

W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH

300 South Westnedge Avenue • Kalamazoo, Michigan 49007 • 269-343-5541 • www.upjohn.org

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CONTACT: SCOTTY HENDRICKS hendricks@upjohn.org

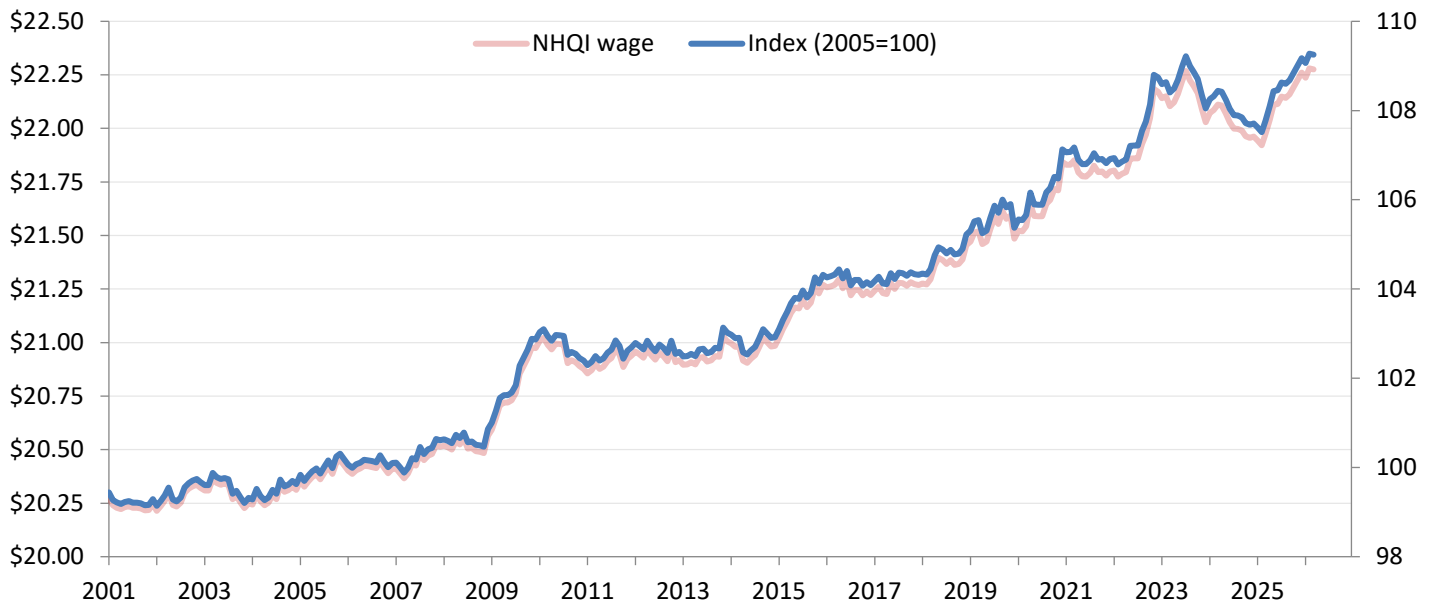
BRAD HERSHBEIN hershbein@upjohn.org

Upjohn Institute New Hires Quality Index held steady in March 2026, with volume dipping 0.1 percent, as job-to-job moves stagnate

KALAMAZOO, Mich.— The Upjohn Institute New Hires Quality Index shows inflation-adjusted hourly earnings power of individuals starting a new job did not change in March 2026, holding at \$22.28, last month's record high. The index is up 1.4 percent from March 2025. Hiring volume, however, continued to slide, dipping 0.1 percent since February and 0.6 percent since January. It remains 3.0 percent above its mark from a year ago, which represented a near record low. Adjusting for population growth, hiring rates have risen 1.4 percent from the year prior, but they remain 8.6 percent below the pre-COVID baseline. The same headwinds present last month—the Iran war, oil supply disruptions, and heightened inflation expectations—are beginning to mix with income tax refunds, on-and-off ceasefires, and growing AI adoption to spin a maelstrom of uncertainty, and a labor market in idle.

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

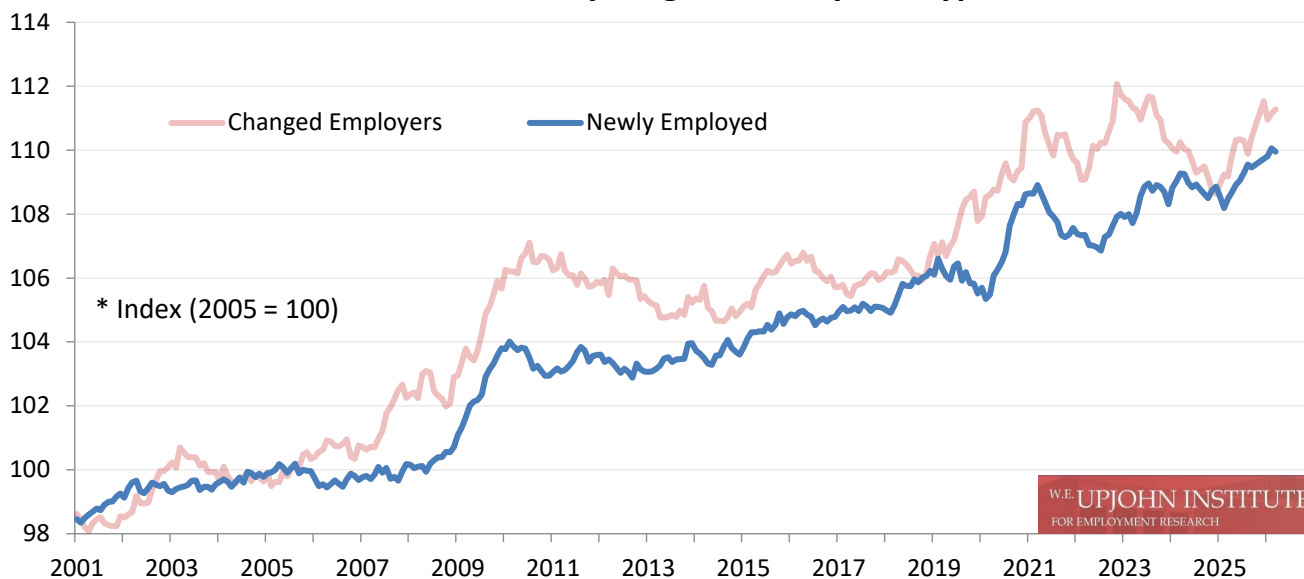
NOTE: The lighter line uses the left axis and shows the inflation-adjusted hourly wage of new hires. The darker line uses the right axis and shows the relative change since the base year of 2005.



It is not a great time to be looking for a job, especially—as we noted [last month](#)—if one is a recent college graduate. But is there a difference between those who already have a job and are searching for a new one and those who are jobless, whether they be new labor force entrants (such as new graduates), returners (such as those reentering after taking care of children), or the unemployed (such as those [laid off](#) by UPS or Oracle recently)? Recent [anecdotes](#) and even [job posting trends](#) have indicated labor demand has fallen for more junior roles while rising slightly for more senior positions. Since senior roles are more likely to be filled by people who already have jobs, and junior roles by those starting out or with little prior tenure, this might suggest that job-to-job transitions are becoming more common relative to transitions from nonemployment to employment, or that the earnings potential of the former are growing relative to the latter. In this month’s NHQI release, we explore the dynamics of these two different groups of new hires.

The graph below shows the hourly wage index separately for individuals who were employed from month-to-month but changed employers (salmon) and those who when they took a job became newly employed (blue). Each index is normalized to the respective group’s own level in 2005 to better show relative changes. Both groups have seen recent growth: over the past 12 months, the earnings power of new hires changing employers has increased 1.9 percent, while the earnings power of newly employed workers has increased slightly less, 1.4 percent. This would seem to accord with the argument above. However, extending the trend shows that this view is narrow. Among newly employed new hires, the wage index is essentially at a series high, well above the level reached during the peak COVID hiring frenzy in 2021. For those changing employers, the growth reverses much of the decline seen in 2023 and 2024, with the current index remaining below its previous peak. Regardless, both groups are at relative high points, and there is no evidence that earnings power of new hires has diminished recently for either group.

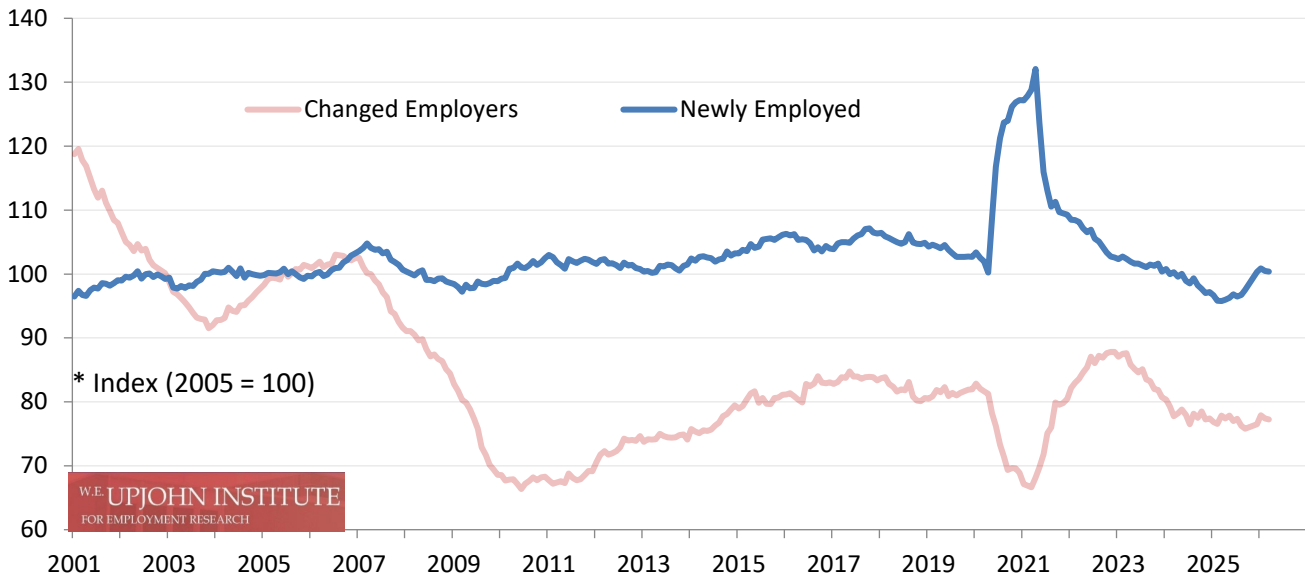
New Hires Hourly Wage Index: by hire type



But what of the quantity of new hires for each group? Are flows from nonemployment into employment falling, with only a lucky few benefitting from higher earnings power? The graph below, which presents indexed hiring volumes for each hire group, in fact shows the opposite. Since the beginning of 2025, hiring volume for the newly employed has risen about 5 percent, whereas it has barely moved at all for those changing employers. Volume for those entering employment is about 2 percent below where it was

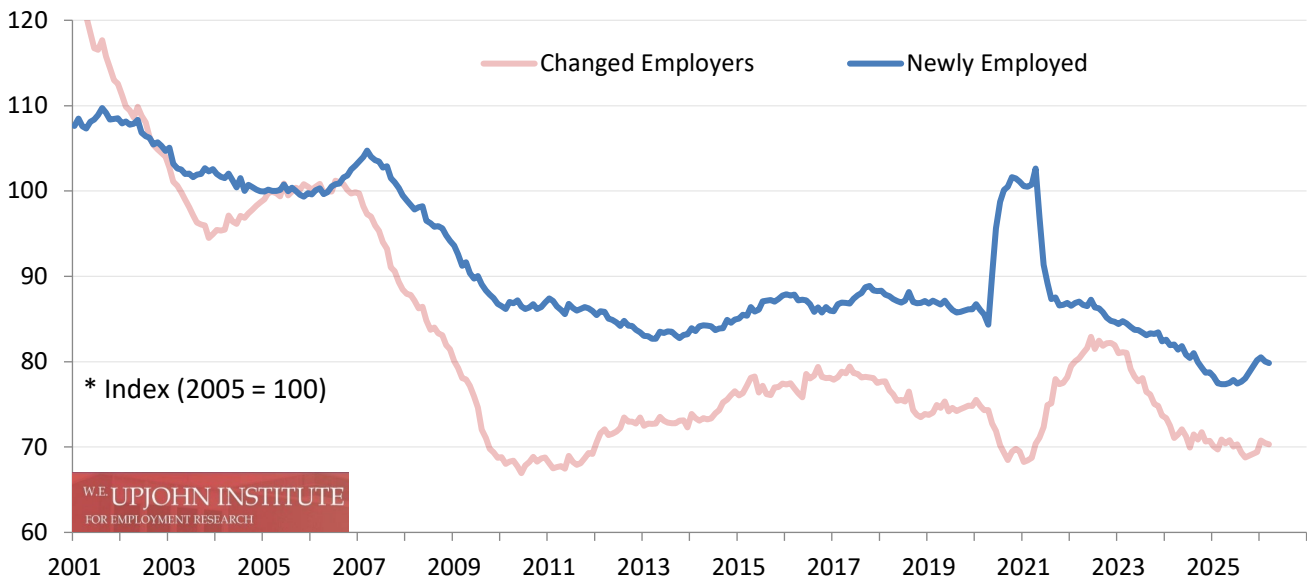
right before the pandemic; for job-hoppers, it is down 6 percent from that period. Some may think that it is becoming more challenging for the jobless to find a job than for the already employed to do so, but this is not the case.

New Hires Volume Index: by hire type



This is not to imply that job-finding is easy for either group. If we look at the likelihood of making either transition—hiring per capita, accounting for changes in the size of the working and nonworking populations—we see that these hiring rates are near record lows for both groups. The recent uptick for the newly employed is a climb from its series trough, but still a reversal from its downward trend that began in 2022. The hiring rate for those already employed has been stagnant for the past two years.

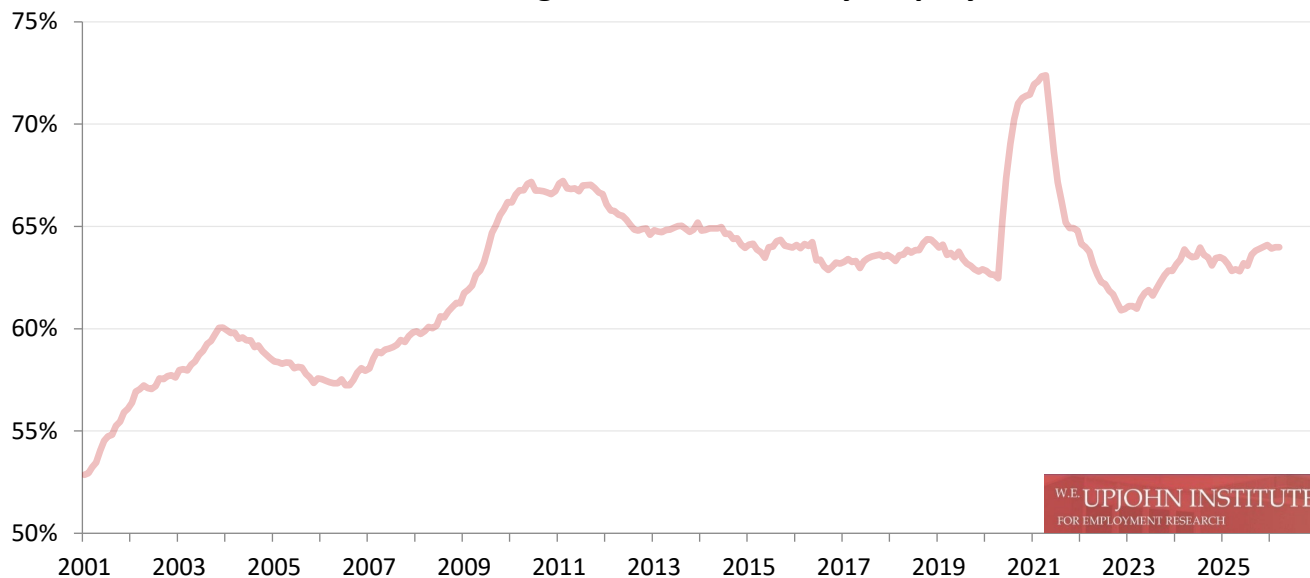
New Hires Volume Per-capita: by hire type



Despite the recent bump in hiring for the newly employed, their share of the new hires wage bill—the aggregate earnings power of all newly hired workers accruing to those moving into employment—has fluctuated by less than a percentage point over the past two years and, aside from the gyrations from

COVID and its recovery, remains at the same level it reached more than decade ago of between 63–64 percent—an apparent equilibrium. With little divergence between the hiring dynamics of individuals switching employers and those entering employment—typically expected when the labor market is undergoing a change—we seem to be stuck in neutral.

New Hires Wage Bill Shares: Newly Employed



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/NHQI_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 April 2026 is scheduled to be released during the first week of June 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 March 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.