

The Labor Market Has Changed.

Low unemployment can coexist with difficult access to work.

August 2026 report: revised payrolls +133,000. Private JOLTS hiring was flat. AI is changing the work employers seek.

1 Hiring remains subdued; August gains were narrow

BLS JOLTS, seasonally adjusted. July revised; August preliminary.

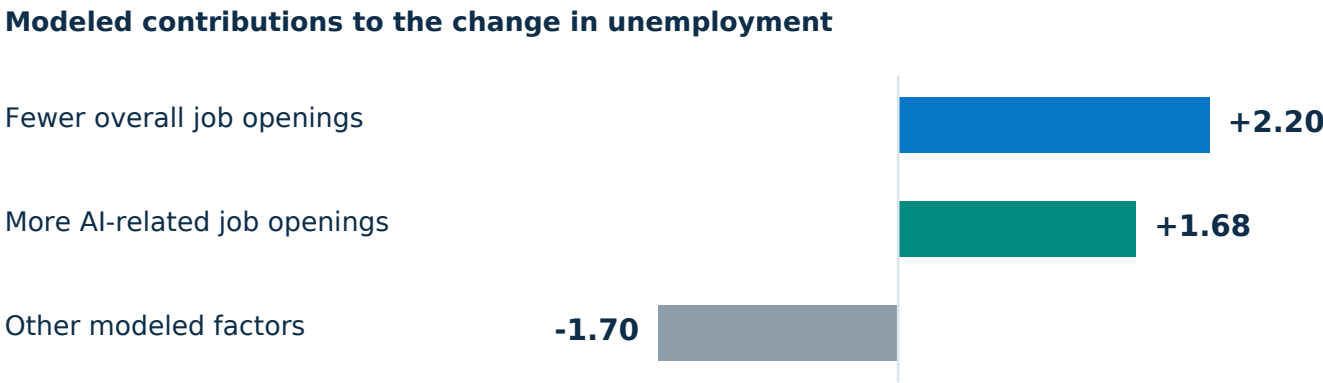
3.3%	4.1%	1.0%
August hires rate	Unemployment rate	Layoff rate
MEASURE	JULY	AUGUST
Job openings	7.335M	7.079M
Monthly hires	5.146M	5.192M
Monthly hiring rate	3.2%	3.3%

JOLTS hires +46,000: government +47,000; private -1,000. Payrolls: August +133,000 (was +162,000); July -10,000 (was +21,000). Combined revision: -60,000. BLS assessed August hires and openings as little changed.

[1] BLS, August JOLTS, Sep 29, 2026; tables 1, 2 and 5. [2] BLS, Oct 2, 2026; August data and payroll revisions. JOLTS hires are gross flows; payroll change is net.

2 New graduates face broader hiring and skill pressures

Historical research: April 2023 to December 2025, percentage points.



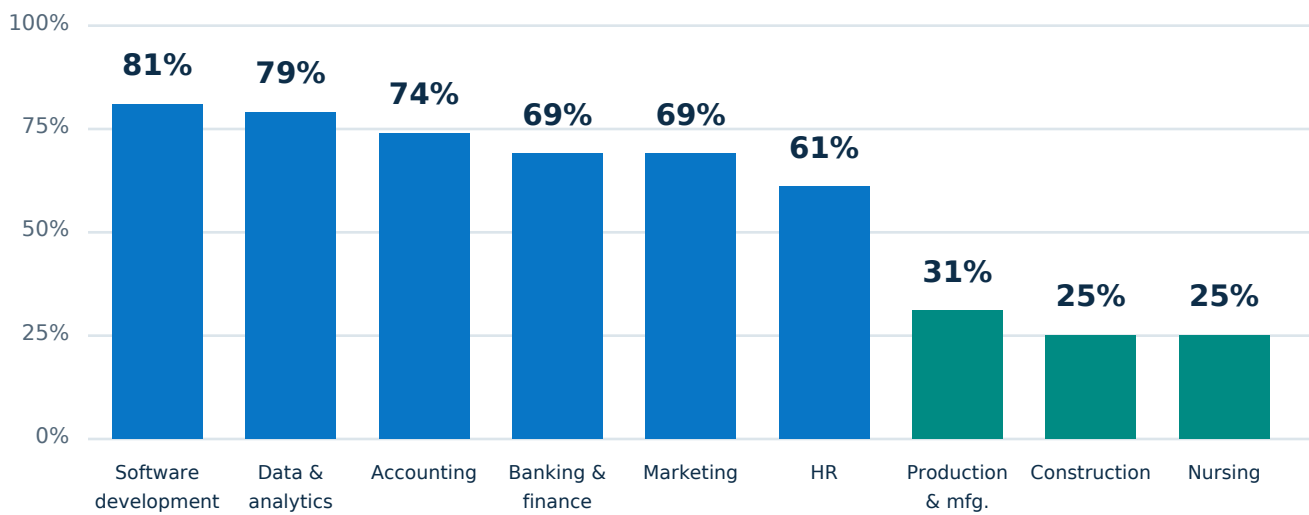
+1.98 pp Observed increase in recent-graduate unemployment

The modeled contributions sum to +2.18 pp; the observed change was +1.98 pp. These estimates do not establish that AI caused the increase.

[3] St. Louis Fed, Jun 30, 2026. Other factors = -0.11 - 1.60 + 0.01 = -1.70 pp. Model estimates and observed outcomes need not match.

3 AI transformation potential is highest in knowledge work

Share of listed skills classified as hybrid transformation, 2025 study.

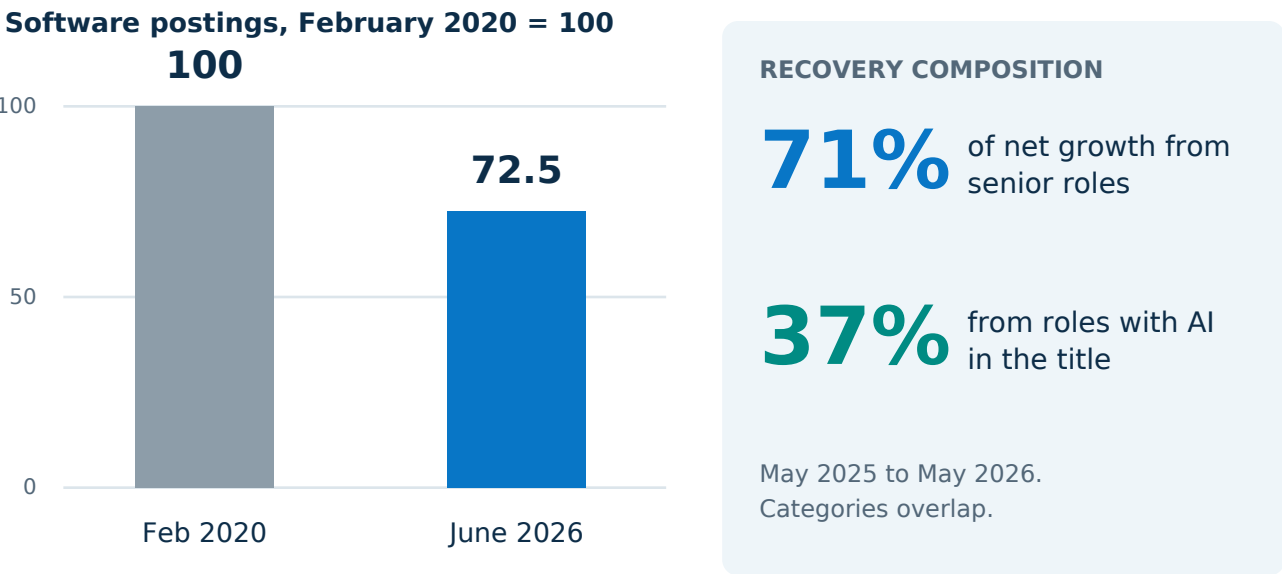


Hybrid transformation: GenAI leads while humans oversee. This is potential task change, not a forecast of jobs eliminated. Separate full-transformation shares are excluded here.

[4] Indeed Hiring Lab, AI at Work Report 2025, p. 7. Job postings: May 2024 to April 2025. Occupational values shown as published.

4 Software postings recovered; gains favor experienced roles

Historical research published July 8, 2026. Postings measure demand.



Software postings were **27.5% below** the pre-pandemic level despite rising **almost 15%** since February 24, 2025. The rebound was uneven across roles.

[5] Indeed Hiring Lab, "AI and Job Postings: From Destruction to Creation?", Jul 8, 2026. A rise in postings does not measure completed hires.

WHAT THIS MEANS

Access to work deserves its own assessment.

In August, 27% of unemployed people had been out of work for at least 27 weeks. Another 5.7 million people outside the labor force wanted a job. [2]

LEADERSHIP PRIORITIES

- Measure hiring outcomes.** Track completed hires, canceled vacancies, and time to decision.
- Build routes into new work.** Connect AI investment with reskilling, redeployment, and entry-level development.

ASSESSMENT

- August remains a low-hire, low-fire market. Revised payrolls rose 133,000 after a July loss of 10,000. The combined 60,000 downward revision reinforces caution about labor demand.
- Private JOLTS hiring was flat. AI exposure, postings, hiring, and unemployment measure different parts of the story.

Reading the evidence: August 2026 report. Payroll and household figures verified against the October 2, 2026 BLS release; August payrolls remain preliminary. JOLTS: September 29, 2026 release. AI studies retain their stated observation periods. Sources are linked in the PDF.

[2] BLS, Employment Situation, Oct 2, 2026: August columns, tables A-1, A-12 and B-1, and payroll revision note. Unemployment excludes people who do not meet active-search and availability requirements (except temporary layoffs); the 5.7M is not additive to the unemployment rate.