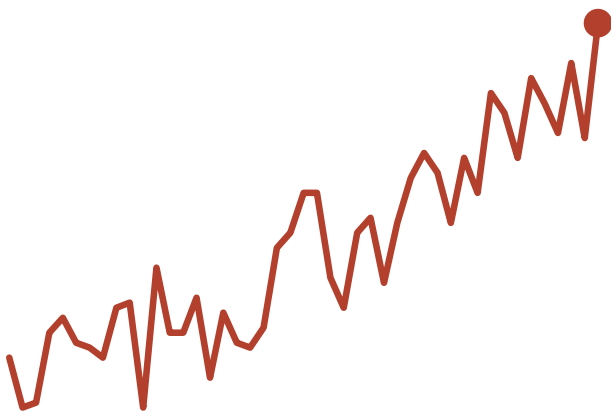
Over the last 12 months, spending per person grew 2.0 per cent and income per person 1.0 per cent. Those are the dotted lines.

Saving averaged 8.5 per cent of after-tax income from 1959 to 2019. It is 4.6 in 2026 so far.

SOURCES BEA, revised 30 September 2026, via FRED. Full sources and method on the last page.

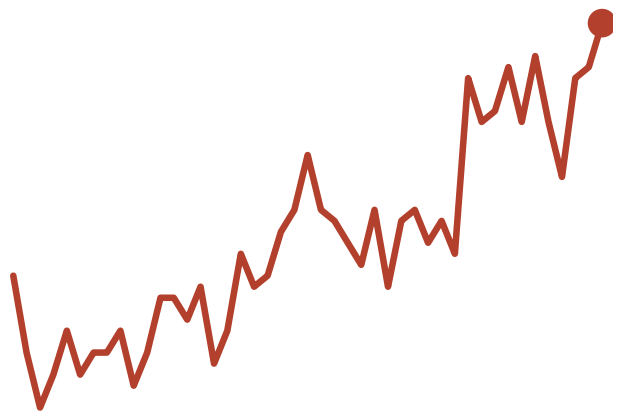
People stay out of work longer. The average spell is 27.1 weeks, the longest since December 2021.

Average spell
weeks out of work



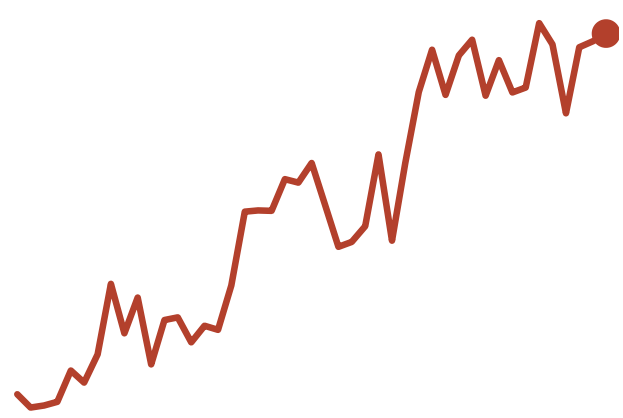
20.4 Jan 2023 — 27.1 Oct 2026

Median time out of work
weeks



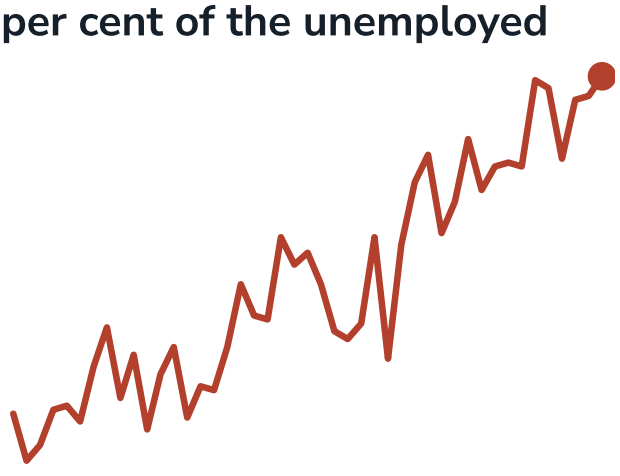
9.6 Jan 2023 — 11.9 Oct 2026

Out of work 6 months+
millions



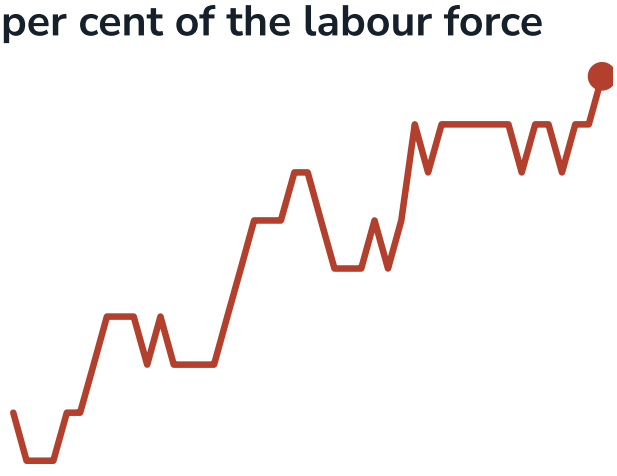
1.09 Jan 2023 — 1.96 Oct 2026

Out 6 months+, share
per cent of the unemployed



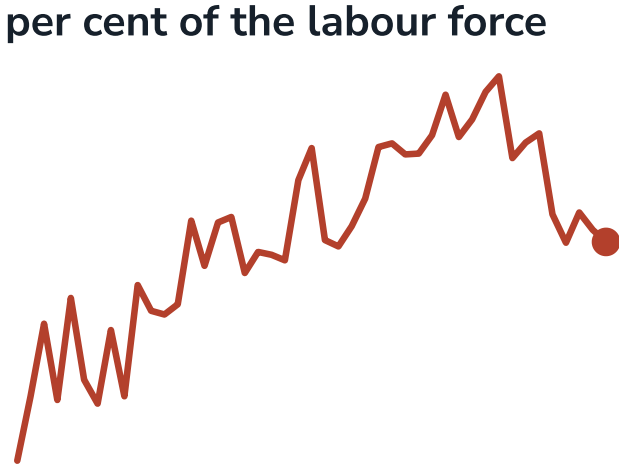
19.0 Jan 2023 — 27.6 Oct 2026

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



1.2 Jan 2023 — 1.9 Oct 2026

Laid off for good
per cent of the labour force



0.78 Jan 2023 — 1.01 Oct 2026

The median, 11.9 weeks, is also the highest since 2021, though it has moved less than the average. The average rose 2.3 weeks in one month. 1.96 million have been out six months or more, 27.6 per cent of the unemployed against 23.6 in September 2025. The series is noisy month to month.

SOURCES BLS household survey via FRED. Full sources and method on the last page.

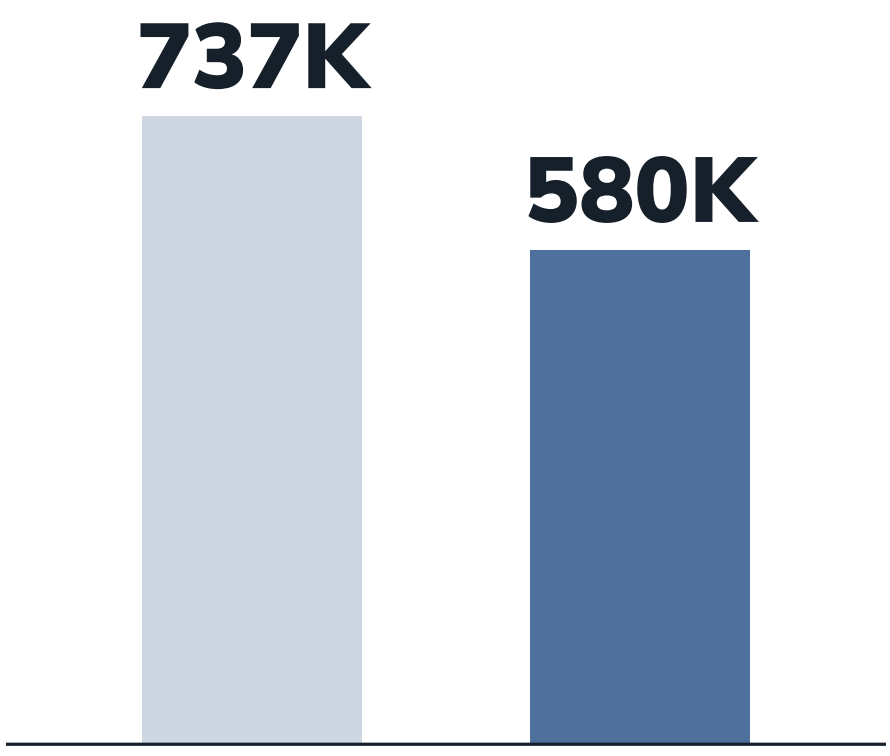
More details

The next pages hold the supporting charts and the sources:

- **How first jobs numbers get revised: the past year, month by month, and by year since 1956**
- **Jobs by sector, month by month**
- **Jobless claims and people reaching the end of benefit**
- **Sources and method**

The past year was smaller than first reported.

Jobs added, 12 months to September

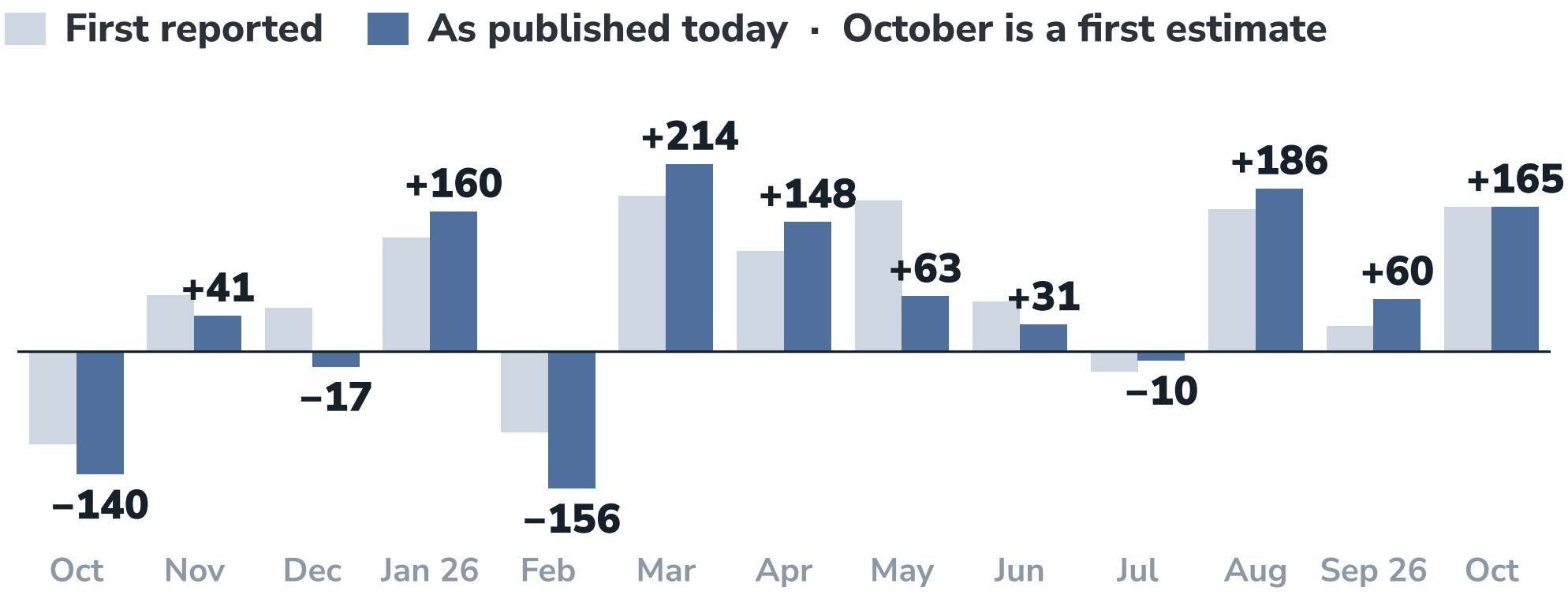


Revised down 21%

As first reported, the 12 months to September added **737K** jobs. Today the same months add up to **580K**. 6 of the 12 were revised down, but the latest report raised August and September by 84K.

How many jobs a month does the US need now? Fewer, with more retirements and fewer immigrants. Reuters (2 October) put the break-even at about 50K a month, RBC at 20K. The last three months averaged 137K.

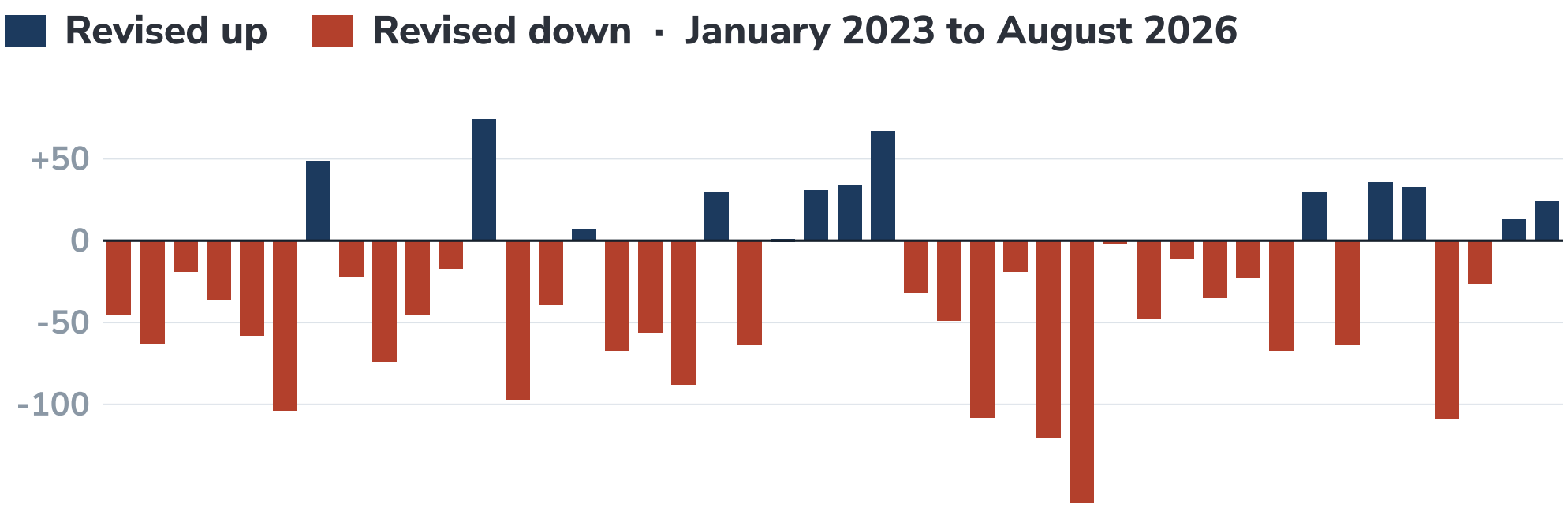
The same 12 months, plus October, in thousands



SOURCES BLS payroll survey via ALFRED and FRED; break-even, Reuters and RBC. Full sources and method on the last page.

First jobs numbers are still revised by 40K to 55K a month. In 2026 the revisions turned: 5 of 8 months were revised up.

How much each month's first jobs number changed two months later, thousands



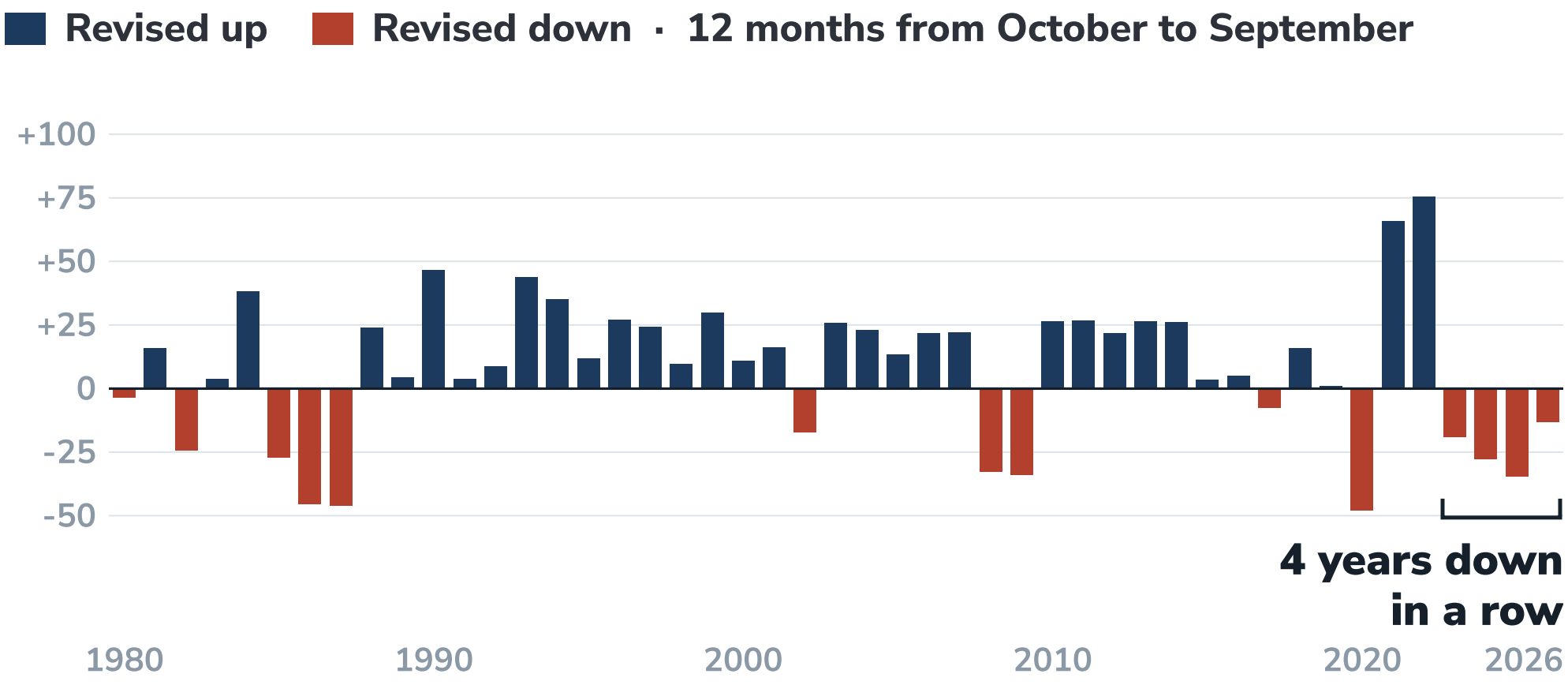
PERIOD	MONTHS REVISED DOWN	AVERAGE, K	TYPICAL SIZE
2010s	45 of 120	+16	35K
2023	10 of 12	−30	50K
2024	6 of 12	−20	48K
2025	12 of 12	−56	56K
2026, to August	3 of 8	−8	42K

These are BLS's two monthly revisions. The February check against tax records comes on top (next page). The latest report added 84K to August and September.

SOURCES BLS payroll survey via ALFRED. The figure two releases later is BLS's third estimate; months after August have not had two more releases yet. Full sources and method on the last page.

By each November report, job growth has been revised down four years in a row, the longest run in records back to 1956.

Revision by each November report, thousands a month



This year's cut, 13K a month, is the smallest of the four so far. Every February, BLS checks the past year against tax records. That took 2023, 2024 and 2025 (so far) to cuts of 41K, 97K and 88K a month. In thousands a month, 2024 and 2025 are the second and third largest since 1980. This year's check comes in February 2027; BLS's preliminary estimate (28 August) is a cut of 79K in total, about 7K a month. Counted after the February check, 1985 to 1989 had a longer run, five years.

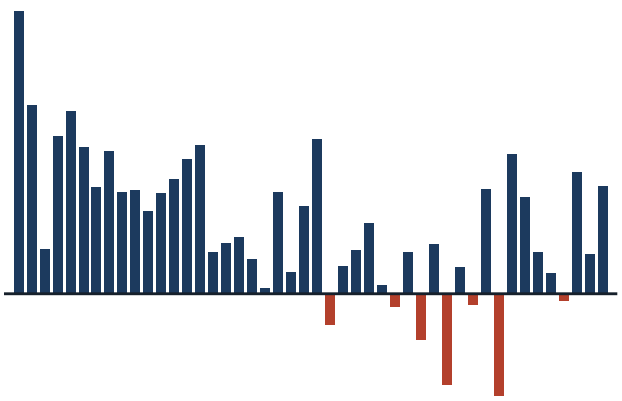
METHOD Each bar is the 12-month change in that year's November report (the one that first publishes October), minus the sum of the months as first reported, divided by 12. ALFRED, every vintage of PAYEMS, which go back to 1955; before 1980 no run was longer than one year. In 2025 the October figure came on 16 December, after the shutdown. Preliminary benchmark: BLS, 28 August 2026.

Information shed jobs in 10 of the last 12 months, finance in 7. Health care adds half its 2023 pace.

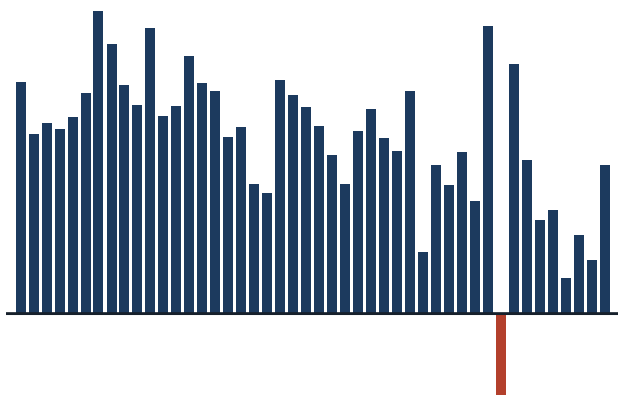
The same nine sectors, month by month. Each chart has its own scale, to show its trend.

Jobs added each month, in thousands, January 2023 to October 2026. The October 2025 drop is a federal one-off. In February 2026 a strike kept more than 30,000 health care workers off payrolls.

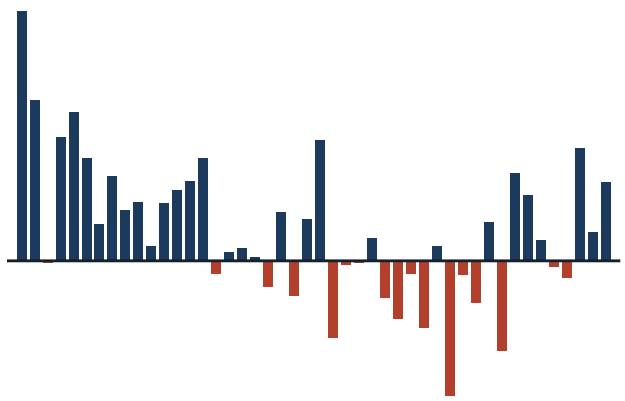
All jobs



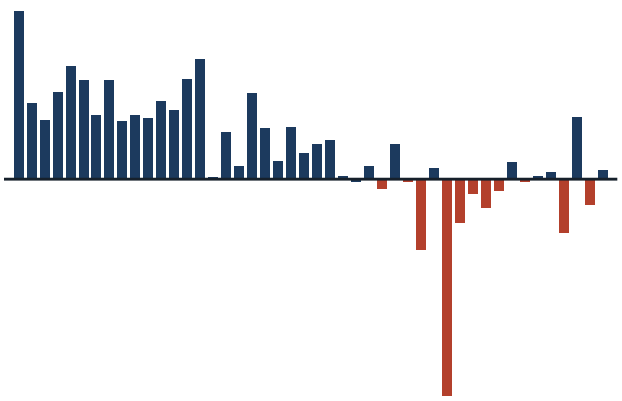
Health care, social



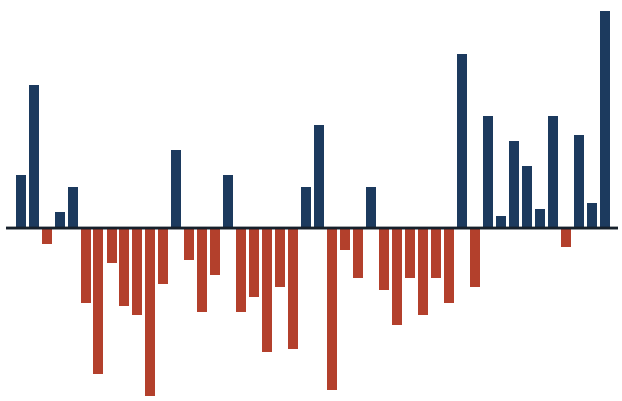
All except health, social



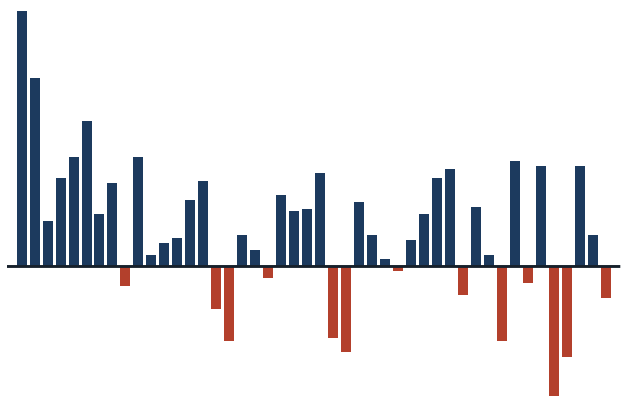
Government



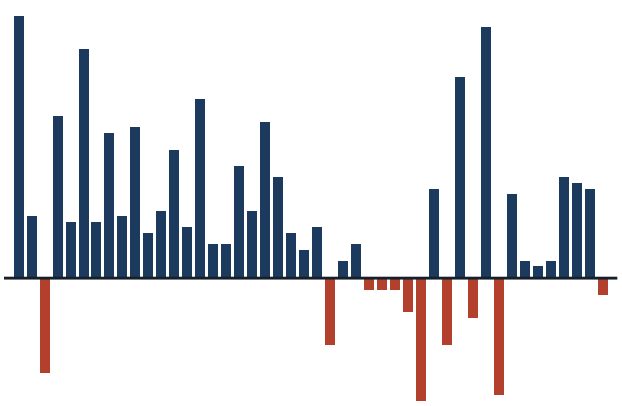
Professional, business



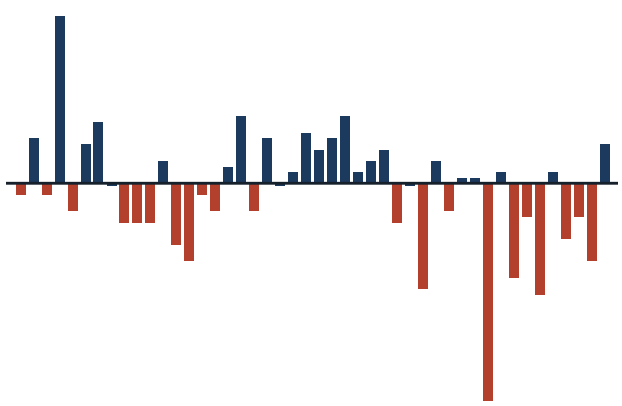
Leisure, hospitality



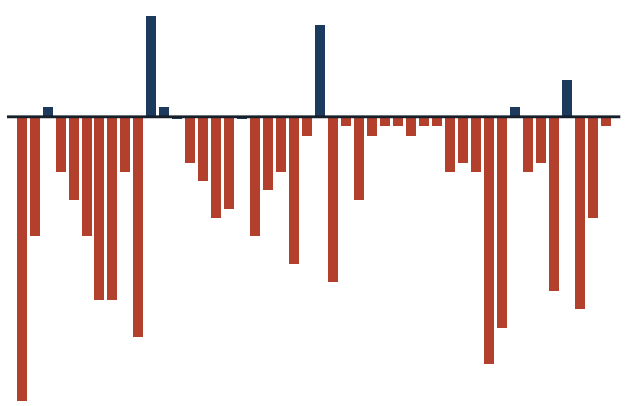
Construction



Financial



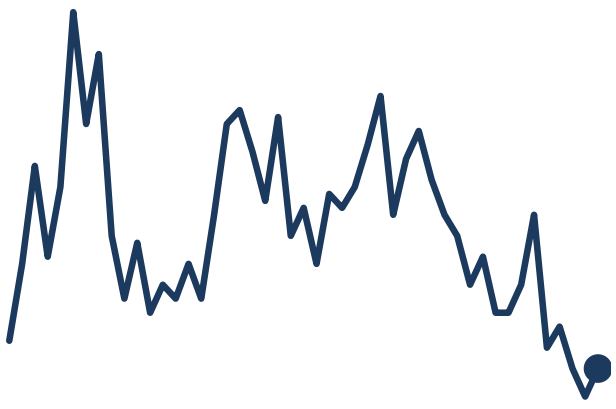
Information



SOURCES BLS payroll survey via FRED. Full sources and method on the last page.

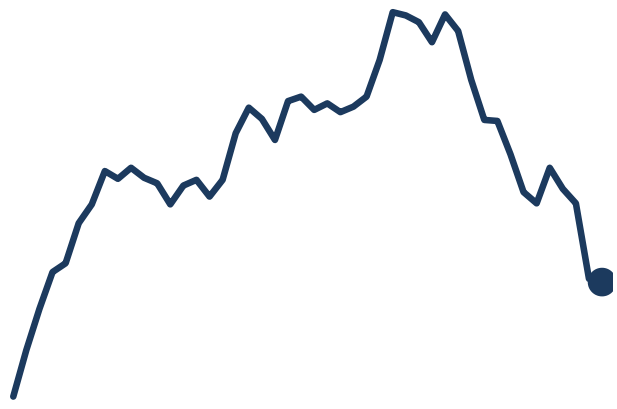
Fewer people are being let go than a year ago, so fewer claim benefit. More of those who claim now reach the end of it than in 2023.

New jobless claims
thousands a week



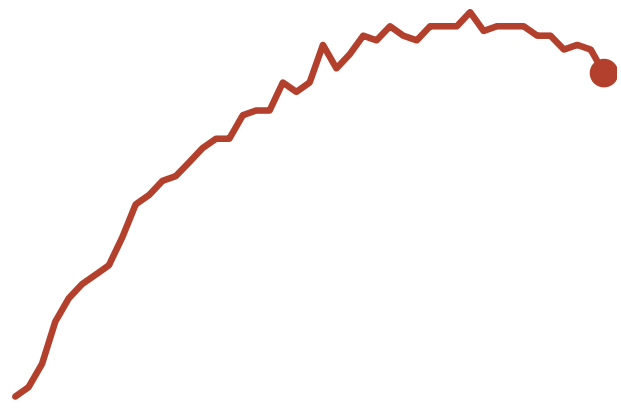
204 Jan 2023 — 200 Nov 2026

Continuing claims
thousands, monthly average



1,604 Jan 2023 — 1,707 Oct 2026

Reach end of benefit
per cent of claimants



31.9 Jan 2023 — 38.8 Sep 2026

Unemployment is higher than in 2023. Why are new claims not? New claims count people let go each week, and that has not risen. Those let go stay out of work longer, so the number of unemployed who lost a job is up 22 per cent since January 2023, though down since February, while new claims are flat.

Why are continuing claims lower than a year ago? A new claim becomes a continuing claim, and fewer people are starting one: first payments in the three months to September were down 9 per cent from a year earlier. The share reaching the end of their benefit is about the same as a year ago, 38.8 per cent against 39.8, and well above the 31.9 of January 2023.

SOURCES Department of Labor and BLS, via FRED. Full sources and method on the last page.

Sources and method

Updates my analysis of 4 October 2026: **US jobs, September 2026: fewer new jobs, longer searches, pay barely keeping up**

SOURCE	WHAT WE USE	SERIES
BLS payroll survey	Jobs by month and sector, hourly and weekly pay, hours	PAYEMS and thirteen more
ALFRED	Each month's jobs number as first reported	PAYEMS, every vintage
BLS household survey	Unemployment, U-6, time out of work, participation	UNRATE, UEMPMEAN, CIVPART and fifteen more
BLS JOLTS	Job openings, hires, quits, layoffs	JTSJOL, JTSHIR and four more
Department of Labor weekly claims	New and continuing claims, weekly figures averaged by month	ICSA, CCSA
Department of Labor ETA 5159	Share who reach the end of their benefit	ETA 5159, c51 and c56
BLS consumer prices	Prices, core and energy	CPIAUCSL and two more
BEA	Saving rate, income and spending per person	PSAVERT and three more
Reuters, RBC and CNBC	Break-even, page 9; the October forecast	2 Oct, 6 Nov 2026

Openings per person looking. JOLTS openings over the unemployed, same month.

Reach the end of benefit. Final payments over the twelve months to date, divided by first payments over the twelve months ending six months earlier.

Revisions and like for like. A month's jobs number as first reported against the figure two releases later. Rates from September 2025 use the BLS population-adjusted series for the January 2026 update.

October 2025. The household survey and CPI have no reading for it, because of the shutdown.

Data. FRED and ALFRED pulled 16 November 2026; DOL ETA 5159 pulled 8 November 2026.

Use of AI. Parts of this work were prepared with AI under my direction. I reviewed, edited and approved every page. The analysis, conclusions and judgment are mine.