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Data Insights: Jobs

Friday, April 4, 2014

Today's jobs data: what you need to know

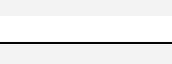|						
Non-farm payrolls	Change Mar:	+192	Revision Feb:	+22	Revision Jan:	+15
Private payrolls	Change Mar:	+192	Revision Feb:	+26	Revision Jan:	+21
Employment	Change Mar:	+476				
Unemployment	Change Mar:	+27				
Civilian labor force	Change Mar:	+503	4.71 million below trend		5.4% of entrants unemployed	
Unemployment rate	Mar:	6.71%	Change Mar:	-0.00%		
Underemployment rate	Mar:	12.7%	Change Mar:	+0.1%		
Participation rate	Mar:	63.2%	Change Mar:	+0.2%		
UE adjusted for participation	Mar:	12.3%	Change Mar:	-0.28%		
Avg weeks unemployed	Mar:	35.6	Change Mar:	-1.5		
% longterm unemployed	Mar:	35.8%	Change Mar:	-1.2%		
Agg hours worked index	Mar:	100.1	Change Mar:	+0.7%		
Agg weekly earnings	Mar:	116.1	Change Mar:	+0.7%		
Monthly job-finding probability	Mar:	25.6%	Change Mar:	+2.3%		
Monthly separation probability	Mar:	1.9%	Change Mar:	+0.0%		
% involuntary part-time	Mar:	5.1%	Change Mar:	+0.1%		
"Household" vs "Payroll" jobs	Change Mar:	+245				

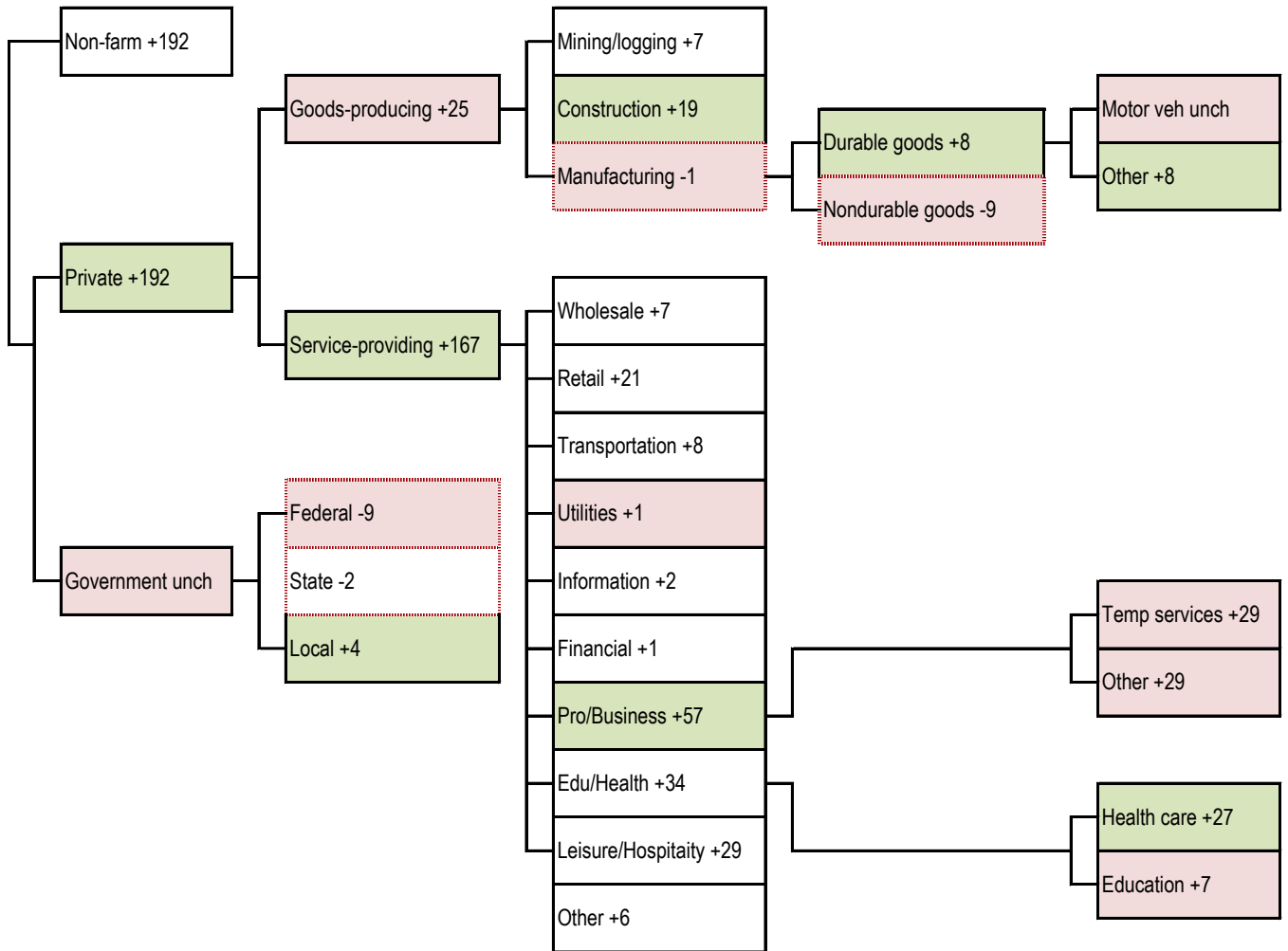Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's payroll data: what you need to know -- where did the jobs come from?

Sequential month change, thousands SA   ---- Net job losses   Biggest change per detail module: ■ best ■ worst

Non-farm +192

Private +192

Goods-producing +25
- Mining/logging +7
- Construction +19
- Manufacturing -1
  - Durable goods +8
    - Motor veh unch
    - Other +8
  - Nondurable goods -9

Service-providing +167
- Wholesale +7
- Retail +21
- Transportation +8
- Utilities +1
- Information +2
- Financial +1
- Pro/Business +57
  - Temp services +29
  - Other +29
- Edu/Health +34
  - Health care +27
  - Education +7
- Leisure/Hospitaity +29
- Other +6

Government unch
- Federal -9
- State -2
- Local +4

Is the weather affecting unemployment?

Share of unemployed persons claiming no work due to weather   ■ Average from 1976   ◆ Most recent

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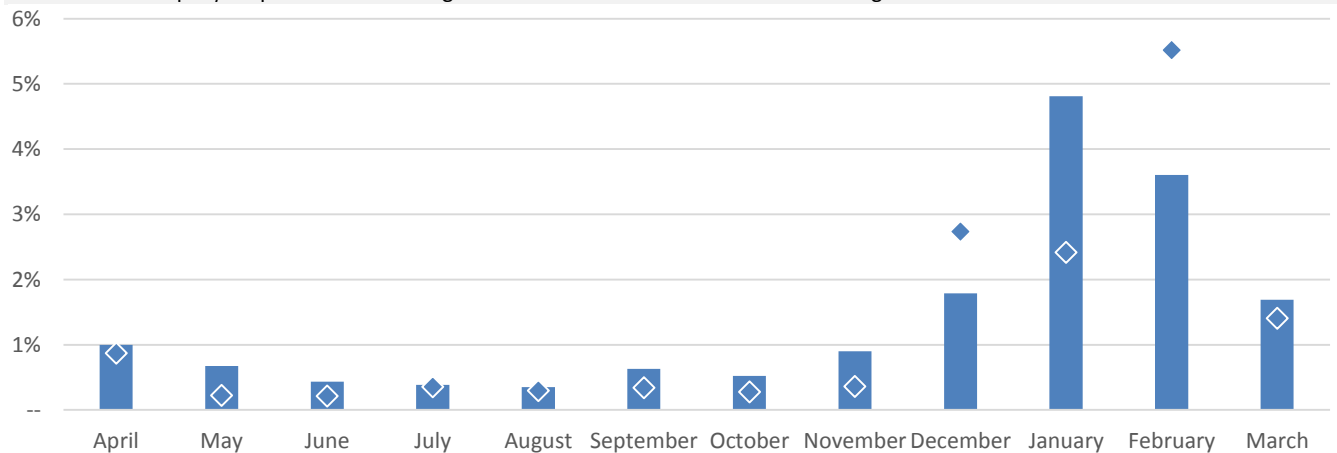
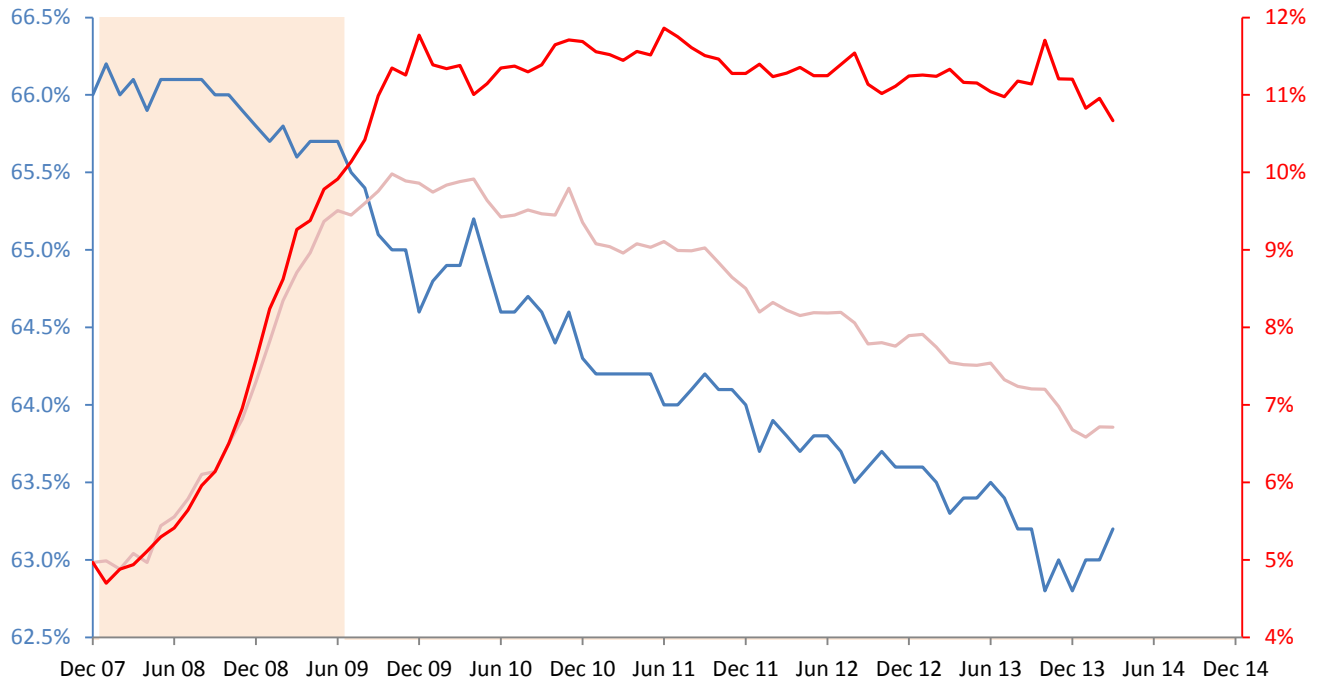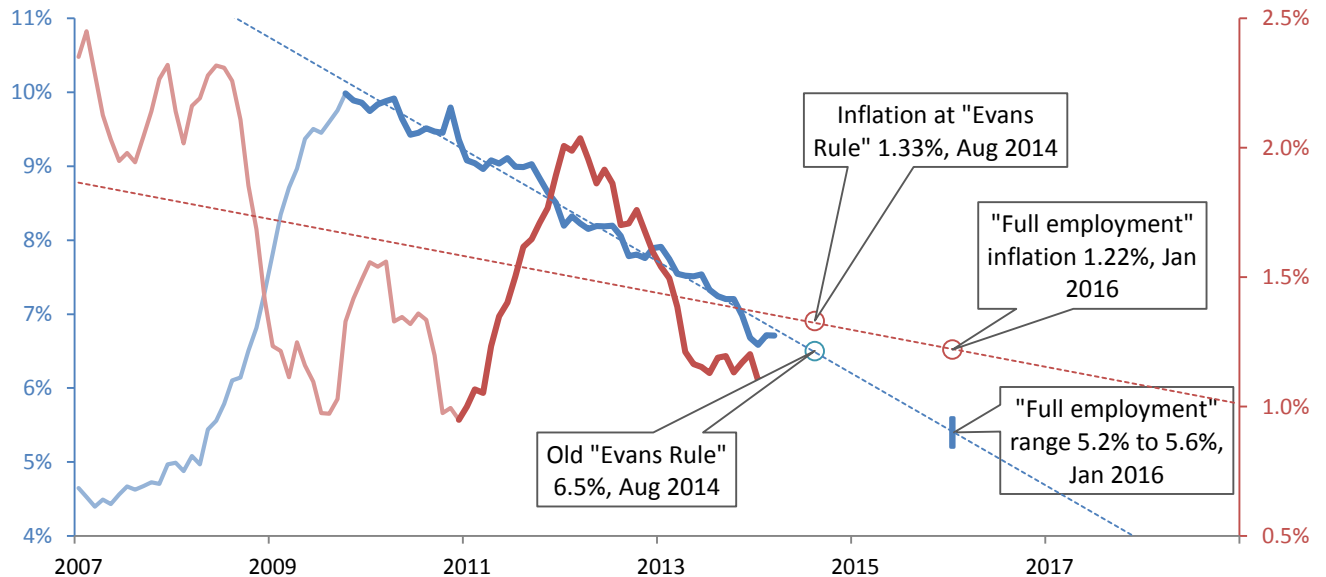## Unemployment rate normalized for participation rate December 2007

Participation rate · Headline unemployment rate · Recession

Source: BLS Current Population Survey, TrendMacro calculations

## When will the Fed tighten under Yellen's new definition of "full employment"?

Unemployment rate · Trend from peak · Core PCE inflation YOY · Trend from trough

Inflation at "Evans Rule" 1.33%, Aug 2014

"Full employment" inflation 1.22%, Jan 2016

Old "Evans Rule" 6.5%, Aug 2014

"Full employment" range 5.2% to 5.6%, Jan 2016

Source: BLS, BEA, TrendMacro calculations

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## Monthly job-finding probability (the outflow rate from unemployment)
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#))   ▮ Recession
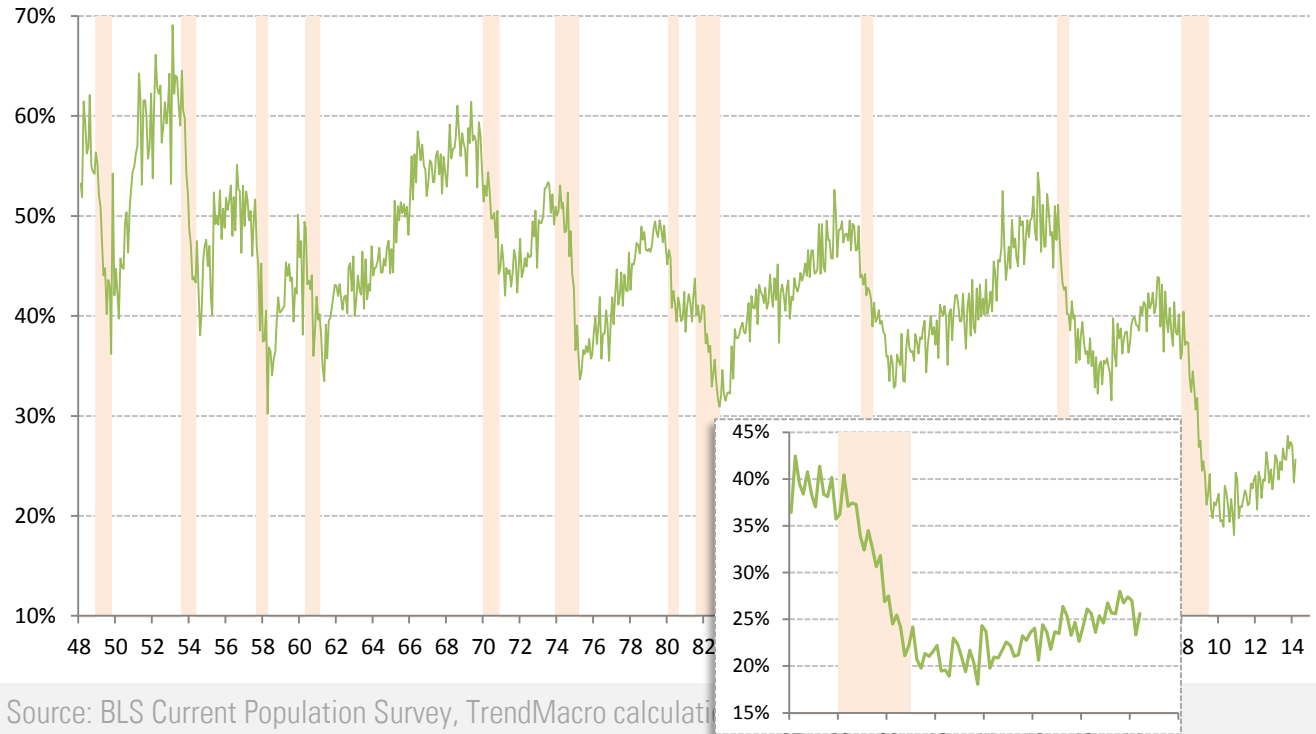
Source: BLS Current Population Survey, TrendMacro calculations

Monthly job-separation probability (the inflow rate to unemployment)
Chance of an employed person becoming unemployed in one month (per [Shim](#)
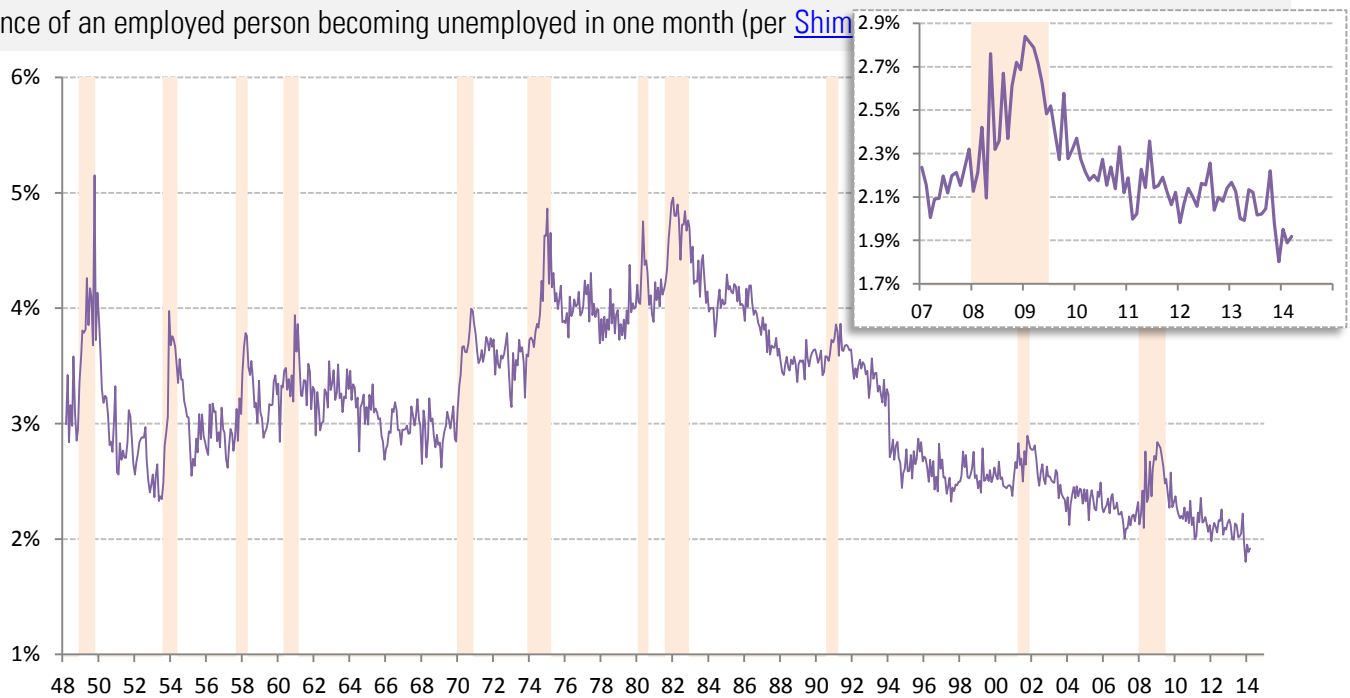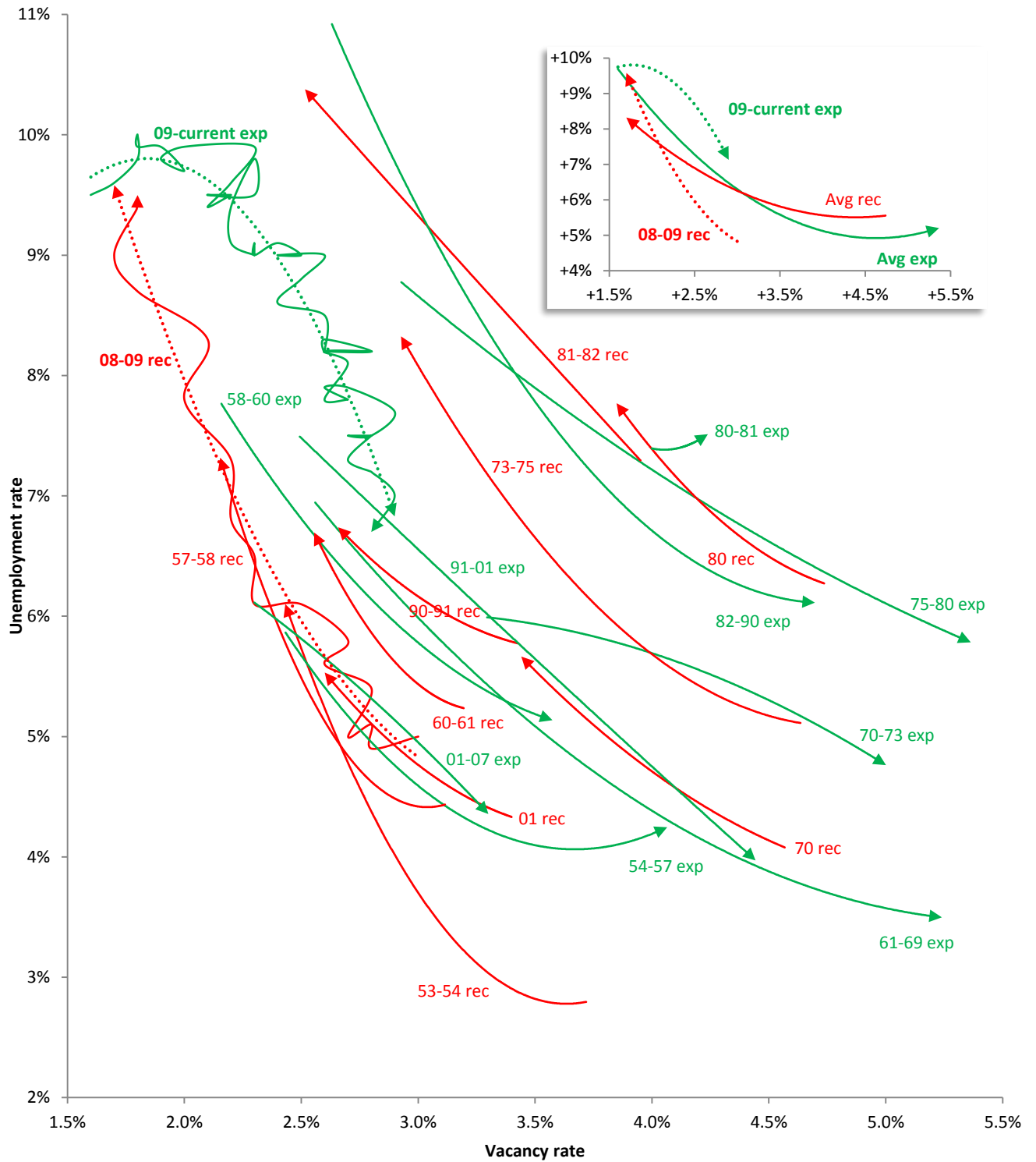

Source: BLS Current Population Survey, TrendMacro calculations

The Beveridge Curve

Cycle relationship between unemployment and job openings

— Expansion — Recession   Polynomial trend (order 2), plus monthly plots for 09-current expansion   • Latest

Source: BLS Current Population Survey & JOLTS. Pre-2000:Conference Board normalized per Valletta (2005), TrendMacro calculations

Involuntary part-time workers as percentage of the employed labor force
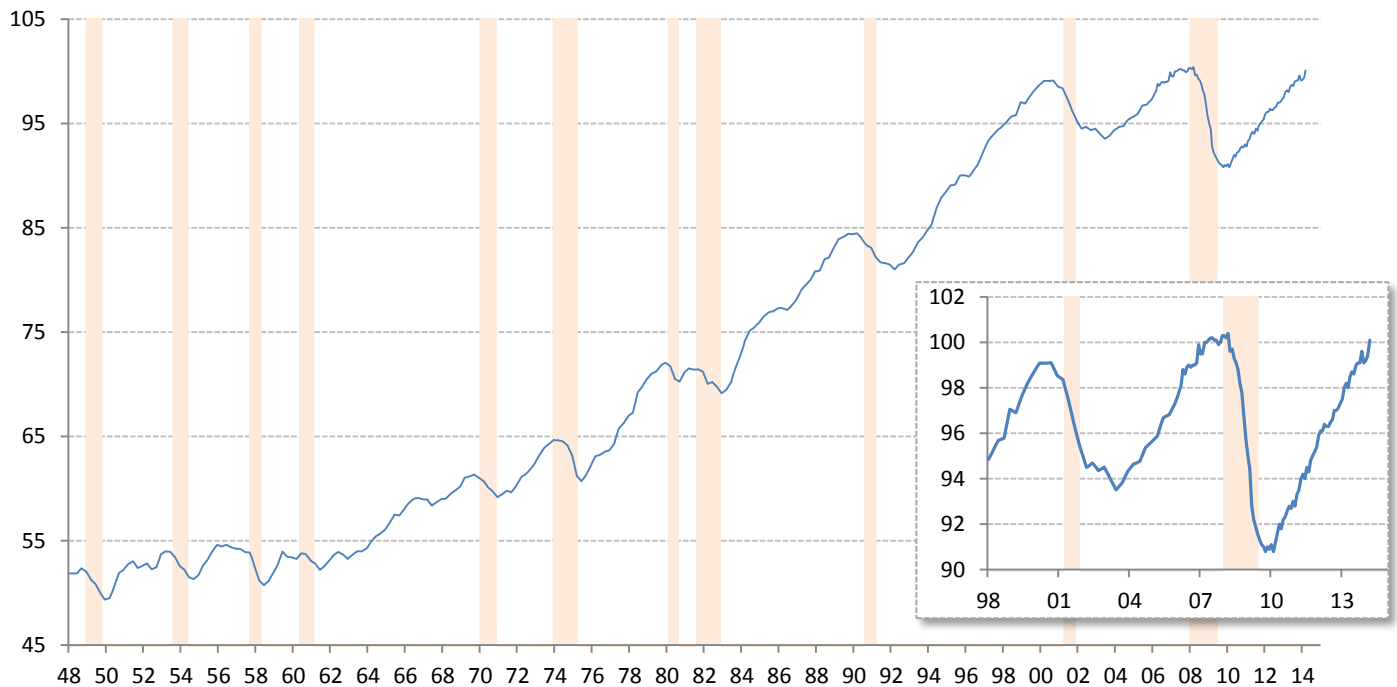Persons available for full-time work　[ ] Recession
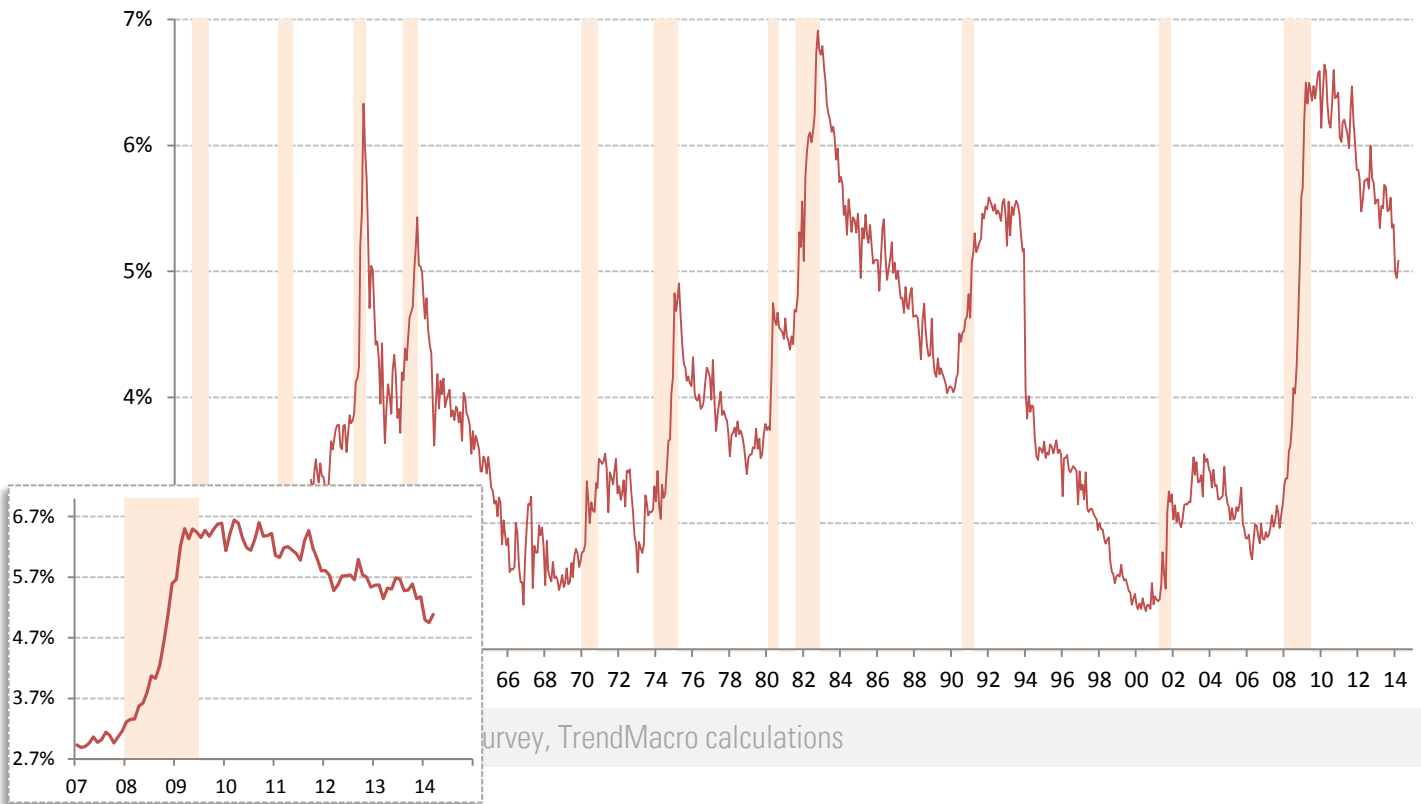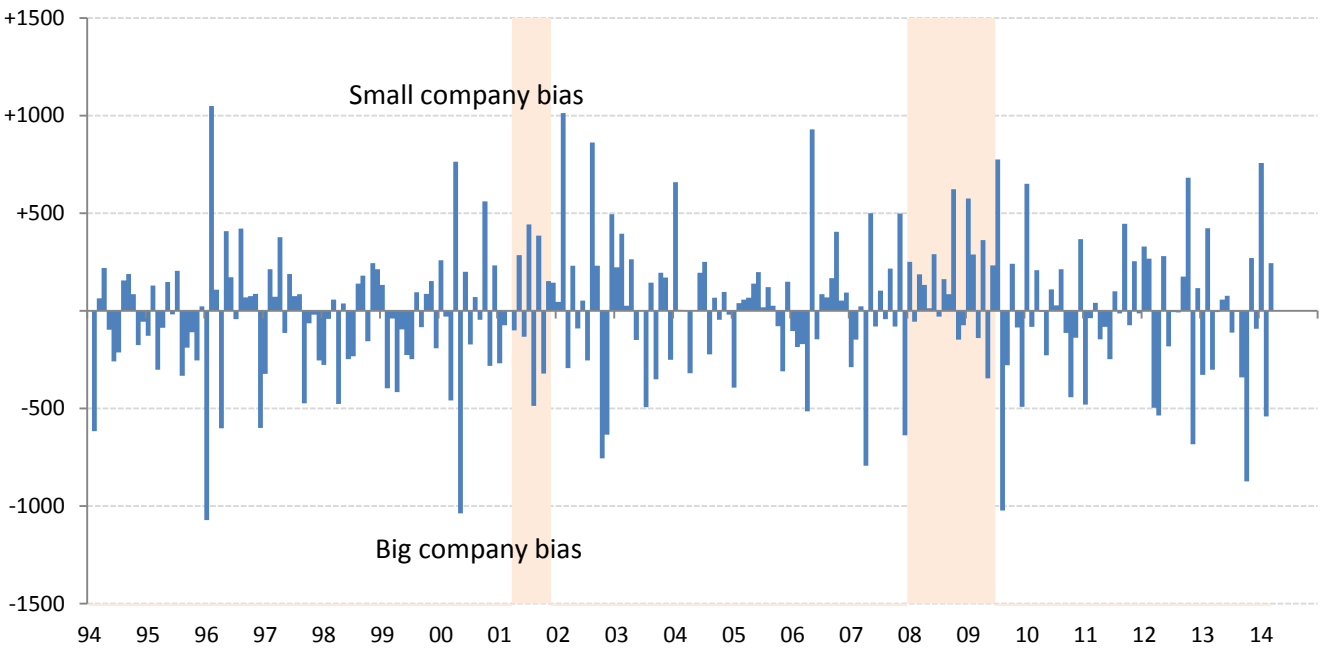

Source: ...urvey, TrendMacro calculations
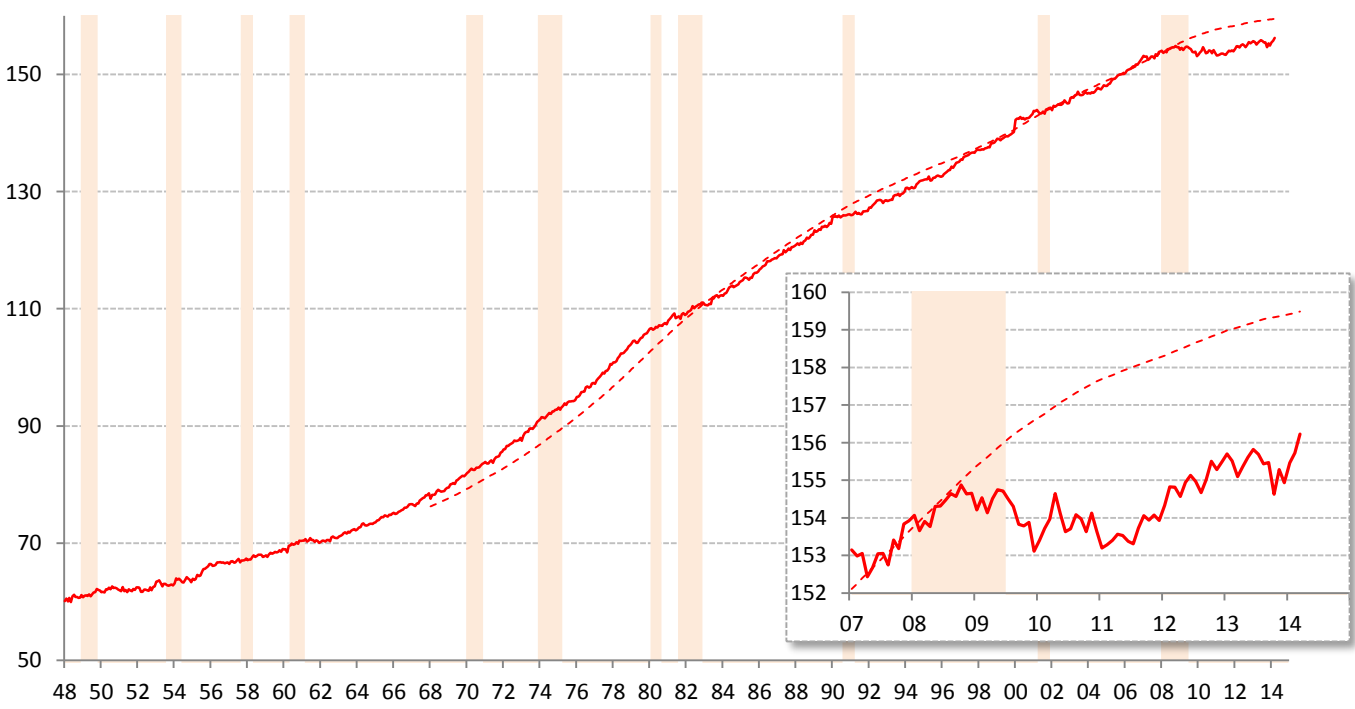
Aggregate weekly private hours-worked index　[ ] Recession

Difference in employment change: "household" minus "payroll" surveys   Recession

Small company bias

Big company bias

Civilian labor force versus 20-year trend, millions   Recession