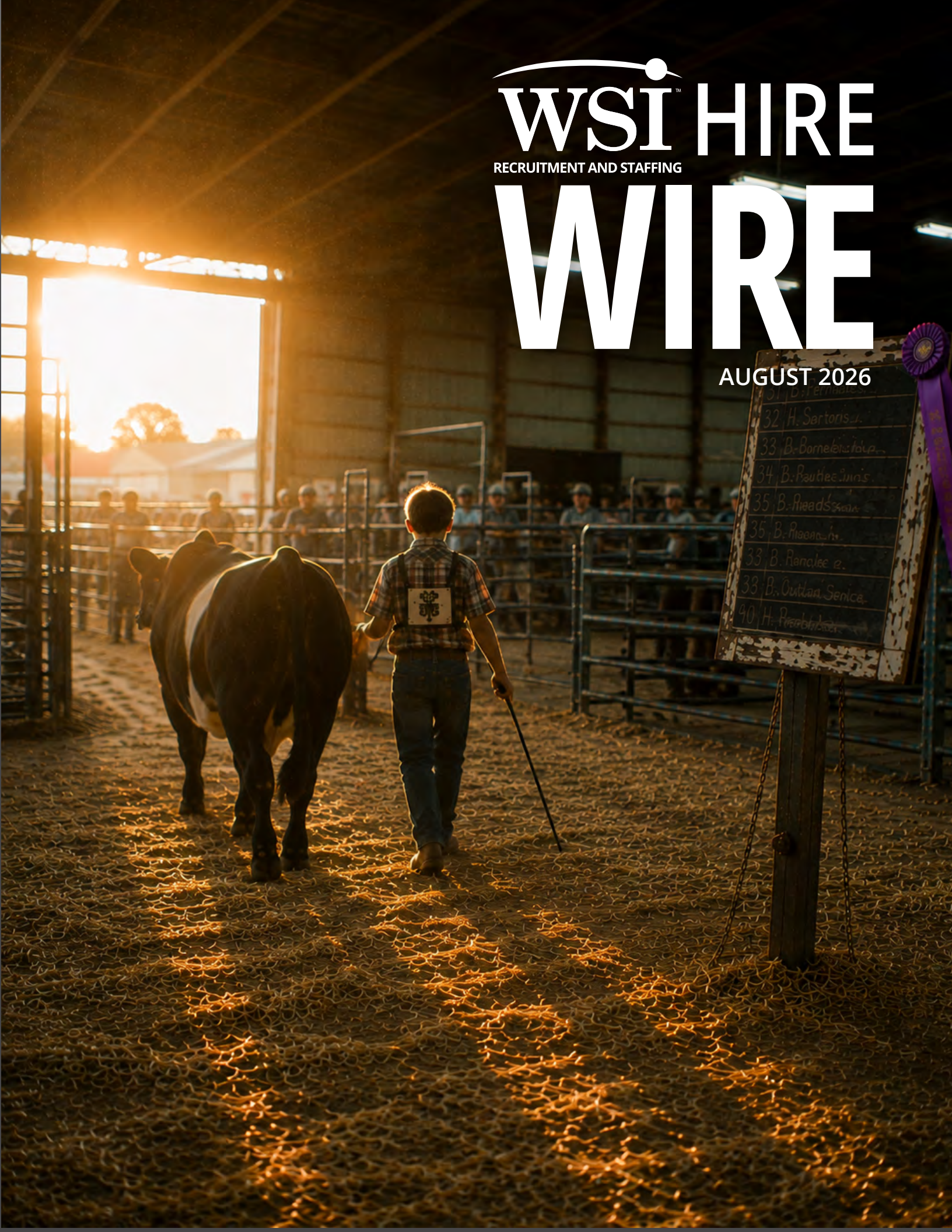


WSI HIRE WIRE

RECRUITMENT AND STAFFING

AUGUST 2026

Jobless Claims Just Hit a 56-Year Low.

The Bigger Story Is Who Isn't Coming Behind Them.

Initial unemployment claims **fell to just 187,000 in late July,** the lowest weekly reading since September 1969. Layoffs remain remarkably scarce, the national unemployment rate sits at 4.2%, **Michigan's unemployment remains stable,** and employers continue holding onto workers despite higher interest rates and persistent inflation.

For workers, that is translating into leverage.

When companies are reluctant to reduce headcount and the available labor pool remains tight, wages naturally come under pressure to rise. Many hourly employees who struggled to keep pace with inflation over the past several years are finally seeing stronger bargaining power, particularly in manufacturing, logistics, healthcare, construction, and the skilled trades.

THE U.S. LABOR MARKET CONTINUES TO DEFY EXPECTATIONS.

UNEMPLOYMENT	APR 26	MAY 26	JUN 26
Battle Creek	4.7%	5.4%	5.1%
Grand Rapids	3.7%	4.4%	4.2%
Kalamazoo	3.9%	4.7%	4.5%
Michigan	5.1%	5.1%	5.0%
United States	4.2%	4.2%	4.2%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

But today's labor market is only the opening chapter.

A far more significant challenge is demographic. America is retiring faster than it is replacing workers. Roughly 10,000 Baby Boomers reach retirement age each day, a trend expected to continue through the end of the decade. At the same time, birth rates have slowed and fewer young workers are entering the labor force. Several demographic studies project the U.S. workforce will contract by millions during the 2030s unless immigration or labor force participation increases substantially. that shift changes the conversation from cyclical labor shortages to structural ones.

For employers, recruiting will become less about filling today's opening and more about building tomorrow's workforce. Companies that invest in apprenticeships, career development, workplace flexibility, and competitive compensation will have a meaningful advantage as talent becomes increasingly scarce. The pressure will be especially pronounced in occupations that cannot easily be automated, including electricians, plumbers, maintenance technicians, CNC machinists, and other skilled trades.

The current labor market is strong. The next one may be defined not by a lack of jobs, but by a lack of people to fill them.

MANUFACTURING'S STRONGEST YEAR FACES ITS

BIGGEST TEST

55.6

U.S. Manufacturing Purchasing Manager's Index

Highest reading in four years, driven by new orders, AI infrastructure demand, and renewed factory hiring.

American manufacturing has regained momentum, at least by **the headline numbers.** The Institute for **Supply Management's Purchasing Managers' Index** climbed to 55.6 in July, its highest reading in more than four years. New orders accelerated, production strengthened, and factory hiring returned to expansion for the first time in nearly three years. Much of that demand continues to trace back to one source: the unprecedented capital investment flowing into artificial intelligence infrastructure. Data centers, electrical equipment, networking hardware, and semiconductor demand remain powerful tailwinds for domestic manufacturers.

The stronger production numbers, however, tell only half the story.

Manufacturers are expanding into an operating environment defined by higher costs and greater uncertainty. The ISM survey found that nearly two-thirds of purchasing manager comments carried a negative tone, with respondents frequently citing geopolitical instability, volatile raw material pricing, and longer supplier lead times. Those concerns are increasingly concentrated around global shipping routes affected by the conflict involving Iran, forcing carriers to reroute cargo and increasing transportation costs across multiple industries.

Supply constraints remain particularly acute in industries tied to electrification and AI infrastructure. Semiconductors, copper, transformers, and electrical components continue to experience tight availability while customer inventories remain historically lean. Businesses have little excess inventory to absorb additional disruption, leaving many manufacturers exposed if demand continues to outpace replenishment.

The inflation picture also deserves attention. ISM's Prices Index remained elevated at 71.1 in July, signaling that input **costs continue to rise** across much of the manufacturing economy. Sustained cost pressure eventually finds its way into finished goods pricing, creating another variable the Federal Reserve must weigh as it evaluates the balance between economic growth and inflation.

The takeaway for employers is straightforward. Demand for industrial labor remains healthy, but the operating environment is becoming more complex. Manufacturers that maintain resilient supplier relationships, competitive wage strategies, and disciplined workforce planning will be better positioned if today's expansion is tested by tomorrow's supply chain disruptions.

CONGRESS JUST PASSED ITS BIGGEST HOUSING BILL IN A GENERATION.

HERE'S WHY EMPLOYERS SHOULD CARE.

Housing affordability has become one of the largest barriers to workforce growth, and Washington has responded with its most significant housing legislation in more than three decades. The 21st Century ROAD to Housing Act became law on July 11 after President Donald Trump declined to sign it, allowing the **legislation to take effect automatically under the Constitution.** Despite the unusual ending, the bill cleared Congress with overwhelming bipartisan support, passing 85 to 5 in the Senate and 358 to 32 in the House.

The legislation attacks the housing shortage from several angles. It streamlines portions of the federal permitting process, expands incentives for new residential construction, supports manufactured and modular housing, and encourages local governments to increase housing supply. Lawmakers from both parties agreed that the country's affordability crisis cannot be solved without building substantially more homes.

One of the bill's most closely watched provisions limits institutional investors from accumulating large portfolios of single-family homes. Companies that already own 350 or more single-family houses will face restrictions on purchasing additional properties, an effort aimed at reducing competition between Wall Street investors and traditional homebuyers. Supporters argue the measure should improve opportunities for families trying to purchase their first home, while critics question how much influence it will have in markets already suffering from years of underbuilding.

For employers, housing is increasingly a workforce issue rather than simply a real estate issue. High housing costs reduce geographic mobility, discourage relocation, and make recruiting more difficult, particularly for hourly employees and skilled trades. Communities with limited housing inventory often struggle to attract workers even when wages are competitive.

The new law will not solve America's housing shortage overnight. New construction takes time, local zoning remains a significant hurdle, and demand continues to outpace supply in many markets. Still, the legislation represents the first major federal effort in decades to address the structural factors driving housing affordability, making it a development employers should watch closely as they compete for talent.

FORD BEATS THE STREET ON THE STRENGTH OF ITS TRUCKS

FORD Q2 AT A GLANCE
$0.42 Earnings Per Share.

Adjusted EPS
Wall St. Estimate = $0.35

2026 Profit Outlook
$10B – $11B

Model e Loss
$4.0B from $4.5B

Ford Motor Company delivered a stronger-than-expected second quarter, beating Wall Street earnings estimates and raising its outlook for the remainder of 2026. The automaker reported adjusted earnings of $0.42 per share, exceeding analyst expectations of $0.35, while citing continued strength in its higher-margin truck and SUV lineup. Investors responded quickly, sending Ford shares nearly 7% higher following the earnings announcement.

The company's **updated guidance now projects full-year adjusted earnings** between $10 billion and $11 billion, an increase from its previous forecast of $8.5 billion to $10.5 billion. Executives credited disciplined pricing, a favorable product mix, and operational improvements for the stronger outlook, despite continued pressure from tariffs and supply chain disruptions.

Ford also reported progress in narrowing losses within its Model e electric vehicle business. The company now expects the division to lose approximately $4 billion this year, an improvement from its previous projection of $4.5 billion. Rather than accelerating EV expansion, Ford continues to prioritize profitability, slowing investment in fully electric models while maintaining focus on hybrid vehicles and its most profitable nameplates.

Production challenges earlier this year, including fires at a key aluminum supplier that temporarily affected F-Series manufacturing, are also easing. Company leadership said truck production has largely recovered and expects much of an anticipated $1 billion earnings improvement to occur during the second half of the year.

For Michigan manufacturers and suppliers, Ford's results are encouraging. A stronger production outlook supports continued demand throughout the automotive supply chain, particularly among companies serving truck, stamping, machining, logistics, and component manufacturing. While the industry continues to navigate an uncertain economic environment,

Fed Holds Rates Steady, but Businesses Should Expect Borrowing Costs to Stay Elevated

CHAIRMAN OF THE FEDERAL RESERVE, KEVIN WARSH

The Federal Reserve left its benchmark interest rate unchanged at 3.50% to 3.75% at its July meeting, signaling policymakers remain cautious as they balance persistent inflation against a slowing economy. While the decision was widely expected, the discussion raised new questions about the path of interest rates through the rest of the year.

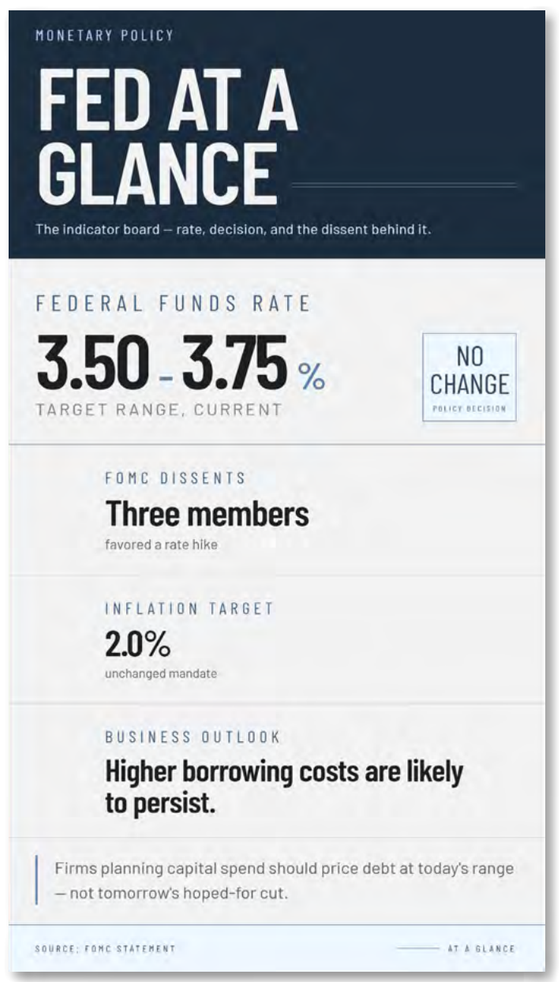
For employers, the takeaway is straightforward: financing is unlikely to become meaningfully cheaper anytime soon.

The meeting also revealed an unusual divide within the Federal Open Market Committee. Three regional Federal Reserve presidents voted to raise rates immediately, an uncommon public split reflecting concern that inflation pressures remain stronger than anticipated. Rising energy costs, geopolitical instability, and resilient consumer spending continue to complicate the Fed's effort to return inflation to its 2% target.

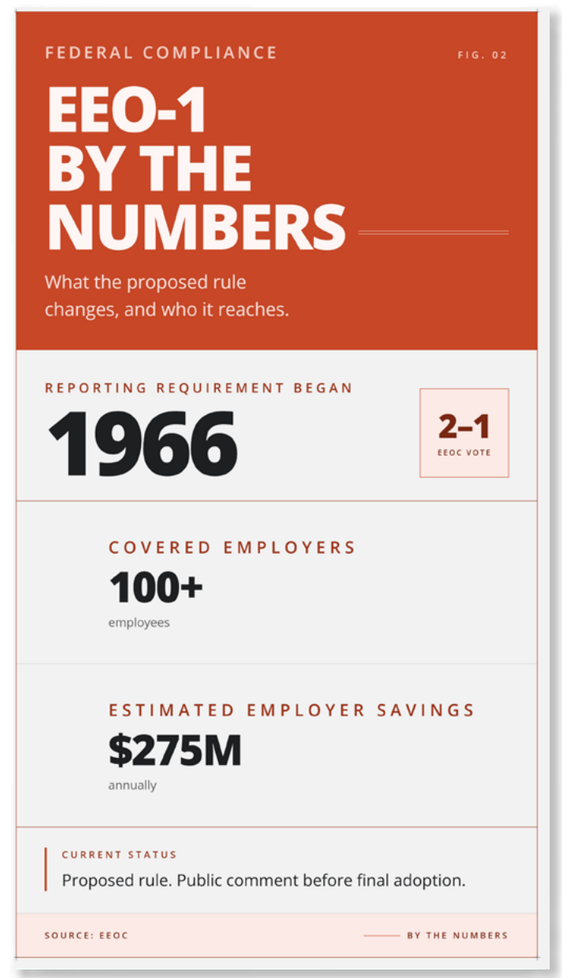
Since becoming chairman earlier this year, Kevin Warsh has **taken a different approach** to communicating monetary policy. Rather than signaling likely policy moves months in advance, Warsh has emphasized flexibility and greater reliance on incoming economic data. His view is that financial markets have already tightened borrowing conditions through higher Treasury yields, reducing the need for another immediate rate increase.

That approach has **produced mixed reactions**. Some economists argue it gives the Fed valuable flexibility in an uncertain environment. Others believe the reduced forward guidance has left markets less certain about the central bank's commitment to controlling inflation.

For employers, the practical implications remain the same. Higher long-term borrowing costs continue to influence expansion plans, equipment purchases, commercial real estate financing, and business investment decisions. Unless inflation cools more convincingly, companies should expect interest rates to remain restrictive well into 2027.



EEOC Moves to End Six Decades of Workforce Demographic Reporting



A long-standing federal reporting requirement for large employers may soon become history. In a 2-1 vote, the Equal Employment Opportunity Commission approved a **proposal to eliminate** the annual EEO-1 reporting requirement, which has required most employers with 100 or more employees to submit workforce demographic data by race, ethnicity, sex, and job category since 1966. The proposal now enters the federal rulemaking process before it can take effect.

EEOC Chair Andrea Lucas argued the reporting requirement has become an unnecessary administrative burden and may unintentionally encourage employers to make hiring or promotion decisions based on demographic statistics rather than individual qualifications. The agency estimates eliminating the requirement could save employers roughly $275 million annually in compliance costs.

The proposal aligns with the Trump administration's broader effort to scale back federal diversity, equity, and inclusion initiatives. Supporters view the change as a return to race-neutral enforcement of employment law, while opponents argue the reports have long served as one of the government's most effective tools for identifying systemic discrimination and tracking workforce trends.

The lone dissent came from Commissioner Kalpana Kotagal, who warned that ending routine demographic reporting would make it more difficult for the agency to identify patterns of discrimination and enforce federal civil rights laws. Civil rights organizations echoed those concerns, arguing that the absence of standardized workforce data will reduce transparency and make nationwide trend analysis significantly more difficult.

For employers, the immediate impact is limited. The proposal is not yet final, and companies remain subject to current reporting requirements until the rulemaking process is completed. Employment attorneys also note that businesses should continue collecting workforce demographic data internally, as those records may still be required during EEOC investigations or private employment litigation.

ARE WE DONE WITH CAPITALISM?

A new poll from Fox News shows an unexpected turn on the favorability of Capitalism by none other than those who champion free markets the most.

Read through this month's HireWire and a common thread begins to emerge. Manufacturing is expanding while supply chains remain vulnerable. Jobless claims have fallen to levels not seen since 1969, yet employers continue struggling to find qualified workers. Ford is delivering strong profits by focusing on its highest-margin products. Congress is intervening in the housing market after years of soaring home prices. The Federal Reserve continues searching for the right balance between inflation and economic growth. Even the Equal Employment Opportunity Commission is reconsidering regulations that have been in place for nearly six decades.

None of these stories are really about manufacturing, housing, interest rates, or employment law. They're about confidence in the economic system itself.

For generations, capitalism was largely accepted as the engine that rewarded innovation, encouraged competition, and expanded opportunity. Americans certainly argued about how much government should regulate markets, but there was broad agreement that the system generally worked. That confidence appears to be fading. A recent **Fox News poll** found favorable views of capitalism have fallen to just 50 percent of registered voters, down seven points since 2019. More telling, Republicans expressing a strongly favorable opinion dropped from 54 percent to 41 percent. At the same time, 65 percent of voters now believe the economy is "rigged to favor the wealthy." A Wall Street Journal-NORC survey found fewer than half of Americans believe capitalism is working even somewhat well.

41%

Republicans who hold a **'strong'** view of Capitalism. Down from 54% in 2019.

Those numbers should give everyone pause.

This isn't frustration coming from one political party or one generation. It reflects something much broader. While corporate profits remain healthy and unemployment stays historically low, millions of Americans feel the distance between working hard and getting ahead has grown wider. Inflation has consumed much of the wage growth workers fought to achieve. Homeownership has become increasingly difficult for younger families. Wealth continues concentrating at the top, leaving many people with the impression that success depends more on owning assets than earning a paycheck.

Ironically, many of the trends driving that frustration are themselves products of successful capitalism. Public companies are doing exactly what shareholders expect them to do: maximizing returns, improving efficiency, and allocating capital where it generates the greatest profit. Investors reward those decisions because that is how markets are designed to function. Yet when enough industries become concentrated, housing becomes unaffordable, or supply chains become optimized for efficiency instead of resilience, the system begins producing outcomes that many Americans perceive as unfair, even if those outcomes are economically rational.

That helps explain why politicians from **opposite ends of the ideological spectrum** increasingly find themselves supporting policies that would have been politically uncomfortable only a few years ago. Whether the issue is housing affordability, industrial policy, tariffs, antitrust enforcement, or workforce regulation, both parties are showing a greater willingness to intervene when markets appear to be producing undesirable outcomes. They may disagree on the solution, but they increasingly agree that simply letting markets sort everything out is no longer enough.

History suggests this isn't the end of capitalism. It is another stage in its evolution. The American economy has repeatedly adjusted after periods of extraordinary change, from the Progressive Era to the New Deal, through globalization and the digital revolution. Each period produced new rules without abandoning the underlying market economy.

The same may be happening again. The debate today is less about whether capitalism works than about what kind of capitalism Americans want. Can markets continue rewarding innovation while producing broader prosperity? Can businesses remain globally competitive while strengthening local communities? Can shareholder value coexist with affordable housing, sustainable wages, and long-term workforce stability?

Those questions don't have simple answers, but they are becoming harder to ignore. If this month's headlines demonstrate anything, it is that Americans across the political spectrum are no longer debating whether the economy should grow. They're debating who should benefit when it does.

CONSUMERS ARE FEELING BETTER. THEIR WALLETS STILL AREN'T.

The mood is improving, but Americans remain unconvinced that rising prices are behind them.

American consumers found a measure of optimism in July as easing fuel prices and moderating inflation helped lift confidence from historic lows. The University of Michigan's **Index of Consumer Sentiment** rose 11.5% to 55.2, marking the largest monthly improvement in more than a year. Confidence improved across every major demographic group, with particularly strong gains among households without a college degree. Current economic conditions also strengthened, while expectations for business conditions reached their highest level in 12 months.

The improvement, however, comes with an important caveat.

Despite July's rebound, consumer sentiment remains more than 10% below where it stood a year ago, reflecting the lingering effects of several years of elevated inflation. Americans may be feeling better than they did a month ago, but they are far from feeling confident. Inflation expectations remain well above pre-war levels, and consumers continue to view the cost of everyday necessities as their primary economic concern.

No expense illustrates that reality more clearly than gasoline.

While oil prices have retreated from their spring highs, relief at the pump has been slow to arrive. Economists often describe gasoline prices as rising "like rockets and falling like feathers." Wholesale oil prices can decline quickly, but retail gasoline prices adjust much more gradually as refiners rebuild inventories, stations replenish higher-cost fuel already in storage, and competitive pricing works its way through the market. Research from the Federal Reserve Bank of Dallas found this adjustment process can take more than 16 weeks.

The conflict in the Middle East has further complicated the picture. Global oil inventories remain tight, refining capacity has been constrained, and strategic petroleum reserves are significantly lower than they were before the conflict began. Even if geopolitical tensions ease, many analysts expect fuel prices to remain elevated through much of the year as those supply buffers are rebuilt.

For employers, consumer confidence remains one of the economy's most important leading indicators. Households that feel financially secure are more likely to spend, travel, invest, and make major purchases. But until consumers believe inflation is truly behind

JULY 2026

Consumer Confidence at a Glance

Consumer Sentiment Index

55.2

+11.5% MONTH OVER MONTH

Current Conditions	Sentiment vs. July 2025
54.8	**−10.5%**
Inflation Expected One Year Out	**Inflation Expected Long Term**
4.2%	**3.3%**

MICHIGAN TURNS APPRENTICESHIPS INTO COLLEGE CREDIT, EXPANDING CAREER PATHS FOR SKILLED TRADES

Michigan is taking a new approach to workforce development by recognizing what thousands of skilled trades workers have known for years: learning doesn't happen only in a classroom. Through the Michigan College Credit for **Apprenticeships Program**, registered apprentices can now convert portions of their on-the-job training into academic credit toward an associate degree, creating a faster and more affordable path to higher education.

The **initiative,** launched by the Michigan Department of Labor and Economic Opportunity in partnership with community colleges and labor organizations, is designed to reduce barriers for working adults while helping the state meet its goal of increasing postsecondary credential attainment to 60% by 2030. Today, that figure stands at approximately 52%.

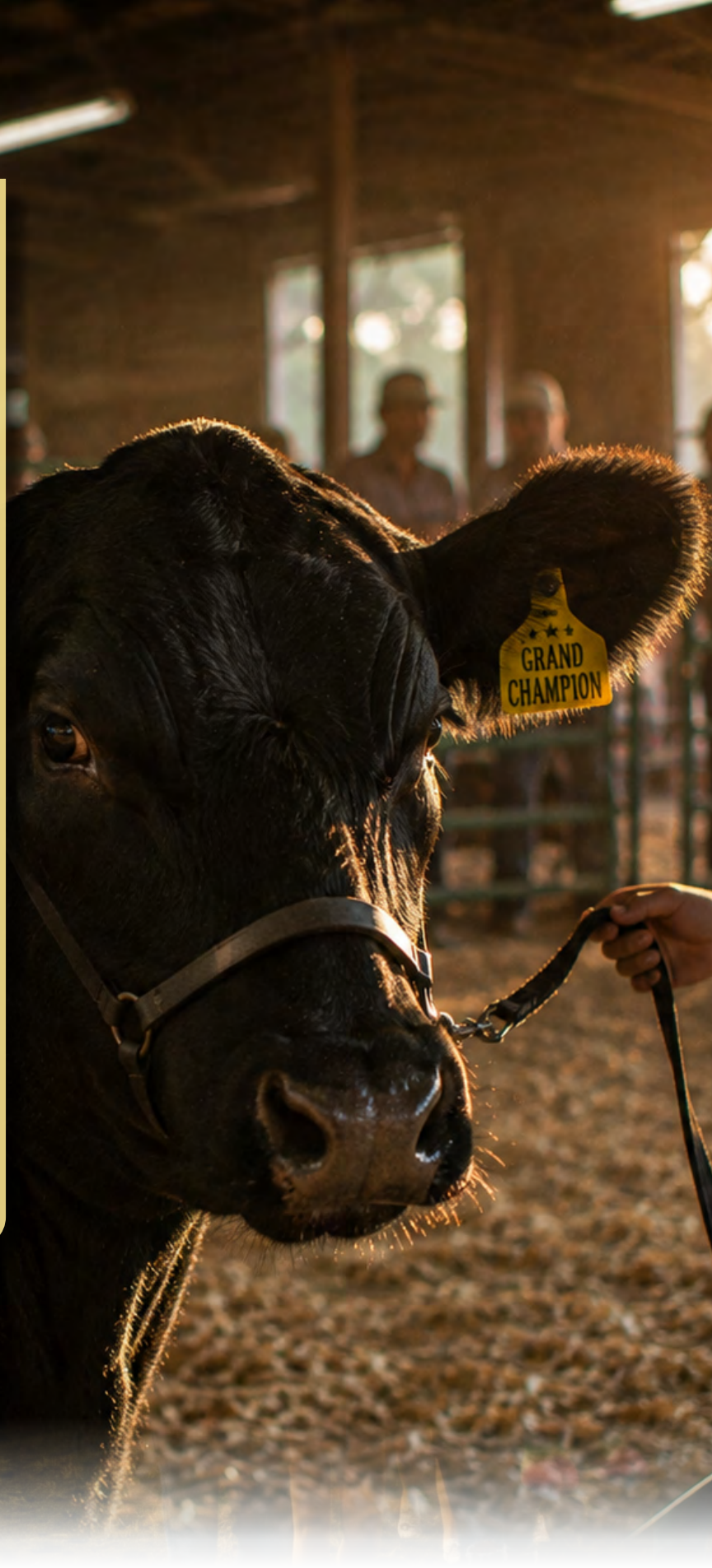
The program addresses a significant gap in Michigan's workforce. More than 1.2 million adults have attended college but never completed a degree. Rather than asking experienced tradespeople to start over, the state is recognizing the value of skills already earned through federally registered apprenticeships.

The agreements span 28 community colleges and 11 trade unions, including programs for carpenters, bricklayers, ironworkers, painters, and other skilled trades. Some apprentices receive enough academic credit that completing an associate degree may require only one additional semester of coursework. The International Union of Painters and Allied Trades, for example, awards up to 62 transferable credits through its apprenticeship program, while the Bricklayers union offers as many as 49.

The long-term value extends beyond the jobsite. State earnings data show Michigan workers with an associate degree earn a median annual wage of approximately $54,000, compared with $33,100 for workers whose education ended with high school. For many apprentices, a degree can open doors to supervisory roles, project management, business ownership, teaching, or continued education without sacrificing the hands-on experience that launched their careers.

As labor shortages continue across Michigan's skilled trades, the program reflects a broader shift in how employers and educators define workforce development. Experience and education are increasingly being treated as complementary assets rather than separate career paths.

August brought something the economy has lacked for a while: momentum. Manufacturing reached a four-year high, consumer confidence improved, Ford raised its profit outlook, and Michigan expanded new pathways into the skilled trades. While inflation, housing affordability, and global supply chains remain challenges, the labor market continues to show resilience.

The road ahead will not be without obstacles. Employers still face higher borrowing costs and a shrinking pool of skilled workers as Baby Boomers retire. At the same time, those demographic shifts are creating opportunities for companies prepared to compete for talent. The organizations investing in workforce development and smart hiring today will be best positioned as demand continues to grow.

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