

SEPTEMBER EMPLOYMENT UPDATE

OCTOBER 2, 2026

Monthly Employment Data

The September jobs report came in weaker than expected, with nonfarm payrolls increasing 29,000 versus the consensus estimate of 90,000. Although overall employment changed little in September, health care continued its upward trend followed by construction and manufacturing, while employment fell in financial activities. Revisions downward emphasized a cooling labor market, with July and August numbers revised to -10,000 and 133,000 respectively, making a total revision of -60,000. The unemployment rate increased to 4.2% while the broader underemployment rate fell to 7.6%.

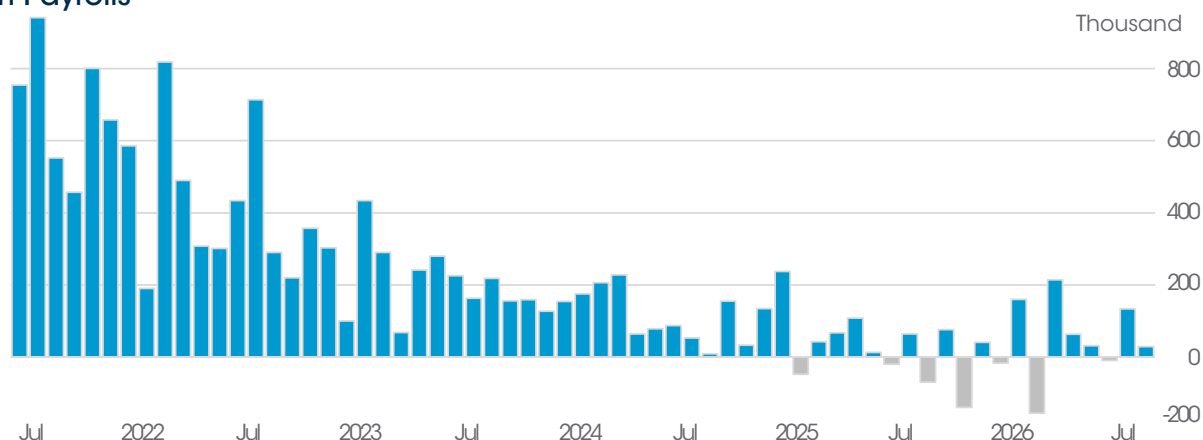
On the wage side, average hourly earnings rose 3.0% year over year, below both last month's reading and this month's 3.1% consensus. Even with the weaker numbers for the September report, and downward revisions to the last two months, the FOMC will likely continue their focus on the inflationary side of their dual mandate. Economists are now forecasting a greater likelihood of no change to the Fed Funds rate at the October meeting.

Last Five Months Nonfarm Payrolls

Metric	September	August	July	June	May
Nonfarm Payrolls	29,000	133,000	-10,000	31,000	63,000
2-month revisions	-60,000				
Change in Private Payrolls	46,000	89,000	28,000	26,000	61,000
Unemployment Rate (%)	4.2%	4.1%	4.1%	4.2%	4.3%
Underemployment Rate (%)	7.6%	7.7%	7.9%	7.9%	8.1%
Labor Force Participation Rate (%)	61.8%	61.6%	61.4%	61.5%	61.8%
Avg Hourly Earnings YoY (%)	3.0%	3.1%	3.2%	3.5%	3.4%

Source: BLS.gov

Nonfarm Payrolls



Source: FRED - U.S. Bureau of Labor Statistics

Source: FactSet, CME Group

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