NextChapter Research

MONTHLY LABOR MARKET REPORT · VOL. 1, NO. 1

THE NEXTCHAPTER WHITE COLLAR EMPLOYMENT REPORT · SEPTEMBER 2026 · MONTHLY BRIEF

Jobs are growing, and some searches are taking longer

The labor market in September 2026: 612,000 jobs added in the first nine months of the year, about one opening for each unemployed person, and 5.0% raises for people who change jobs. September hiring was slow (+29,000), and long searches among managers and professionals were about a third more common than a year earlier.

+612K Jobs added January–September 2026 (+232K in the same months of 2025)	**1.01** Job openings per unemployed person, Aug 2026 (0.94 a year ago)
5.0% Wage growth for people who change jobs, Aug 2026 (3.6% for those who stay)	**162** White-Collar Long-Search Index, Aug 2026 (2019 = 100, seasonally adjusted)

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Source data available through October 2, 2026 (CPS microdata through August)

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ABOUT THIS REVISION

This edition was renamed and reframed on October 13, 2026; data, measures and methods are unchanged. It remains Version 1.72. Every statistic, exhibit, margin of error, chart and data file has the same value as in the version published October 5, 2026 and last revised October 7. The report was published as the NextChapter Displacement Report through October 12, 2026 and is now the NextChapter White Collar Employment Report. What changed:

- **Name and framing.** The report is organized around how people are working, being hired, changing jobs, moving up and starting businesses, with the slower parts of the market reported alongside the stronger ones.
- **Index name.** The headline measure is now the White-Collar Long-Search Index. Its definition, values and history are identical; earlier names were the White-Collar Long-Term Unemployment Index and, before that, the White-Collar Displacement Index. Statistical terms such as "unemployed" and "long-term unemployed" are BLS definitions and are kept where they name a measure.
- **Neutral wording.** Statements that assigned responsibility for economic outcomes, or that took a position on what policy should be, were removed or rewritten to report the measurement and its source. The rule that this report does not assert AI causation is unchanged.
- **New section.** Chapter 13A describes what federal, state and local programs, funding and technology are adding, with each program's operator, scale and outcome evidence (including where there is none yet).
- **Addresses.** The web address and the PDF and data file names now use the report's new name; the old addresses redirect to them.
- **Unchanged on purpose.** The commercial disclosure, independence and evidence sections; and all margins of error.

The itemized change record is in Appendix D and in the replication materials' changelog.

ABOUT THIS REPORT AND ITS INDEPENDENCE

Commercial disclosure. This report is produced by NextChapter, a commercial company that sells career-transition software and services to professionals, employers and workforce programs. No individual-level NextChapter user or customer data are used in the analysis; findings are based on identified public and third-party sources. To keep the analysis separate from that interest:

- All figures come from public sources or from NextChapter calculations on public data, with methods and data files published. No NextChapter customer data is used in any statistic.
- The measures reported each month are fixed in advance (see Appendix B), whether they move up or down.
- Survey-based estimates carry 90% margins of error, and changes are flagged only when they exceed that margin; margins use the Bureau of Labor Statistics' published variance method for the CPS.
- Information about NextChapter's services appears only in the final "About NextChapter" section.

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WHAT THIS REPORT DOES AND DOES NOT ESTABLISH

This report **measures** labor-market conditions for white-collar workers, **describes associations** between them and other trends, and **reports what companies say** about their reasons. It does not establish:

- that AI caused the rise in long searches (long-term unemployment) among managers and professionals;
- that AI caused any particular layoff, unless the company itself says so, and even then a company's stated reason is not proof of cause;
- that AI will reduce overall employment, or that productivity gains necessarily do;
- that higher revenue per employee at large companies reflects AI rather than pricing, interest rates, acquisitions or earlier overhiring;
- that the volume of job applications, or longer searches, are caused by AI.

Throughout, we distinguish measurement, association, attribution (what a company or survey respondent says) and causality, and we label each figure as source-reported, a NextChapter calculation, a NextChapter estimate or a hypothesis. Concepts we cannot yet measure rigorously are listed in the Future Research Agenda without numbers.

EXECUTIVE SUMMARY

Jobs are growing and pay is rising for people who change jobs; searches are longer for some

Most managers and professionals who have jobs are keeping them: announced job cuts are down from 2025, and white-collar unemployment, though up slightly, remains under 3%. The economy added 612,000 jobs in the first nine months of 2026, and there is about one opening for each unemployed person. Hiring was slow in September, and people who leave white-collar jobs are taking longer to find the next one. Long-term unemployment among managers and professionals averaged 0.75% of the white-collar labor force in January–August 2026, up from 0.56% a year earlier and 0.47% in 2019. That one-year increase is larger than its 90% margin of error.

The questions running through this report: how are people working, being hired, changing jobs and moving up in 2026, and where does support help most? For experienced professionals, the main pattern we can measure is a slower transition between jobs rather than a loss of jobs: a longer search, sometimes lower starting pay, retraining and a change of occupation. Our data measure the search; they cannot say how much of it AI explains, and this report does not assert that AI caused it.

WHERE CONDITIONS ARE IMPROVING

- Announced job cuts are down 15% from 2025 excluding government (down 39% including the 2025 federal government cuts). Challenger
- Unemployment for college graduates 25 and older is 2.5%, down from 2.8%. BLS
- There is about one job opening per unemployed person (1.01), up from 0.94 a year ago. JOLTS
- New jobless claims are low: 197,000 a week, versus 225,000 a year ago. DOL
- Job growth this year (+612,000 through September) is ahead of 2025's pace. FRED
- People who change jobs are getting 5.0% raises, versus 3.6% for those who stay. Atlanta Fed
- Business applications are up 11% from a year ago, and surveys report that AI tools are lowering the cost of starting a company. Census BFS
- Professionals who keep their jobs are not being pushed into involuntary part-time work, second jobs or self-employment: among employed white-collar workers, all three shares are flat or lower than in 2025. The adjustment is happening at the hiring gate, not inside jobs. Index
- Skilled trades are short of workers, with construction pay up 4.3% over the year. BLS B-8

WHERE THE TRANSITION IS SLOWER AND SUPPORT HELPS MOST

- Long-term unemployment among white-collar workers is up about a third from a year ago (beyond margin of error). Index
- 27.1% of all unemployed people have been looking 27 weeks or more, up from 23.6%. BLS
- September job growth was slow: +29,000 jobs, and July was revised to a loss. As labor force growth has slowed, Federal Reserve estimates of the job growth needed to hold unemployment steady have fallen to between under 10,000 and 87,000 a month, so September is slow growth rather than a contraction. BLS
- Employment of customer service representatives, the occupation built most around scripted conversation, fell about 8% from 2025 (−206,000 ±111,000), consistent with, but not proof of, AI taking over routine service conversations. Feature
- Since 2022, essentially all net job growth among adults went to bachelor's-degree holders (+4.5 million), yet their long-term unemployment rate rose more than others' (0.57% to 0.88%, beyond margin of error); this year it rose fastest for master's holders and for degree holders with 25+ years of experience. Age
- Student debt is a factor for people between jobs: 10.6% of student-loan balances are 90+ days delinquent and 9.3 million federal borrowers are in default, and unemployment deferment ends for new loans from July 2027. Ch. 09
- Each job opening yields fewer hires: 0.73 hires per opening in January–August 2026, against 0.82 in 2019 and more than 1.1 in the early 2000s. JOLTS
- Information (−120,000) and financial activities (−107,000) lost jobs over the year. BLS
- Among unemployed white-collar workers aged 55–64, 39% have been out 27+ weeks, up from 27% (beyond margin of error). Age
- About 39% of people on unemployment insurance exhaust their benefits. DOL ETA
- Only 57% of long-tenured workers aged 55–64 who were displaced in 2023–2025 were re-employed by January 2026, against 73% of those 25–54. BLS DWS
- The rise in long searches is among U.S.-born professionals: 0.73% of U.S.-born white-collar workers were out 27+ weeks, up from 0.52% (beyond margin of error). The noncitizen share of the white-collar workforce did not grow (Section 04). Ch. 04
- Unemployment for recent college graduates is 1.5 points above 2019, narrowing the degree advantage. Grads
- Public retraining is a small-scale resource next to the number of long searches: the federal Dislocated Worker program served about 187,000 people in its latest year, and about one in five received training. Chapter 13A describes what else public programs are adding. Ch. 13

WHAT PUBLIC PROGRAMS, FUNDING AND TECHNOLOGY ARE ADDING (CHAPTER 13A)

- **Reemployment services have randomized-trial evidence.** In a 23,549-claimant trial of Rhode Island's federally funded RESEA program, selected claimants spent 1.99 fewer weeks on unemployment insurance and had about $1,153 higher annualized wages. One state, all claimants; results vary by state.
- **Funding is increasingly tied to outcomes.** The Labor Department awarded nearly $162 million in July 2026 for apprenticeships, paid to sponsors as apprentices reach retention and progression milestones. No outcome data yet.
- **Short-term training and its data are being built together.** Workforce Pell started July 1 under the statute, and the Education Department's final rule took effect July 20; on October 2 a $10.4 million Labor Department grant funded a 37-college Texas consortium to build the outcome data colleges need to qualify programs. No outcome data yet.
- **States are publishing and testing new tools.** California launched a public monthly tracker of unemployment claims in AI-exposed occupations (July 2026) and a resume-to-state-job matching pilot (September 30), with outside evaluators. No outcome results published yet.

Q3 2026 QUARTERLY ADDENDUM: HIGHLIGHTS

- **Growth without hiring at large employers.** Across 27 of the largest white-collar employers, revenue rose 40% from fiscal 2022 to the latest fiscal year while combined headcount fell 1% (NextChapter calculation from 10-Ks; nominal, and not evidence that AI replaced workers). Q3
- **Firms expect growth without headcount.** In the Q3 CFO Survey, the median firm expects 5.0% revenue growth and 1.7% employment growth in 2026. CFO Survey AI adoption has run ahead of what firms expected; AI-related layoffs have run well behind.
- **AI in restructuring filings (corrected).** 16 of 170 restructuring filings this year (9.4%) cite AI in the restructuring disclosure itself, not 2 as first reported; announced cuts cite AI about 21% of the time. Of the 14 companies, 8 say AI is changing how work is done and 6 say they are cutting to reinvest in AI.
- **No sign of AI in underlying productivity yet.** Output per hour rose 2.5% in 2025, but technology-driven productivity, adjusted for how hard existing workers and equipment are being used, grew 0.3% in 2025 and −0.3% over the year to mid-2026. Most of the output-per-hour gain came from output rising while hours barely grew. Q3
- **Productivity and long searches do not line up by industry.** Sectors with the fastest productivity growth since 2019 show no larger rise in long searches than others (new annual feature). Q3
- **Reemployment and pay.** Of long-tenured workers displaced in 2023–2025, 66% were reemployed by January 2026, and about half of those earn less than before BLS DWS.
- **Organizations are being redesigned by specialists.** AI labs, private-equity backers and consultancies launched AI services firms in 2026 to automate client workflows, the stage of adoption most likely to change headcount.

"Beyond margin of error" means the change is larger than its 90% margin of error, calculated with the BLS generalized variance method; every finding in this summary also clears our earlier, more conservative approximation (Appendix B). Unmarked changes from survey microdata may reflect sampling noise.

01

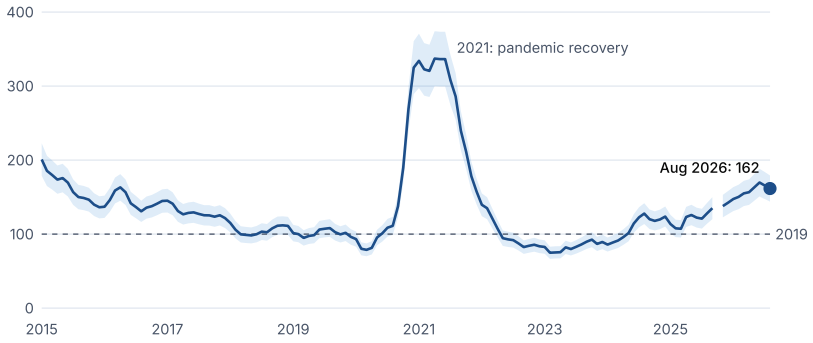
The NextChapter White-Collar Long-Search Index

The index tracks long-term unemployment among managers and professionals: people whose last job was in management, business, financial or professional occupations and who have been unemployed 27 weeks or more, as a share of that labor force. It stood at **162 in August 2026** (2019 = 100), close to its June reading of 170, the highest since 2021. The index describes one part of the market, the people searching longest; Section 02 covers hiring and openings.

WHAT WE MEASURE

EXHIBIT 1

White-Collar Long-Search Index, January 2015 – August 2026 (2019 average = 100)



Seasonally adjusted, 3-month moving average. Shaded band: 90% margin of error (about ±11% of the index level, BLS variance method). Gap: October 2025, not collected during the federal shutdown. Source: NextChapter calculation from U.S. Census Bureau Current Population Survey microdata.

Two cautions shape how to read the index. First, single months are noisy: the margin of error on a single month's reading is roughly ±24 points, so August 2026 (162) is not statistically different from August 2025 (128) on its own. The eight-month comparison below is. Second, the 2019 base was the strongest labor market of the past decade. The index ran between 131 and 201 in 2015–2016, so today's level is high relative to the late 2010s, not unprecedented.

WHAT WE MEASURE

EXHIBIT 2

White-collar measures, January–August average

MEASURE	2026	2025	2019	CHANGE VS 2025	
Long-term unemployed, % of white-collar labor force	0.75%	0.56%	0.47%	+0.18 pts* ±0.08	beyond 90% MOE
White-collar unemployment rate	2.7%	2.5%	2.1%	+0.18 pts* ±0.15	beyond 90% MOE
Unemployed white-collar workers out 27+ weeks	28.1%	22.8%	22.8%	+5.3 pts ±2.4	beyond 90% MOE
All unemployed workers out 27+ weeks	25.6%	22.4%	20.8%	+3.2 pts ±1.2	beyond 90% MOE

Not seasonally adjusted; January–August averages compare the same months each year. ± = 90% margin of error on the change, BLS generalized variance method (Appendix B). * Changes are computed from unrounded microdata, so they can differ from the difference of the rounded figures shown. White-collar = current or most recent job in management, business and financial, or professional and related occupations (about 73 million people in the labor force). These microdata shares differ from BLS's seasonally adjusted September figure (27.1%) because they cover different months and are not adjusted. Source: NextChapter calculation from Census CPS microdata.

Does the result depend on seasonal adjustment?

No. Whatever adjustment method is used, the index is 53–62% above its 2019 level and about a quarter higher than a year earlier. Our fixed seasonal factors give the highest current reading; the Census Bureau's standard X-13ARIMA-SEATS program gives the lowest.

Companion measure: people who lost their jobs

The index counts everyone long-term unemployed whose last job was white-collar, including people who quit or are returning to work. Limiting it to people who lost a job (laid off, let go or whose temporary job ended) gives a measure closer to the everyday meaning of displacement. It has risen faster than the overall measure: up 76% from 2019, against 59% for all white-collar long-term unemployment. Job losers make up just over half of the white-collar long-term unemployed in both years.

WHAT WE MEASURE

EXHIBIT 3

White-collar job losers unemployed 27+ weeks, % of white-collar labor force, January–August

MEASURE	2026	2025	2019	CHANGE VS 2025		CHANGE VS 2019	
Job losers out 27+ weeks	0.40%	0.31%	0.23%	+0.09 pts ±0.06	beyond 90% MOE	+0.17 pts ±0.06	beyond 90% MOE
All white-collar long-term unemployed (for comparison)	0.75%	0.56%	0.47%	+0.18 pts ±0.08	beyond 90% MOE	+0.28 pts ±0.08	beyond 90% MOE
Job losers as a share of white-collar long-term unemployed	54%	54%	48%		—		—

Job losers = CPS reason-for-unemployment codes 1–3 (on temporary layoff, permanent or other job loss, temporary job ended). Not seasonally adjusted. 90% margins of error, BLS generalized variance method. This measure identifies people who lost jobs, not why they lost them. NextChapter calculation from Census CPS microdata.

Beyond unemployment: how are employed professionals doing?

Unemployment counts only people without jobs. Workers could also be affected if they were moved from full-time jobs into part-time hours, second jobs or self-employment. We checked the same survey for employed managers and professionals.

WHAT WE MEASURE

EXHIBIT 4

Employed white-collar workers: underemployment and work arrangements, January–August

MEASURE (SHARE OF EMPLOYED WHITE-COLLAR WORKERS)	2026	2025	2019	CHANGE VS 2025 (±90% MOE, APPROXIMATE)	ALL WORKERS, 2026 / 2025
Part time for economic reasons (want full-time work)	1.37%	1.39%	1.49%	−0.02 ±0.11	2.93% / 2.92%
Holding more than one job	6.19%	6.50%	6.05%	−0.31 ±0.23 beyond approx. MOE	5.42% / 5.48%
Self-employed (incorporated or not), main job	11.29%	11.33%	11.74%	−0.04 ±0.31	10.07% / 10.20%
Average hours actually worked, all jobs (those at work)	39.6	39.5	40.4	+0.01 hours	38.3 / 38.2

White-collar = management, business, financial and professional occupations (about 71 million employed). Not seasonally adjusted; January–August averages. Part time for economic reasons follows the BLS definition (slack work, business conditions or could find only part-time work). Self-employment and multiple jobs refer to the main job and the reference week. Margins of error are approximate: BLS publishes variance parameters for these characteristics, which we will adopt from the October edition; here we apply the total-unemployment parameters (Appendix B). The CPS cannot identify workers moved from payroll jobs to contract or fractional work for the same employer; the Contingent Worker Supplement (last fielded July 2023) is the only official source, and it is not monthly. Source: NextChapter calculation from Census CPS microdata.

WHAT WE MEASURE

None of the three measures rose. Professionals who keep their jobs are not visibly being pushed into part-time hours, second jobs or self-employment; multiple jobholding fell. Hours are below 2019 but unchanged from last year. On current data, the slower part of the white-collar market shows up in how long people who leave jobs take to find the next one, not inside existing jobs.

02

Job-cut announcements and how companies describe AI

Employers announced 43,281 job cuts in September, the fewest for a September since 2022, according to Challenger, Gray & Christmas. Year to date, announced cuts total 573,195, down 39% from 2025. Most of that decline reflects the 2025 federal government cut announcements not recurring: excluding government, cuts are down 15%. Hiring plans were the lowest for any September since 2011.

What companies say about AI versus what they file

Employers cited AI as the reason for 120,136 announced cuts this year, about 21% of the total and the most-cited reason, per Challenger. Formal filings cite it less often. We searched every 2026 SEC Form 8-K that references Item 2.05, the item public companies use to report material restructuring costs, and read every AI passage in full.

> **Correction (Version 1.4, October 6, 2026).** Versions 1.0 and 1.1 reported that only 2 of 170 restructuring filings referenced AI in the restructuring disclosure itself. That undercounted: our search used the phrase "artificial intelligence" but not the abbreviation "AI," which most companies use. The corrected count is 16 filings from 14 companies. The gap between announcements and filings is real but much smaller than we first reported. Details are in Appendix B.

WHAT WE MEASURE

EXHIBIT 5

How often AI is cited: announcements versus formal filings, 2026 to date

SOURCE	CITES AI	OUT OF	SHARE
Challenger: announced job cuts attributed to AI (workers)	120,136	573,195	21%
SEC 8-K filings referencing Item 2.05 that mention AI, automation or machine learning anywhere (filings)	24	170	14%
...whose restructuring section itself cites AI as a reason or context for the plan	16	170	9.4%
...of which: AI changing how work is done / cutting to reinvest in AI (filings; from 8 / 6 companies)	10 / 6	170	5.9% / 3.5%
New York WARN notices citing automation, first year (Mar 2025–Mar 2026)	0	160+	0%

The units differ: Challenger counts workers in announced cuts; the SEC rows count filings. SEC counts are distinct filings returned by EDGAR full-text search for form 8-K, January 1–September 30, 2026, for "Item 2.05" combined with "artificial intelligence", "AI", "automation", "machine learning" or "generative AI" (run October 6, 2026), every match read and coded (see the Q3 addendum for the full coding). 26 filings matched; 2 were false matches on company names. Item 2.05 covers only material exit costs at public companies, while Challenger counts all announced cuts, so the populations differ. New York figure: Hunton Andrews Kurth (May 18, 2026). NextChapter calculation except where noted.

AI is more prominent in how layoffs are announced (21% of announced cuts) than in formal restructuring filings (about 9% of filings), but both measures show AI as a real part of how companies describe restructuring in 2026. The comparison has three limits. First, the units differ, workers

versus filings, so the two percentages are not directly comparable. Second, Form 8-K Item 2.05 requires companies to disclose a restructuring decision and its expected costs, not its reasons, so a filing that is silent about AI does not show AI played no role. Third, Challenger codes the reason employers give publicly, which may reflect how companies want a cut to be understood. Neither source is wrong; they measure different things, and the gap between them is worth tracking.

EMERGING AI LAYOFF-DISCLOSURE RULES

California's SB 951, signed September 30, 2026 and effective January 1, 2027, will require Cal-WARN layoff notices to state when a mass layoff is caused "in whole or in substantial part" by AI or other automated technology, including how many jobs, which functions and what kind of technology, and requires the state to publish quarterly summaries (Littler, Oct 2026). New York has asked a similar voluntary question since March 2025. These rules will create the first official data on AI-attributed layoffs. They do not show that any current figure in this report is right or wrong.

03

Where searches are taking longer

Long searches rose across most occupations, which points to a broad slowdown rather than one sector. Against that backdrop, computer and mathematical occupations stand out: 41% of their unemployed have been out 27 weeks or more, up from 28%, the largest rise of any occupation; increases for business and financial operations and for education also exceed their margins of error.

WHAT WE MEASURE

EXHIBIT 6

Unemployed out 27+ weeks, by occupation of last job, January–August

OCCUPATION	2026	2025	CHANGE (±90% MOE)	CHANGE MINUS ALL-OCCUPATION CHANGE	UNEMPLOYMENT RATE 2026 / 2025	SURVEY RESPONDENTS 2026
Computer & mathematical	41.0%	27.5%	+13.4 ±7.5 beyond 90% MOE	+10.3	3.3% / 3.1%	462 (near small-sample threshold)
Business & financial operations	30.5%	23.1%	+7.4 ±6.3 beyond 90% MOE	+4.2	2.8% / 2.6%	530
Management	30.3%	26.4%	+3.9 ±4.9	+0.7	2.4% / 2.1% (+0.28*)	1,029
Architecture & engineering	28.2%	28.1%	+0.2 ±13.1	−3.1	1.9% / 1.6%	136 (small sample)
Office & administrative support	26.4%	23.7%	+2.7 ±4.0	−0.5	3.9% / 3.8%	1,277
Arts, design, entertainment & media	23.2%	24.3%	−1.1 ±7.2	−4.3	5.5% / 5.3%	394
Healthcare practitioners	22.6%	19.4%	+3.2 ±7.5	0.0	1.6% / 1.6%	335
Education, training & library	18.9%	13.4%	+5.5 ±4.9 beyond 90% MOE	+2.3	3.5% / 3.1%	695
All occupations	25.6%	22.4%	+3.2 ±1.8 beyond 90% MOE	—	4.4% / 4.3%	14,192

Share of unemployed people whose last job was in each occupation who have been unemployed 27 weeks or more. Not seasonally adjusted; January–August of each year pooled. Respondents = unweighted count of unemployed survey respondents across the 8 months (the same people can appear in several months). Of the unemployment-rate changes shown, only management's (+0.28 ±0.27 pts) exceeds its margin of error. * Computed from unrounded microdata; the rounded rates shown differ by 0.3. Occupations with fewer than about 100 unemployed respondents (such as legal) are not reported. Source: NextChapter calculation from Census CPS microdata.

04

Search length and age

According to BLS, 1.94 million people had been unemployed 27 weeks or more in September, 27.1% of all unemployed, up from 23.6% a year earlier. Most of them have been out far longer than six months: about two in three have been looking for a year or more.

Age

Age shapes how long searches last more than whether people lose jobs. Among unemployed white-collar workers aged 55–64, 39% have been looking 27 weeks or more, up from 27% a year earlier, a rise larger than its 90% margin of error. Younger white-collar workers have somewhat higher unemployment rates but shorter observed spells so far, while older workers are much more likely to have been unemployed 27 weeks or longer; these tables do not measure how often people lose jobs or how fast they are rehired. Across all workers, unemployment for ages 25–34 rose to 4.8% from 4.3% (beyond margin of error), consistent with research showing fewer entry-level openings.

WHAT WE MEASURE

EXHIBIT 7

White-collar workers by age, January–August

AGE	UNEMPLOYMENT RATE 2026 / 2025	OUT 27+ WEEKS 2026	2025	CHANGE (±90% MOE)	MEDIAN WEEKS SO FAR 2026 / 2025
Under 35	3.3% / 3.0%	20.5%	16.6%	+3.9 ±3.6 beyond 90% MOE	9 / 8
35–44	2.1% / 2.1%	27.1%	23.5%	+3.6 ±5.3	12 / 9
45–54	2.3% / 2.1%	32.0%	25.6%	+6.5 ±5.7 beyond 90% MOE	13 / 12
55–64	2.7% / 2.5%	39.4%	26.5%	+12.9 ±6.3 beyond 90% MOE	20 / 12
65+	3.0% / 2.9%	32.2%	33.1%	−0.8 ±9.0	10 / 12

Median weeks are for people still unemployed and cluster at round numbers people report (such as 12 or 26 weeks), so treat medians as indicative. Only the under-35 unemployment-rate change (+0.33 ±0.32 pts) exceeds its margin of error. Not seasonally adjusted. For comparison, BLS's September figures for all occupations, ages 55–64, show an average of 34.9 weeks unemployed and about 31% out 27+ weeks (NSA). Source: NextChapter calculation from Census CPS microdata; BLS.

05

Older workers

Workers 55 and older are less likely to lose a job than younger workers, but when they do, they are much less likely to get back to an equivalent one. Participation for ages 55+ fell to 37.1% in January–August 2026 from 38.1% a year earlier, but almost all of that drop reflects a shift toward older ages within the 55+ population, from aging and from the Census Bureau's January 2026 population revisions. Within each age and sex group, participation was essentially unchanged (see the correction below).

WHAT WE MEASURE

EXHIBIT 8

Older workers at a glance

MEASURE	2026	2025	2019	NOTE
Labor force participation, ages 55+	37.1%	38.1%	40.2%	Jan–Aug, NSA; −1.0 pt ±0.4; holding the 2025 age and sex mix fixed: −0.05 pt
Labor force participation, ages 65+	18.6%	19.0%	20.0%	Jan–Aug, NSA; holding the 2025 age and sex mix fixed: −0.06 pt
Unemployment rate, ages 55+	3.2%	3.1%	2.8%	Jan–Aug, NSA; BLS SA September: 2.6%
Unemployed white-collar workers 50+ out 27+ weeks	37.1%	29.6%	28.4%	+7.6 pts ±4.5 beyond 90% MOE; 1,412 respondents
Average weeks unemployed so far, ages 55–64	34.9	—	—	BLS, September 2026 (NSA); all ages: 25.4

NSA = not seasonally adjusted. Participation and white-collar rows: NextChapter calculation from Census CPS microdata, January–August of each year; ± = 90% margin of error on the change, BLS generalized variance method (Appendix B). Changes are computed from unrounded rates, so they can differ by 0.01 from the difference of the rounded figures shown. Other rows: BLS Employment Situation tables A-10 and A-36.

Correction (Version 1.6, October 6, 2026). Earlier versions listed the fall in participation for ages 55+ (38.1% to 37.1%) among the executive summary's main findings, as a sign that more older workers were leaving the labor force. That reading was wrong. We recomputed the 2026 rate holding the 2025 mix of five-year age groups and sex fixed: it is 38.08%, a change of −0.05 points. The drop comes from the 55+ population getting older (more people in their 70s, who rarely work), amplified by the Census Bureau's January 2026 population revisions, which BLS says lowered measured participation for all ages by 0.4 points. The figure has been removed from the executive summary. Participation for ages 55–64 was essentially flat (66.6% in both years).

What happens after a layoff

06

New graduates and blue-collar work

The two groups outside the white-collar core are moving in opposite directions. New college graduates face the weakest entry-level market in years, and their unemployment advantage over peers without degrees has narrowed. Skilled trades are short of workers, wages are rising faster than average, and AI exposure is low.

WHAT WE MEASURE

EXHIBIT 9

Young adults and blue-collar workers, January–August

GROUP	UNEMPLOYMENT 2026	2025	2019	OUT 27+ WEEKS 2026	2025
Ages 22–27, bachelor's degree or higher	5.5%	5.3%	3.9%	25.5%	21.8%
Ages 22–27, high school diploma only	7.7%	7.7%	7.0%	27.3%	21.9%
Blue-collar (construction, installation and repair, production, transportation)	5.0%	5.1%	4.4%	22.6%	19.4%
White-collar, for comparison	2.7%	2.5%	2.1%	28.1%	22.8%

NextChapter calculation from Census CPS microdata, not seasonally adjusted. Recent-graduate unemployment is higher than in 2019 by more than its margin of error (+1.5 pts ±0.7); changes from 2025 are within the margin of error. Unemployed white-collar workers are more likely than blue-collar workers, beyond the margin of error, to be out 27+ weeks (28.1% vs. 22.6%). Blue-collar = last job in major occupation groups 7–10.

New college graduates

The degree still pays, but less of a cushion than it used to. Young graduates' unemployment rate is 1.5 points above 2019 while young high-school graduates' rose 0.8 points, so the gap between them has narrowed from 3.0 to 2.2 points. The Cleveland Fed finds young graduates' job-finding rates have fallen to roughly match high-school graduates', the narrowest gap since the late 1970s (as reported by Fox Business).

07

What to watch and release calendar

The BLS jobs report is released at 8:30 a.m. Eastern, usually on the first Friday of the month. This report publishes within two business days after it; the White-Collar Index is updated when the Census Bureau posts that month's microdata, usually one to two weeks later.

Nov 3	JOLTS for September: whether openings keep sliding toward one per unemployed person.
Early Nov	Challenger job cuts for October, including AI-attributed cuts.
Nov 6	BLS jobs report for October. Watch long-term unemployment and the information and finance sectors.
Mid-Oct / Nov	Census microdata for September and October; White-Collar Index updates.
Dec 4	BLS jobs report for November.
Dec 11	Federal stopgap funding expires; FY2027 workforce funding proposals are pending.
Jan 1, 2027	California's AI layoff-disclosure law takes effect; Colorado's AI law follows.

Company announcements about AI are easy to find; their effect on jobs is not. Each month we pair a few well-documented deployments with a public jobs series for the affected industry, so readers can see whether employment moves the way the announcements imply. Company claims are not measurements, and a jobs series cannot separate AI from other causes. We list failures and reversals alongside successes.

WHAT OTHERS FIND

EXHIBIT 10

Use-case watch: announced AI deployments and the jobs series we track

INDUSTRY OR FUNCTION	WHAT WAS DEPLOYED OR CLAIMED	INDEPENDENT EVIDENCE	JOBS SERIES (THOUSANDS): AUG 2026 / AUG 2025 / AUG 2019	OTHER EXPLANATIONS
Film and TV production	Netflix bought InterPositive, Ben Affleck's AI post-production company, on March 5, 2026 (terms not disclosed). Its tools train on a production's own footage for relighting, color, effects and background replacement rather than generating scenes from prompts. Netflix said generative AI made one visual effect on *El Eternauta* ten times faster; Lionsgate partnered with Runway in 2024.	Reports in 2025 said Lionsgate's custom Runway model stalled because the catalog was too small. 2026 writers' and actors' contracts (ratified April and June) keep limits on AI.	Motion picture and sound recording: 328.7 / 349.0 / 433.1 (−5.8% in a year; −24% since 2019)	Strikes in 2023, streaming budget cuts, production moving abroad; Los Angeles shoot days fell 16% in 2025.
Customer service	Klarna said its AI assistant did the work of 700 agents (Feb 2024); Salesforce cut support staff from about 9,000 to 5,000, citing AI agents (Sep 2025).	None independent. Klarna later resumed hiring people so customers can always reach a human (May 2025).	Business support services, including call centers: 622.4 / 643.5 / 873.1 (−3.3%)	Offshoring and self-service; Klarna's staff are mostly outside the U.S.
Software development	Microsoft says 20–30% of its code is written by AI (Apr 2025); Google's CEO said 75% of new code is AI-generated and approved by engineers, up from 50% in fall 2025 (Apr 2026). Neither company defines the measure.	A randomized trial found experienced developers 19% slower with AI tools, though they believed they were faster (METR, Jul 2025). Payroll data show lower employment of 22–25-year-olds in AI-exposed jobs (Stanford, Aug 2025).	Computer systems design: 2,359.8 / 2,394.0 / 2,216.4 (−1.4%)	Correction after 2021–22 over-hiring, interest rates, tax treatment of software salaries.
Legal	Harvey raised $550 million at a $15.5 billion valuation (Sep 9, 2026) and says most of the largest U.S. law firms use it.	Stanford researchers found legal AI tools gave wrong answers on 1 in 6 or more test queries (2024). No employment evidence.	Legal services: 1,247.0 / 1,224.7 / 1,152.6 (+1.8%)	Litigation and regulatory demand.
Bank operations	JPMorgan projected AI could cut operations headcount about 10% (May 2025).	A forecast, not a result.	Credit intermediation: 2,526.5 / 2,564.5 / 2,652.8 (−1.5%)	Branch closures and earlier automation.
Accounting	Firms report AI in audit and tax preparation; no quantified claim we could verify.	None.	Accounting and bookkeeping services: 1,122.5 / 1,127.1 / 1,019.6 (−0.4%)	Fewer accounting graduates; offshoring.

Jobs series are BLS Current Employment Statistics, seasonally adjusted, August of each year (as revised in the October 2 release): CES5051200001, CES6056140001, CES6054150001, CES6054110001, CES5552200001, CES6054120001 (via FRED). Industry series include many jobs unaffected by the named deployments. Sources: Variety (Mar 2026); The Decoder (Jul 2025); TheWrap (2024–2026); WGA and SAG-AFTRA (2026); FilmLA via CBS (Jan 2026); Fortune (Feb 2024); Bloomberg via Entrepreneur (May 2025); The Register (Sep 2025); TechCrunch (Apr 2025); Semafor (Apr 24, 2026); METR (Jul 2025); Stanford SIEPR (Aug 2025); Harvey (Sep 2026); Stanford HAI (May 2024); JPMorgan investor day via Entrepreneur (May 2025).

Oct 29–30	Q3 GDP (Oct 29) and Employment Cost Index (Oct 30), for the Q3 addendum.
Nov 5	Q3 productivity and labor share.
Late Nov	Proposed federal statutory definition of "Super Intelligence" due under EO 14434.
End of Dec	New York FutureWorks Commission recommendations due.

Q3 2026

Growth without hiring at large employers

Q3 addendum: revenue per employee at large white-collar employers

Can large companies grow without adding staff? We compiled revenue and year-end headcount from the annual reports (10-Ks) of the 30 largest U.S.-listed companies by revenue in white-collar-intensive industries (software and internet, banking, insurance and managed care, financial services and professional services), comparing each company's most recent fiscal year with the year three years earlier. Twenty-seven reported comparable headcount in both years.

WHAT WE MEASURE

EXHIBIT 11

Revenue grew 40% while headcount fell 1%: 27 large white-collar employers, fiscal 2022 to fiscal 2025

MEASURE (27 COMPANIES COMBINED)	FISCAL 2022	LATEST FISCAL YEAR	CHANGE
Revenue (nominal)	$2.33 trillion	$3.27 trillion	+40%
Employees	3.01 million	2.98 million	−1%
Revenue per employee	$774K	$1.10 million	+42%
Companies whose headcount fell	14 of 27		
Median company: revenue / headcount / revenue per employee	+35% / 0% / +31%		
Excluding 6 companies with major acquisitions or divestitures (†)	Revenue +40%, headcount −2%		

This is a selected large-company sample, not a representative estimate of the U.S. economy; company selection and acquisitions or divestitures can materially change the comparison. Nominal dollars; consumer prices rose roughly 10% over the period. Latest fiscal year is calendar 2025 for most companies (Microsoft: year ended June 2026; Oracle: May 2026; Salesforce: January 2026), compared with the fiscal year three years earlier. Revenue is the total revenue reported in XBRL financial data (for banks, revenue net of interest expense); headcount is the year-end total in each 10-K's human-capital section, often rounded ("approximately"). Sample: the 30 largest companies by revenue in SIC codes 6000–6411 and 7370–7379 and 8700–8748, excluding Berkshire Hathaway, government-sponsored enterprises, subsidiaries that file separately and asset managers; Elevance Health, Prudential Financial and Goldman Sachs were dropped because their 10-Ks did not state comparable total headcount. † Major acquisition or divestiture: Capital One (Discover, 2025), Chubb (Cigna's Asia business, 2022), Marsh McLennan (McGriff, 2024), AIG (Corebridge, 2024), U.S. Bancorp (Union Bank, Dec 2022), Cigna (Medicare business sale, 2025). Source: SEC EDGAR 10-K filings and XBRL company facts; NextChapter calculation.

The full report's Q3 addendum also covers what firms expected versus what they did, how AI appears in restructuring filings, the labor-market services economy, AI services firms remaking organizations, and reemployment after layoffs.

THIS IS THE MONTHLY BRIEF

The full report (about 50 pages) adds jobs and hiring, what leading researchers are finding, applying in 2026, skills and retraining, how jobs are changing, new businesses, Chapter 13A on what public programs, funding and technology are adding, states, benefits and retraining, blue-collar work, the complete Q3 addendum, two features (the history of automation; remote work), the future research agenda, the FAQ, full methodology with margins of error and seasonal-adjustment checks, sources and the revision audit. Replication code and data: launchyournextchapter.com/reports/replication.

ABOUT NEXTCHAPTER

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NextChapter is a career-transition platform for senior professionals and executives, and offers programs for employers, universities and public workforce agencies. This section is the only part of the report that describes NextChapter's services. Several public programs described in Chapter 13A accept private and nonprofit participants as sponsors, consortium partners or data contributors; NextChapter could participate in such programs, and any participation would be disclosed in this report. Learn more at launchyournextchapter.com.

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