

W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH

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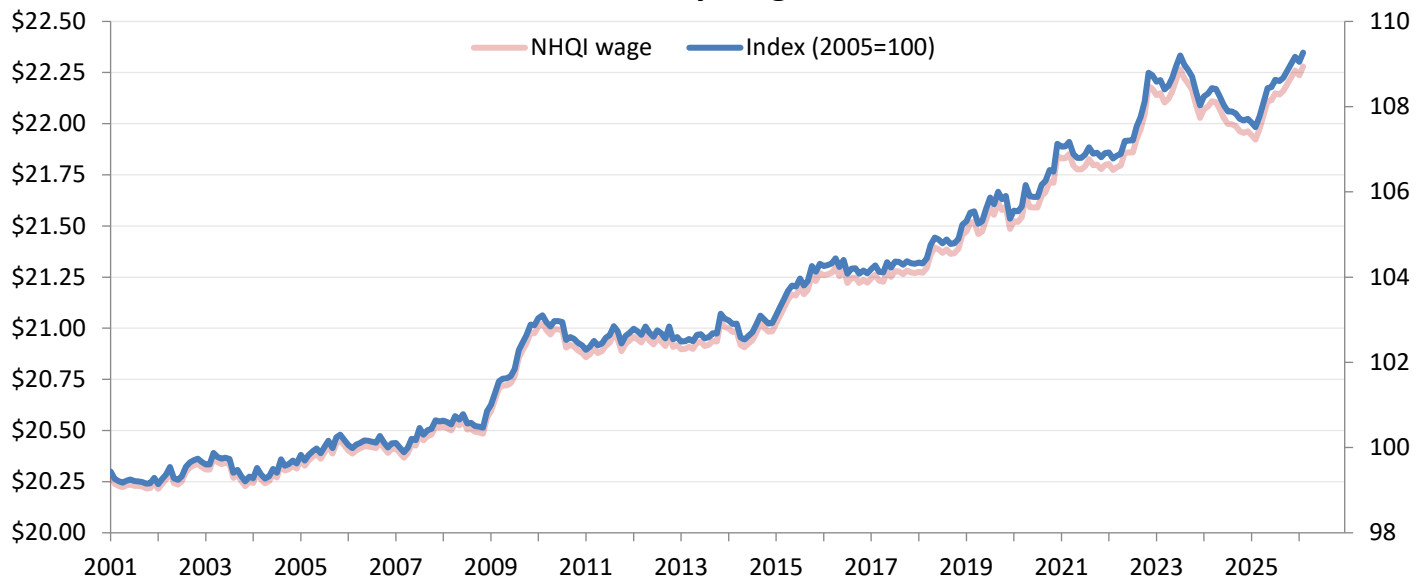
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Upjohn Institute New Hires Quality Index gains 0.2 percent in February 2026 as volume stutters, and college graduates are doing better than you think

KALAMAZOO, Mich.— The Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly earnings power of individuals starting a new job rose 0.2 percent in February 2026, to \$22.28, and a new record high, barely surpassing the previous record from July 2023. Hiring volume, however, slipped 0.5 percent after last month's gain. It is up 3.6 percent over the year but still down 3.2 percent from before COVID. Adjusting for population growth, hiring *rates* have risen 1.9 percent from the year prior, when they bottomed out, but they remain 8.4 percent below the pre-COVID baseline. Whereas last month's report suggested hiring dynamics may have turned the corner, this month's report—as well as the ongoing Iran war, oil supply disruptions, and heightened inflation expectations—dials the uncertainty back up.

The index and accompanying [interactive database](#) and [report](#), developed by Upjohn Institute economist Brad Hershbein, fill a key gap in the measurement of hiring activity. The NHQI provides monthly updates on the volume and occupation-based wages of newly hired workers, and is available for different groups based on sex, age, education, and other characteristics.

New Hires Hourly Wage Index: All



SOURCE: Upjohn Institute New Hires Quality Index

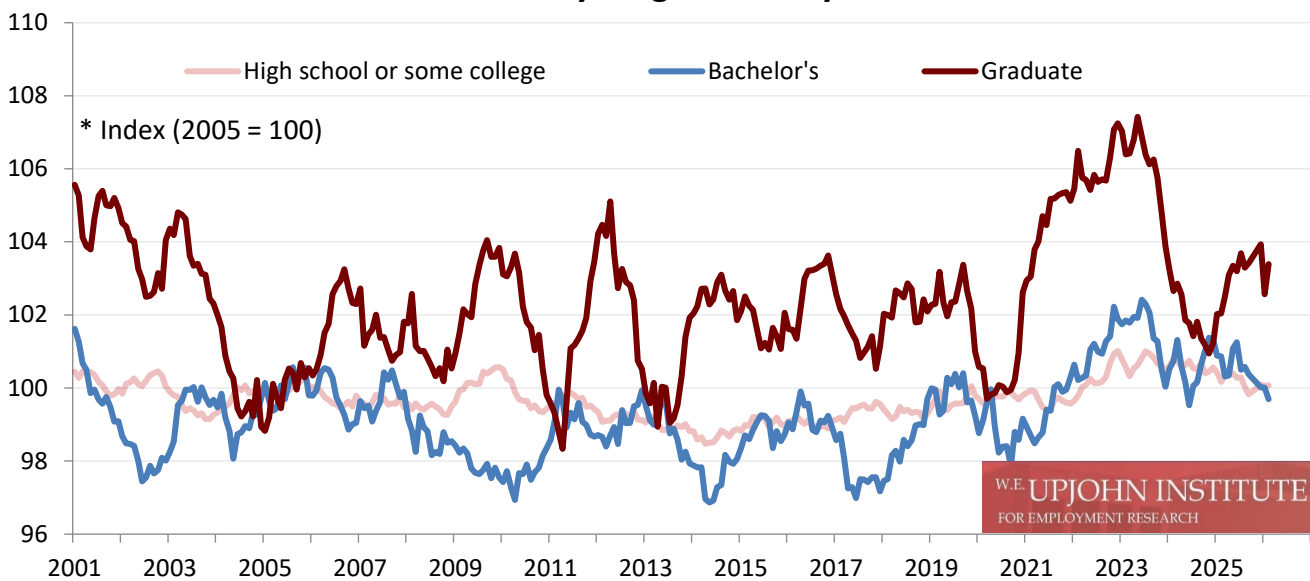
NOTE: The lighter line uses the left axis and shows the inflation-adjusted hourly wage of new hires. The darker line uses the right axis and shows the relative change since the base year of 2005.



The [number](#) of recent [articles bemoaning](#) the [sorry state](#) of the [job market](#) for [recent college graduates](#) may feel like a [tsunami](#) of [pessimism](#), with each [wave](#) hitting [harder](#) than the next. As the NHQI has shown for some time, hiring has dropped virtually across the board, regardless of gender, race, age, location, or sector. But what about education? In this month's release, we examine recent hiring trends for three educational groups: those with a high school diploma or some college (including an associate degree), those with a bachelor's degree—the focus of the current malaise, and those with graduate or advanced degrees (whose access to federal loans will likely soon be [curtailed](#)).

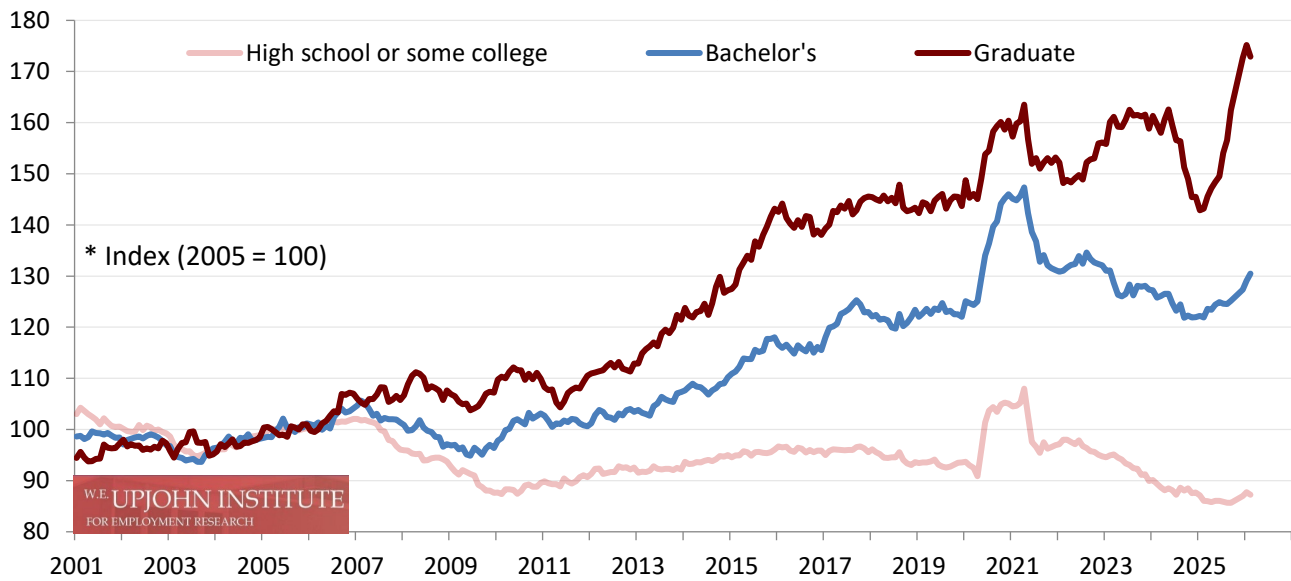
The graph below shows the hourly wage index separately for the high school/some college (salmon), bachelor's degree (blue), and graduate degree (dark red) groups. Each index is normalized to the respective group's own level in 2005 to better show relative changes. The biggest takeaway is that there is little long-term change for any of the education groups. The earnings power of new hires in the least-educated group barely budes at all, staying within 1 percent of its long-term average. The wage index for newly hired bachelor's degree workers bounces around a bit more (with a notable upward bump coming out of COVID in 2022 and 2023), and that for newly hired workers with a graduate degree is even more volatile (it's a smaller group). Although it has grown a bit more than the index of the other two education groups, it's still down from its post-COVID highs.

New Hires Hourly Wage Index: by education



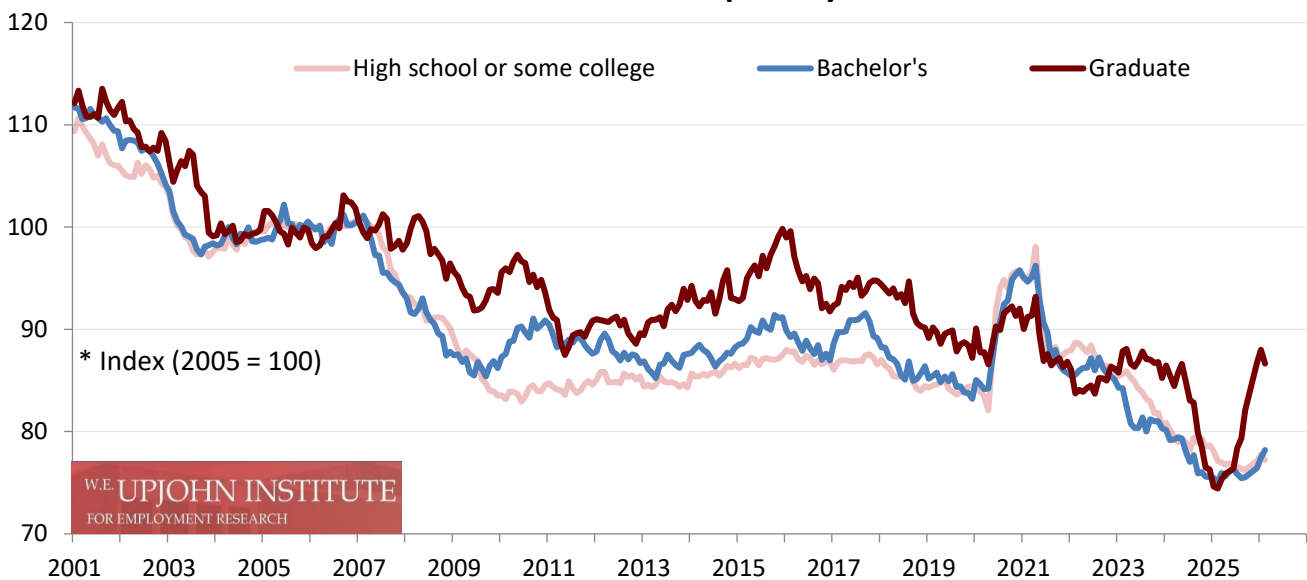
If the overall wage index (graph on first page) has risen over time but the education-specific indices are relatively flat, then it follows that newly hired workers have become more educated, since more-educated workers have [higher absolute earnings power](#). Indeed, this is clearly shown in the graph below, which presents indexed hiring volumes for each education group. Since 2005, hiring volume for those with graduate degrees is up 73 percent, and for those with bachelor's degrees, up 30.5 percent. For those with only a high school diploma or some college, in contrast, volume is down 12.8 percent. More recently—over the past 12 months—hiring volume for the most educated group has skyrocketed 20.8 percent to near record highs. Although the gains are not as dramatic for those with bachelor's degrees, their volume is still up 7.0 percent over the year, and its highest mark since early 2023. For the less-educated group, volume is up a scant 1.4 percent—above its all-time low last summer, but only barely. While these education groups are not restricted to young adults (or recent graduates), these trends do not accord with the jeremiads against the job prospects for those with bachelor's degrees.

New Hires Volume Index: by education



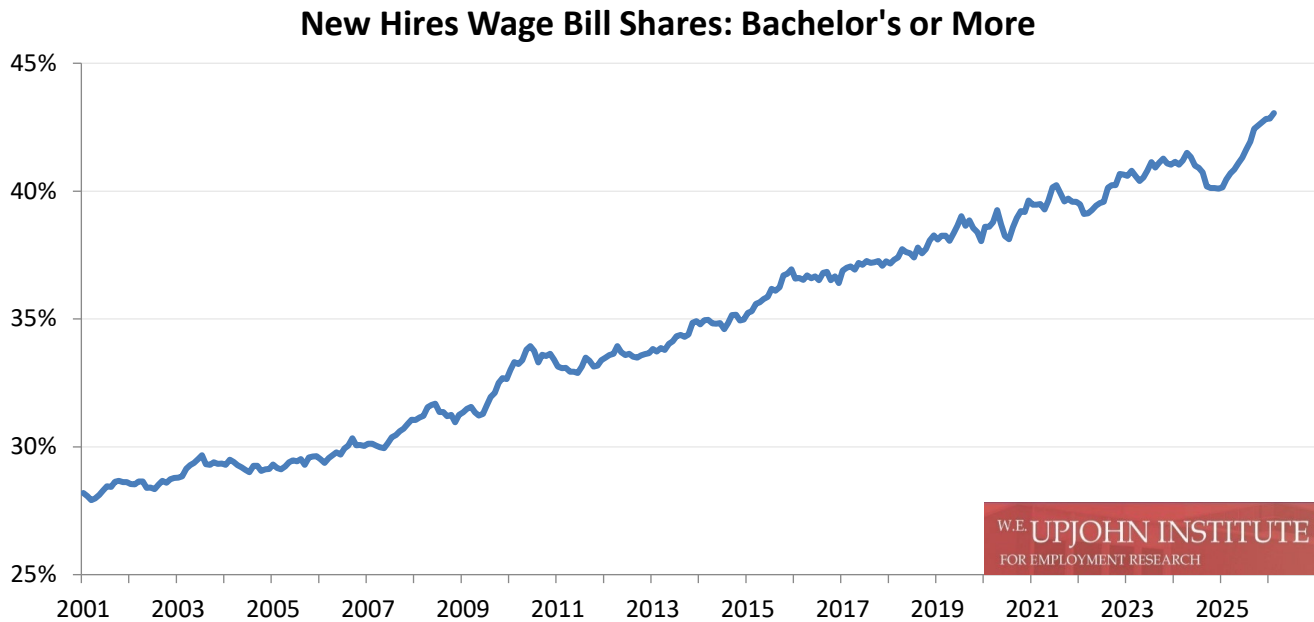
It is true that what shapes many perceptions are hiring rates—the volume of new hires divided by the working-age population in each group. The graph below presents indexed hiring rates by education group. A year ago, all three groups were near record lows—in line with popular perception. However, over the past 12 months, the hiring rate has surged 16.4 percent for those with graduate degrees and increased by a more modest but still respectable 4.1 percent for those with bachelors degrees. For the least-educated group, hiring rates have barely budged, edging up just 0.1 percent. This does not imply the labor market is solid by any stretch—it does indicate, however, that individuals with less than a bachelor’s degree are seeing even less improvement in the likelihood of taking a new job.

New Hires Volume Per-capita: by education



Furthermore, if individuals with a bachelor’s degree (or more) were becoming less valuable to employers, we would expect their share of the new hires wage bill—the aggregate earnings power of all newly hired workers accruing to those with at least a bachelor’s degree—to decline. As the graph below illustrates, it has done the opposite, which it has more or less done since the beginning of the sample period. At the beginning of 2001, the share of the new hires wage bill accruing to those with at least a bachelor’s degree

was about 28 percent. As of February 2026, the share is at 43 percent. Although there was a slight dip in 2024, as the share fell from 41.5 percent to 40.1 percent, it has increased by 2.6 percentage points over the last 12 months, and on par with its linear growth trend since the Great Recession. It is harder to get hired now into a good job than it was three years ago, but it is even harder if you don't have a bachelor's degree.



These statistics and many more, as well as interactive charts and data downloads, can be found at the website for the Upjohn Institute New Hires Quality Index: www.upjohn.org/nhqi.

The full report, including methodology, can be found here: https://www.upjohn.org/sites/default/files/2021-05/NHOI_report_0.pdf.

All data will be regularly updated during approximately the first week of the second month following the reference of the data release month. For example, data for March 2026 is scheduled to be released during the first week of May 2026. (Due to the federal government shutdown, no data were collected for the month of October 2025, so there will be no release for this month or the following month, as NHQI construction requires data from adjacent months.) To sign up to regularly receive monthly press releases for the Upjohn Institute New Hires Quality Index, visit: www.upjohn.org/nhqi/signup.

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FAQ

1. What is the New Hires Quality Index?

The New Hires Quality Index (NHQI) is a consistent way of measuring the earnings power of people taking new jobs each month, allowing comparisons over time.

2. How is the Index constructed?

The Index is based on the occupations of newly hired workers as documented in the [Current Population Survey](#), the same source used to produce the national unemployment rate each month. Separate data on the hourly wages for each occupation from another government survey, [Occupational Employment Statistics](#), are connected to the newly hired workers in the Current Population Survey. These hourly wages are then statistically adjusted to account for differences in the demographic composition of new hires (sex, race and ethnicity, education, and age) before being averaged.

3. Does the Index measure actual, reported wages of newly hired workers?

No. Although the data used to create the Index do have some information on self-reported wages (or those reported by another household member), many economists consider these self-reported wages [increasingly unreliable](#), as a growing fraction of workers refuse to answer the wage questions, and the government's attempts to impute (make an "educated guess") for these workers are [problematic](#). Moreover, because relatively few workers are even asked the wage questions, and only a small subset of these are newly hired, use of the self-reported wage data would lead to very small samples.

The Index captures changes in the wages of new hires due to both changes in the mix of occupations hired and the demographic characteristics of individuals taking new jobs. It will not capture change in the wages of new hires due to other factors, such as individual aptitude, geography, or employer characteristics.

A comparison of the Index with a series derived from the actual self-reported wages in the Current Population Survey can be found in the [technical report](#). An analysis of self-reported wages can also be found in press releases for [July 2018](#), [July 2019](#), [July 2020](#), [July 2021](#), [July 2022](#), [July 2023](#), [July 2024](#), and [July 2025](#).

4. Does the NHQI count self-employed workers?

No, the NHQI excludes the self-employed (including those who report bring independent contractors).

5. How often is the NHQI updated?

Every month, with the release by the Census Bureau of the Current Population Survey microdata. Updates will be posted on the [NHQI website](#) during the first week of the month, covering data from two months ago. Data are currently available from January 2001 through February 2026, except October and November 2025, for which there are no data. To receive updates through email or social media, [visit the signup page](#).

6. What data are available on the NHQI website?

The [NHQI website](#) contains monthly data for all components of the NHQI. The four main components are: the hourly wage index, the hiring volume index, the wage bill index (the product of hourly wages and hiring volume), and the hires per capita index. Each component is available at its actual level or normalized to the base year 2005. In addition to providing data for all new workers, the NHQI exists for men, women, different age groups, different education groups, different races/ethnicities, different industry sectors, different regions, native and foreign-born, full- and part-time workers, and different types of new hires (the newly employed and employer changers). All data can be charted interactively or downloaded for separate analysis.