TALiNT Partners

US Market Briefing

September 2026

Payrolls Rebound to 162,000 and July's Decline Is Revised Away, but Hiring and Quits Weaken Beneath the Headline

- **Payrolls +162,000 against a consensus of 53,000; unemployment unchanged at 4.1%; participation up to 61.6%.**
- **Revisions: June raised to +31,000 and July from -23,000 to +21,000, together 55,000 higher.**
- **Inflation: CPI +0.4% on the month and 3.4% annual; core 2.4%, the lowest since March 2021.**
- **JOLTS (July): openings 7.27 million, but hires down 294,000 and quits back at 1.9%.**

August reversed the picture of the previous two releases. Payrolls rose **162,000**, well above the consensus of 53,000 and the 12-month average of 31,000, while unemployment held at **4.1%** and participation rose to 61.6%.

Beneath the headline the flows were softer, with July JOLTS showing hires down 294,000 and quits back at their **1.9%** floor. Inflation held at 3.4% but rose 0.4% on the month as energy climbed, while core eased to 2.4%.

The August Employment Situation

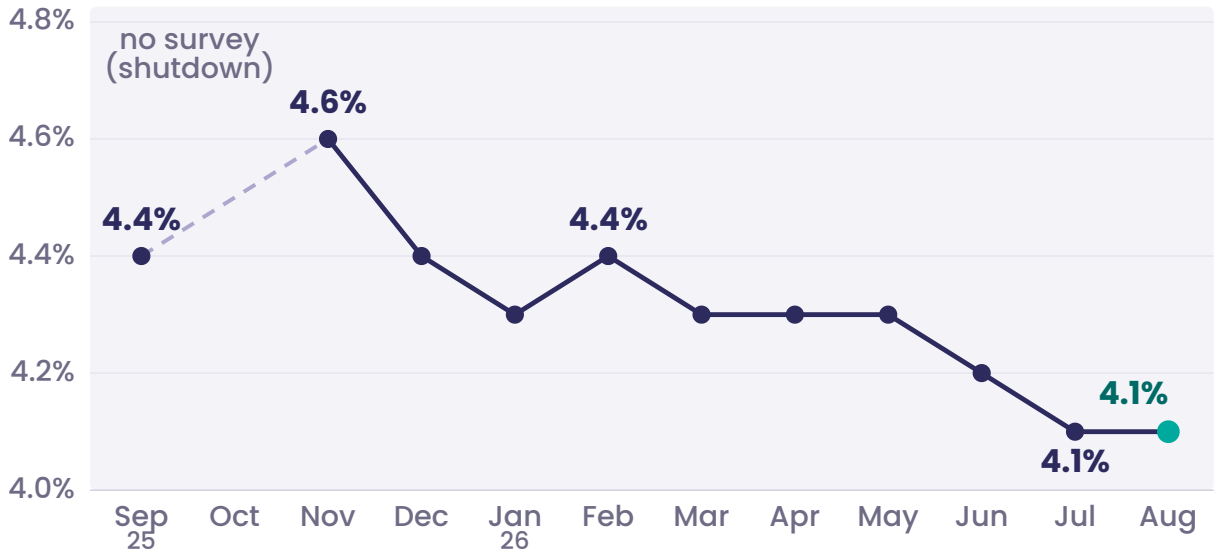
A Payroll Rebound on a Stable Unemployment Rate

Payrolls rose 162,000 in August, more than three times the 53,000 consensus and well above the 31,000 twelve-month average. Unemployment held at 4.1%, but the composition improved: participation rose to 61.6% from 61.4% and the employment-population ratio reached 59.1%.

That matters because the rate had been falling in early summer while the labor force shrank. A stable reading on rising participation carries more information than the same number did three months ago.

US Unemployment Rate, September 2025 – August 2026

Seasonally adjusted (%) | Source: BLS Employment Situation, August 2026, released 4 September 2026



August 2026: 4.1%, unchanged on the month. Participation rose to 61.6% from 61.4% and the employment-population ratio was 59.1%. October 2025 household-survey data were not collected because of the federal government shutdown. Source: BLS, 4 September 2026.

WATCH NEXT

The August release incorporates March 2025 benchmark levels and updated seasonal adjustment factors, so historical payroll figures are not directly comparable with those quoted in earlier reports.

Revisions in Context

Reading Last Month's Report in Light of This One

Our August report led on a July payroll decline of 23,000 and described a market where unemployment was falling because the labor force was shrinking. Both have since changed: July is now a gain of 21,000, June was revised up 11,000, and participation has risen.

We set this out directly because the two reports would otherwise appear to contradict each other. The point is not that the earlier analysis misread the data then available, but that single-month payroll estimates carry real revision risk when close to zero.

US Nonfarm Payrolls: What Changed in the August Release

Previously published against currently published estimates (000s) | Source: BLS Employment Situation, August 2026, released 4 September 2026

REFERENCE MONTH	PREVIOUSLY	NOW	CHANGE
June 2026 *Second revision*	+20,000	**+31,000**	**+11,000**
July 2026 *First revision*	-23,000	**+21,000**	**+44,000**
August 2026 *First estimate*	n/a	**+162,000**	**vs +53,000 consensus**

July's reported decline has been revised away. Our August report led on a July payroll fall of 23,000. That estimate is now a gain of 21,000, and June and July together are 55,000 higher than previously published. Both months remain subject to further revision.

Separately, the preliminary March 2026 benchmark revision published on 28 August 2026 was -79,000 (-0.1%) for total nonfarm and -178,000 (-0.1%) for total private. Consensus of 53,000 as reported by CNBC, 4 September 2026.

PLANNING NOTE

44,000

The size of the July revision, on a month whose first estimate was negative. Plans should be set against the 12-month average of 31,000, not the latest print.

Inflation and Pay

Headline CPI rose 0.4% in August after 0.1% in July, though the annual rate held at 3.4% and matched consensus. The rise was driven by energy, up 2.1%, with gasoline up 3.9%.

Core eased to 2.4%, the lowest since March 2021, with the three-month annualized rate at 2.0%. Shelter, at 3.0%, remains the largest single contributor.

US Inflation and Pay, August 2026

Source: BLS Consumer Price Index and Employment Situation, August 2026

Note: August levels on a common 0–5% scale; measures are mixed and not comparable.



Headline CPI *Annual | BLS*	0% 5%	**3.4%** Unchanged on July; met consensus
Core CPI *Annual | BLS*	0% 5%	**2.4%** Down from 2.5%; lowest since March 2021
Core CPI *Three-month annualized | BLS*	0% 5%	**2.0%** Softer than the 12-month rate
Average hourly earnings *Annual | BLS*	0% 5%	**3.1%** $37.75 an hour; workweek 34.4 hours
Energy *Monthly | BLS*	0% 5%	**+2.1%** Gasoline up 3.9% on the month
Shelter *Annual | BLS*	0% 5%	**3.0%** Still the largest single contributor

Food rose 0.1% for a second month and 2.7% on the year. Source: BLS, 11 September 2026.

⚠ THE CENTRAL TENSION

A firming headline against a cooling core is the tension ahead of the Federal Reserve's decision.

Labor Demand

The Flows Tell a Different Story

July JOLTS data, published three days before the August payroll figures, points the other way. Openings rose 89,000 to 7.27 million and the rate held at 4.4%, but June was revised down 177,000, so the increase starts from a lower base.

The larger movement was in hires, down 294,000 to 5.05 million, taking the rate from 3.4% to 3.2%, the weakest since February. Professional and business services hiring fell 188,000, quits fell to 1.9%, and layoffs to 1.0%, the lowest since January.

US Labor Demand and Mobility, July 2026

JOLTS | Source: BLS Job Openings and Labor Turnover Survey, released 1 September 2026

INDICATOR	LEVEL & DIRECTION	DETAIL
Job Openings July 2026 | BLS	**7.27M** ▲	**Up 89,000; openings rate held at 4.4%** June revised down 177,000 to 7.18 million, so the rise starts from a lower base.
Hires July 2026 | BLS	**5.05M** ▼	**Down 294,000; rate fell from 3.4% to 3.2%** The weakest hiring month since February. Professional and business services fell 188,000.
Quits July 2026 | BLS	**3.06M** ▼	**Down 157,000; rate back to 1.9%** Returns to the post-pandemic floor after 2.0% in June.
Layoffs & Discharges July 2026 | BLS	**1.67M** ▼	**Down 100,000; rate 1.0%** The lowest level since January.

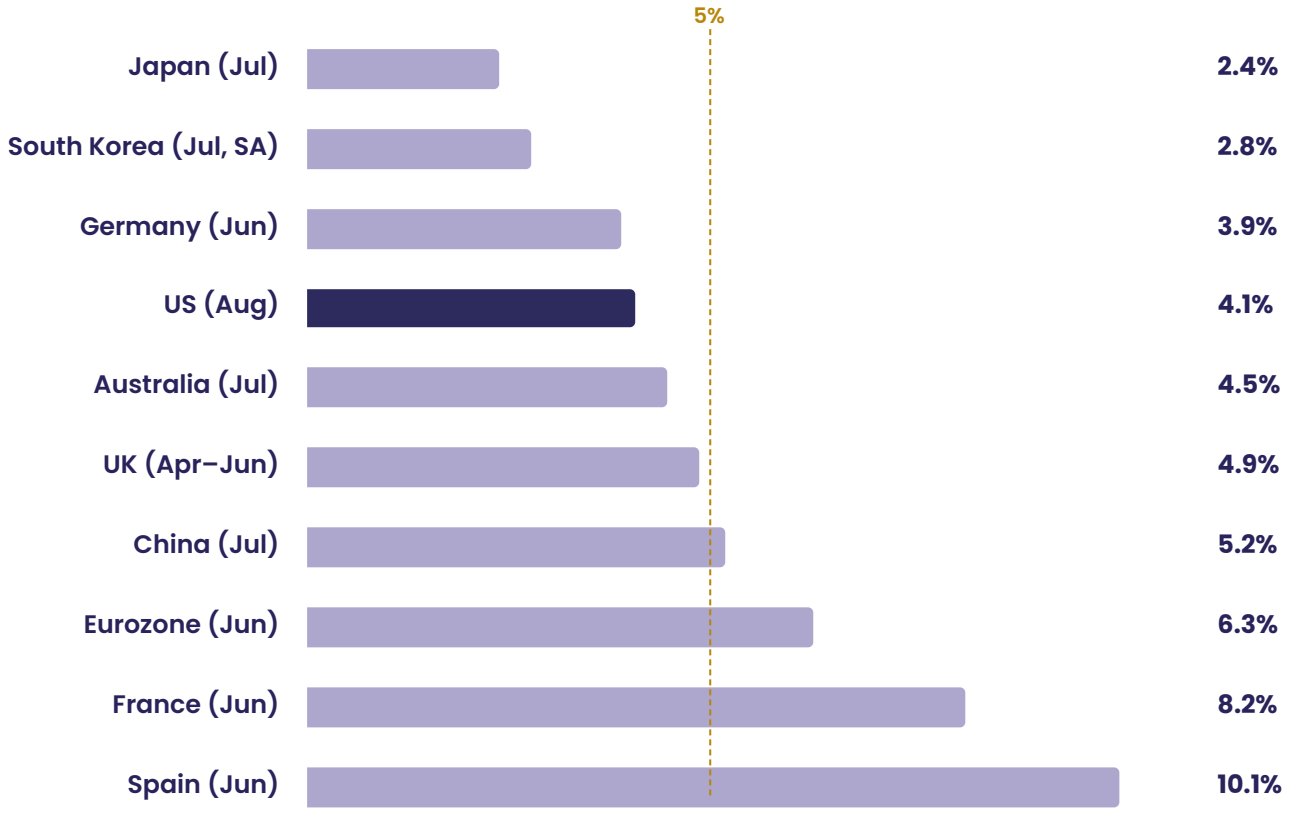
BLS characterised openings, hires and separations as little changed. Durable goods manufacturing openings rose 76,000. JOLTS runs one month behind the Employment Situation. Source: BLS, 1 September 2026.

TALINT READING

Low layoffs alongside weak hiring describes adjustment through stalled recruitment rather than job losses. Vacancies exist but convert slowly, and retention holds because outside options are limited rather than because staff are engaged.

Global Unemployment Rates Comparison

Latest available rates (%), mixed reference periods. National measures use differing definitions and age ranges; comparison is indicative, not exact.



US highlighted (4.1%, August 2026, BLS). UK: ONS April to June 2026. Eurozone, Germany, France and Spain: Eurostat June 2026. Japan, South Korea, Australia and China: national statistics agencies, July 2026. South Korea seasonally adjusted.

Comparative Analysis: US and Global Markets

At 4.1%, US unemployment sits below the UK (4.9%) and well below the euro area (6.3%), with the rate stable and participation rising. Japan improved to 2.4% in July, a fourth consecutive fall, while Australia rose to 4.5% as employment declined and China to 5.2% on the graduate intake.

TALiNT view

Energy is the common factor. The disruption that lifted US gasoline prices 3.9% has pushed Brent above $100 and is feeding into inflation in Europe and among APAC importers. The US enters the fourth quarter with the better labor-market position of the three regions, but the least room on inflation if that pressure persists.

Strategic Implications for HR and Talent Acquisition

Plan against the 12-month average, not the latest print

August came in at 162,000 and July at 21,000 against a 12-month average of 31,000. Single months have been revised by up to 44,000 this year. Set headcount plans on the average and treat any one release as provisional until it has been revised twice.

Weak hiring is the binding constraint

3.2%

Hires rate, July, down from 3.4%

Layoffs hit a 1.0% rate, the lowest since January, while hiring fell to its weakest month since February. Vacancies exist but convert slowly, so build longer time-to-fill assumptions into requisition planning rather than assuming a supply problem.

Retention will hold, for the wrong reason

1.9%

Quits rate, back at its post-pandemic floor

Low attrition reflects limited confidence in outside options, not satisfaction. Do not read it as engagement: the risk is a delayed wave of departures once hiring flows recover, so keep engagement measurement independent of turnover data.

Check real-pay messaging against your measure

3.1% vs 3.4% / 2.4%

Earnings against headline and core CPI

The same award reads as a real cut against headline inflation and a real rise against core. Pick the comparison deliberately, state it in the communication, and use it consistently across the cycle.

Build energy-cost sensitivity into Q4 pay

+2.1%

Energy rose 2.1% on the month with gasoline up 3.9%, and the disruption behind it is not expected to resolve before early 2027. Carry an explicit energy assumption in fourth-quarter pay and cost planning rather than a single central case.

Forecast for the Remainder of 2026

Payrolls

30,000–80,000

Average monthly growth, fourth quarter

Payroll growth is likely to stay volatile around a modest trend. August's 162,000 sits well above the 31,000 twelve-month average, and strong months this year have been followed by weaker ones.

A range in the tens of thousands looks more plausible than a sustained run at August's pace.

Unemployment

4.0–4.3%

Unemployment rate through year-end

The rate could hold near this range. With participation rising rather than falling, it is less likely to drift down for the reasons seen in early summer.

A stable reading now carries more information than it did three months ago.

Inflation: the harder call

2.4% core / +0.4% headline

August readings pointing opposite ways

Core at 2.4% and a three-month annualized rate of 2.0% point toward target, but the headline rose 0.4% on energy, and that pressure persists while Hormuz disruption continues.

Which dominates through the fourth quarter is genuinely uncertain.

The Federal Reserve

16 September

Next FOMC decision

Traders raised bets on an increase after the August print, and a strong headline alongside easing core inflation gives the Committee arguments both ways; we would not call either outcome more likely.

The principal risk is that energy costs push headline inflation higher while hiring flows keep weakening, constraining policy just as the labor market needs support.

TALiNT house forecasts - judgment-based scenarios rather than official forecasts.

Sources & Assumptions

- *U.S. Bureau of Labor Statistics, Employment Situation, August 2026 (released 4 September 2026) - payrolls +162,000, unemployment 4.1%, participation 61.6%, employment-population ratio 59.1%, average hourly earnings $37.75 (+3.1% on the year), average workweek 34.4 hours, U-6 at 7.7%, and the June and July revisions: BLS Employment Situation.*
- *U.S. Bureau of Labor Statistics, Consumer Price Index, August 2026 (released 11 September 2026) - CPI +0.4% monthly and 3.4% annual; core +0.3% monthly and 2.4% annual, the lowest since March 2021; energy +2.1% monthly, gasoline +3.9%, food +0.1% monthly and 2.7% annual, shelter 3.0% annual: BLS Consumer Price Index.*
- *U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, July 2026 (released 1 September 2026) - openings 7.27 million at a 4.4% rate with June revised down 177,000; hires 5.05 million with the rate falling to 3.2%; quits 3.06 million at 1.9%; layoffs 1.67 million at 1.0%: BLS JOLTS.*
- *U.S. Bureau of Labor Statistics, Current Employment Statistics - preliminary March 2026 benchmark revision published 28 August 2026, at -79,000 (-0.1%) for total nonfarm and -178,000 (-0.1%) for total private: BLS CES.*
- *Consensus forecast of 53,000 and market reaction, as reported by CNBC, 4 September 2026: CNBC.*
- *Comparative data: ONS UK (April to June 2026); Eurostat, euro area, Germany, France and Spain (June 2026); Statistics Bureau of Japan, Statistics Korea, Australian Bureau of Statistics and NBS China (July 2026).*
- *Energy context: Brent crude closed at $101.21 on 9 September 2026, its highest since 22 May, amid renewed disruption around the Strait of Hormuz, as reported by CNBC, 9 September 2026.*
- *Note: the August release incorporates March 2025 benchmark levels and updated seasonal adjustment factors, so historical payroll figures are not directly comparable with those quoted in earlier reports. October 2025 household-survey data were not collected because of the federal government shutdown. The Federal Open Market Committee meets on 16 September 2026.*

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