

Data Insights: Jobs

Friday, August 1, 2014

Today's jobs data: what you need to know

Non-farm payrolls	Change Jul: +209	Revision Jun: +10	Revision May: +5	
Private payrolls	Change Jul: +198	Revision Jun: +8	Revision May: +4	
Employment	Change Jul: +131			
Unemployment	Change Jul: +197			
Long-term unemployment	Change Jul: +65			
Civilian labor force	Change Jul: +329	4.71 million below trend	60.1% of entrants unemployed	
Unemployment rate	Jul: 6.20%	Change Jul: +0.11%		
Underemployment rate	Jul: 12.2%	Change Jul: +0.1%		
Participation rate	Jul: 62.9%	Change Jul: +0.1%		
UE adjusted for participation	Jul: 12.2%	Change Jul: -0.03%		
Avg weeks unemployed	Jul: 32.4	Change Jul: -1.1		
% longterm unemployed	Jul: 32.9%	Change Jul: +0.1%		
Agg hours worked index	Jul: 101.0	Change Jul: +0.2%		
Agg weekly earnings	Jul: 117.8	Change Jul: +0.2%		
Monthly job-finding probability	Jul: 28.0%	Change Jul: -2.4%		
Monthly separation probability	Jul: 2.1%	Change Jul: +0.2%		
% involuntary part-time	Jul: 5.1%	Change Jul: -0.0%		
"Household" vs "Payroll" jobs	Change Jul: -191			

Source: Bureau of Labor Statistics, TrendMacro calculations

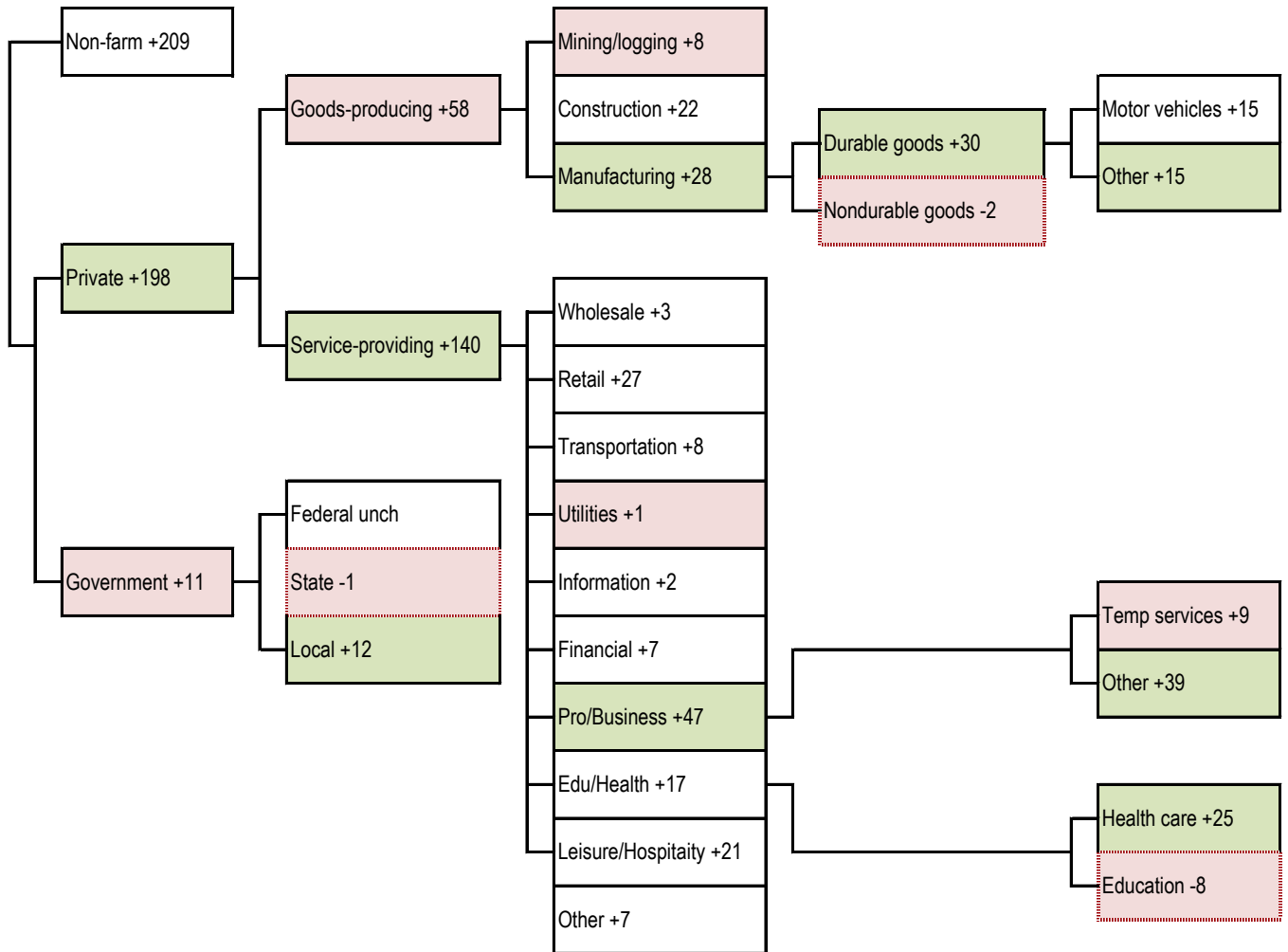
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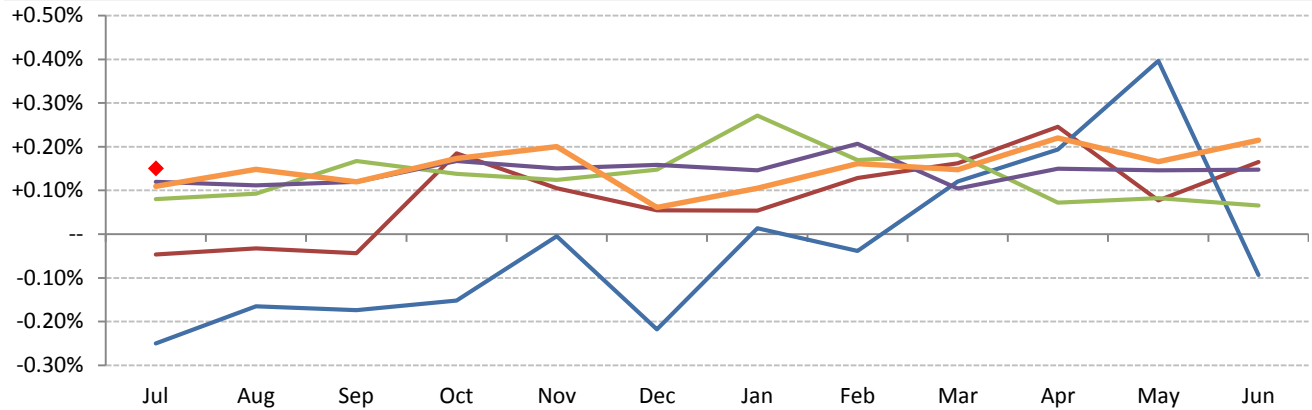
Today's payroll data: what you need to know -- where did the jobs come from?

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



The payroll cycle in the Not So Great Expansion following the Great Recession

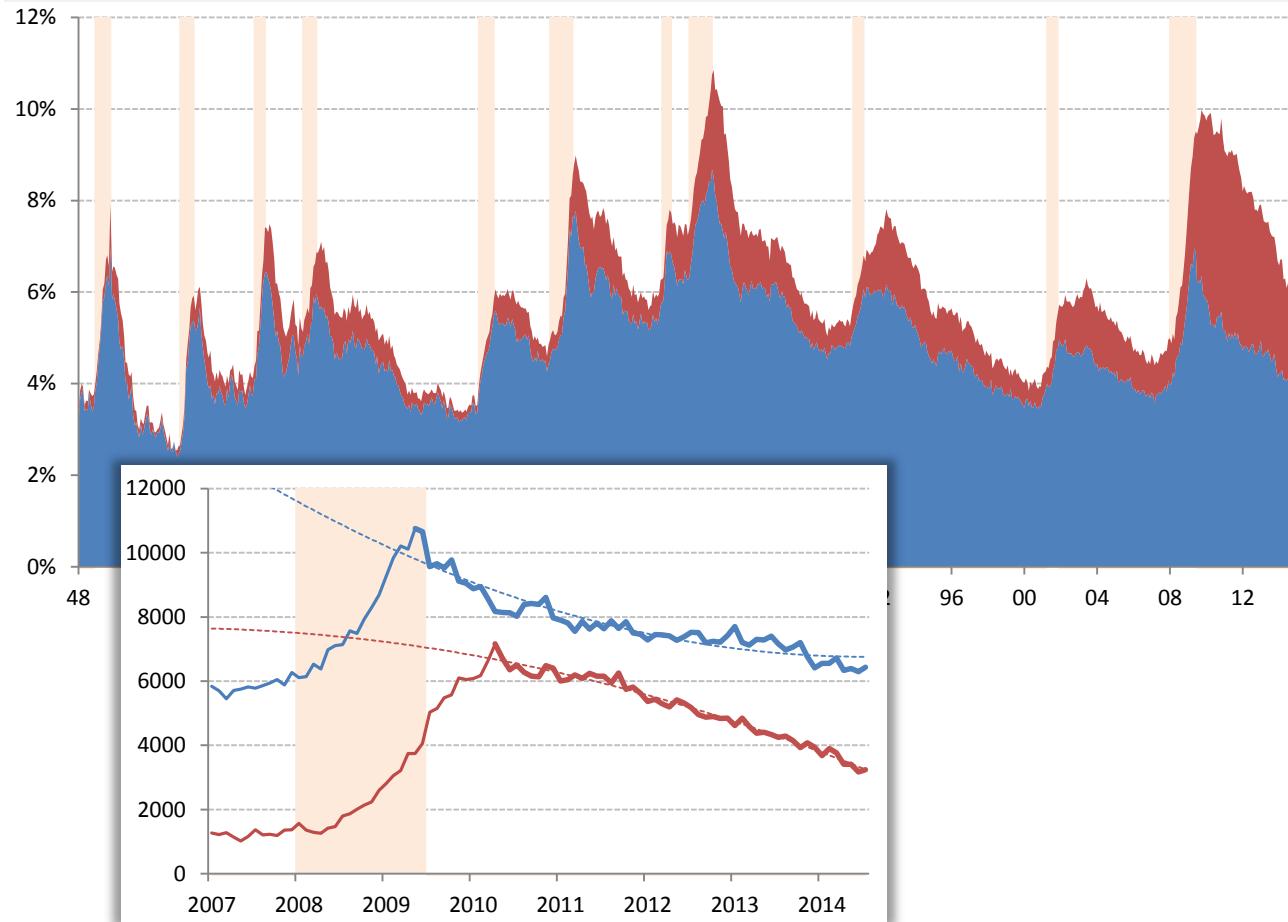
Payroll growth MOM, starting July — 2009-10 — 2010-11 — 2011-12 — 2012-13 — 2013-14 ◆ 2014-15



Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery becoming jobful

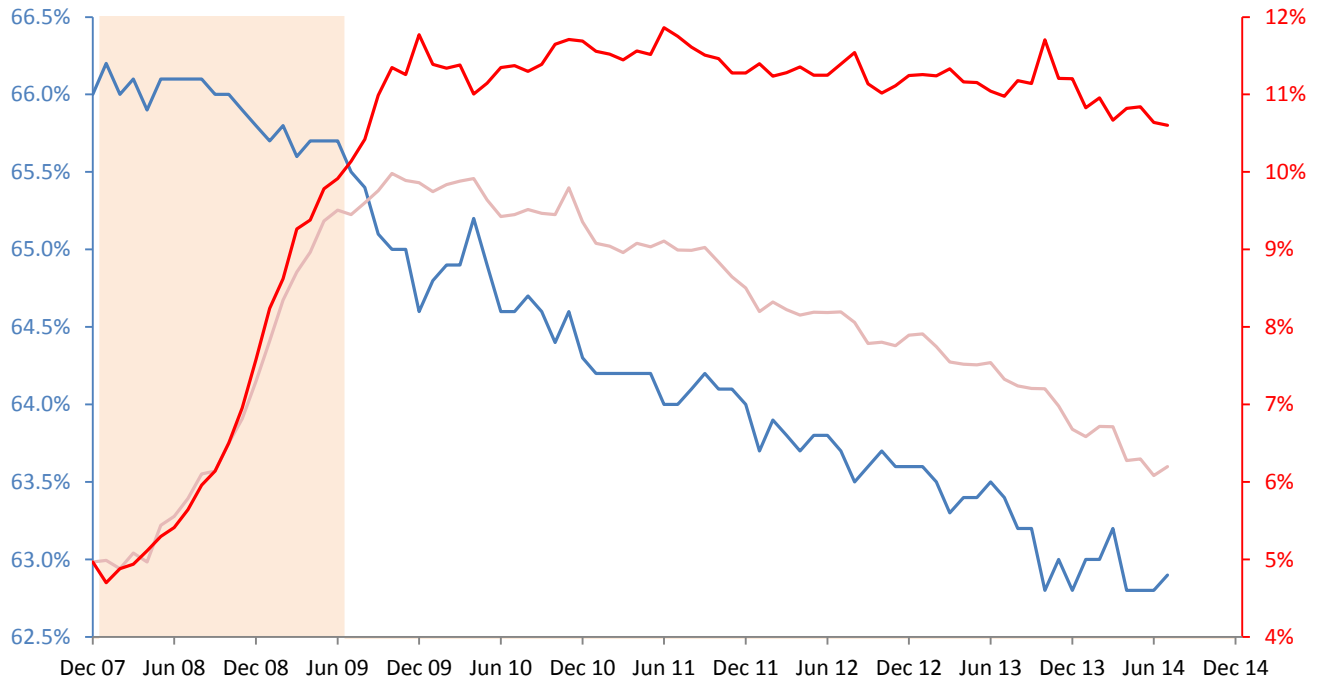
■ Short-term unemployment rate (<27 weeks) ■ Long-term (>27 weeks) ■ Recession
 — Short-term unemployed (thousands) — Long-term --- Trends



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

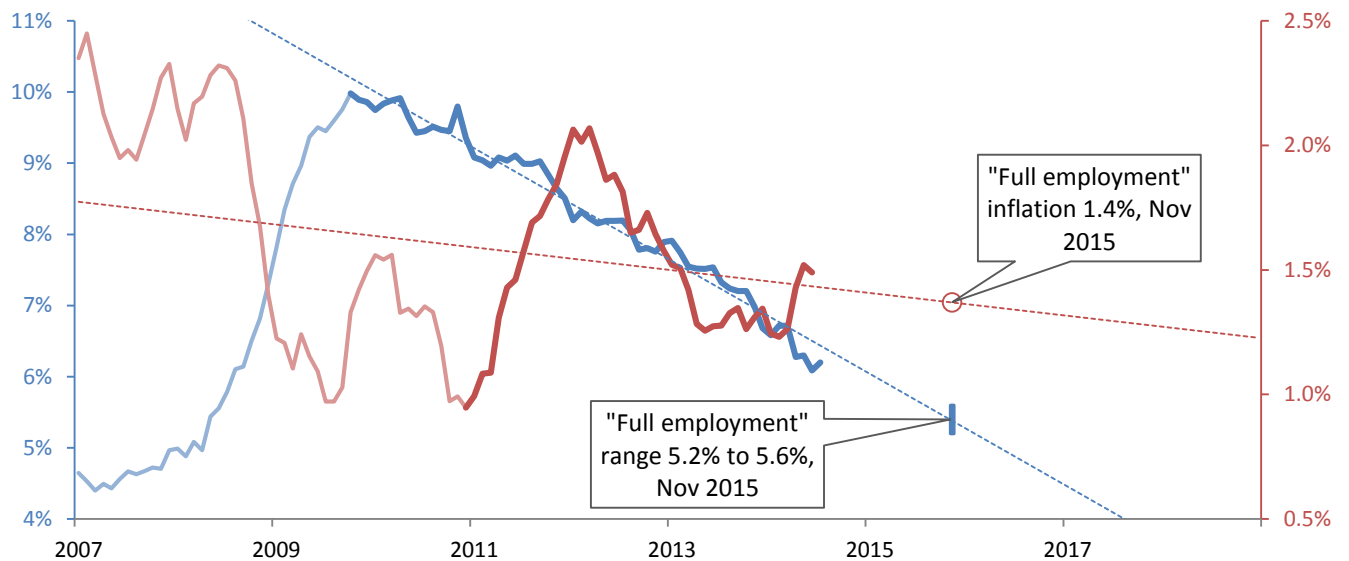
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

When will the labor market hit Yellen's new definition of "full employment"?

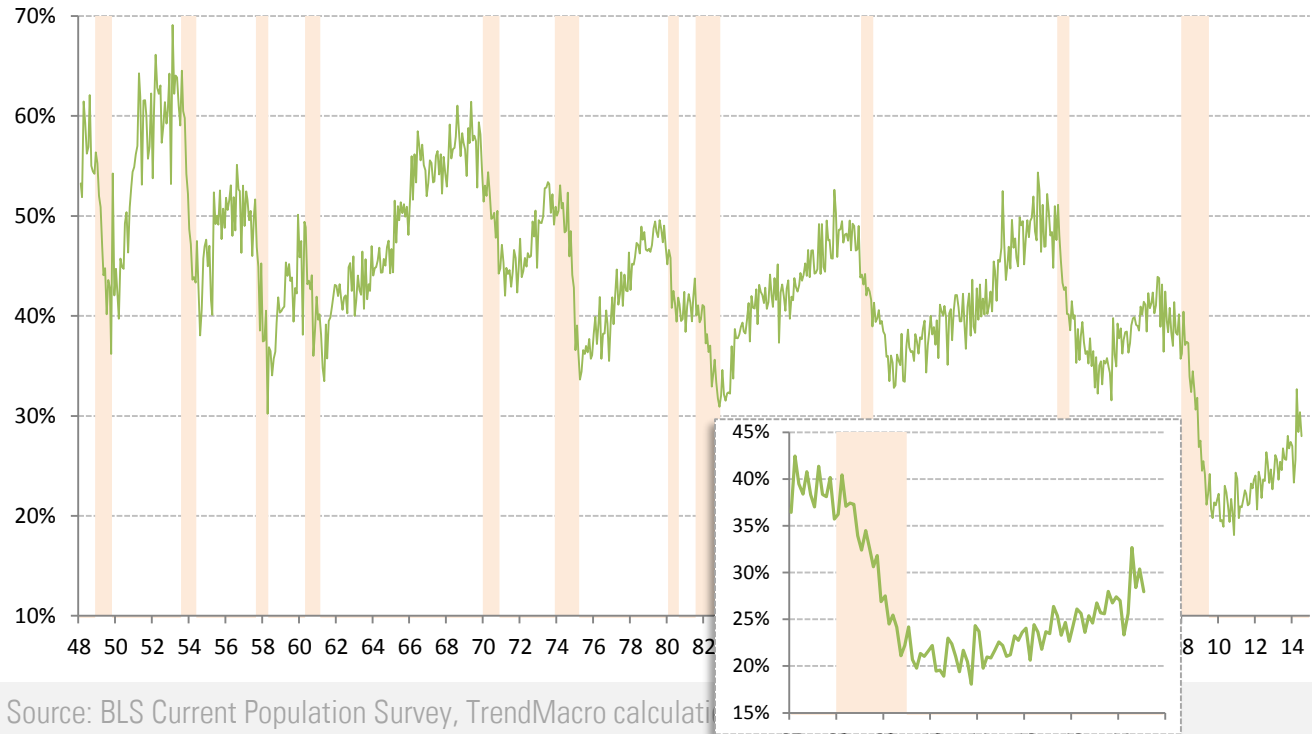
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

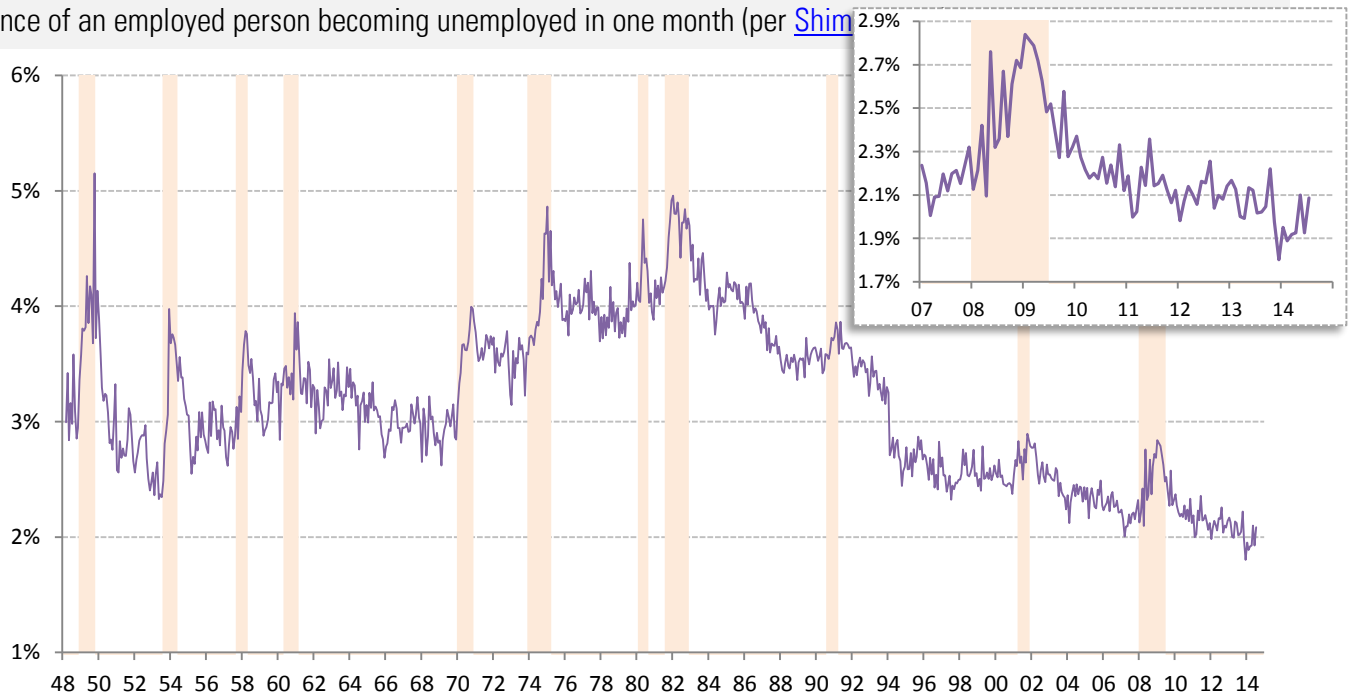
Monthly job-finding probability (the outflow rate from unemployment)

Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Monthly job-separation probability (the inflow rate to unemployment)

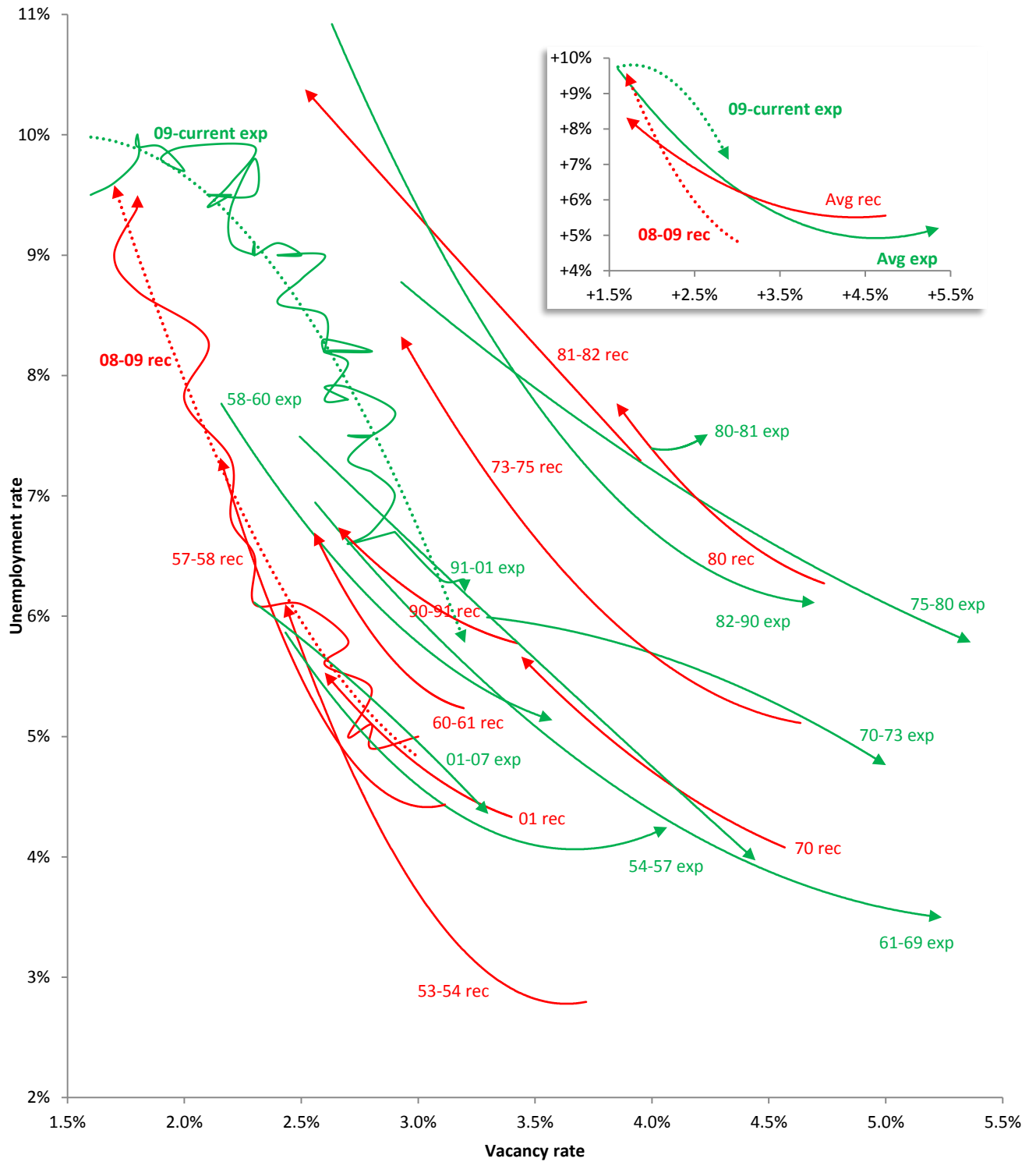
Chance of an employed person becoming unemployed in one month (per [Shim](#)



The Beveridge Curve

Cycle relationship between unemployment and job openings

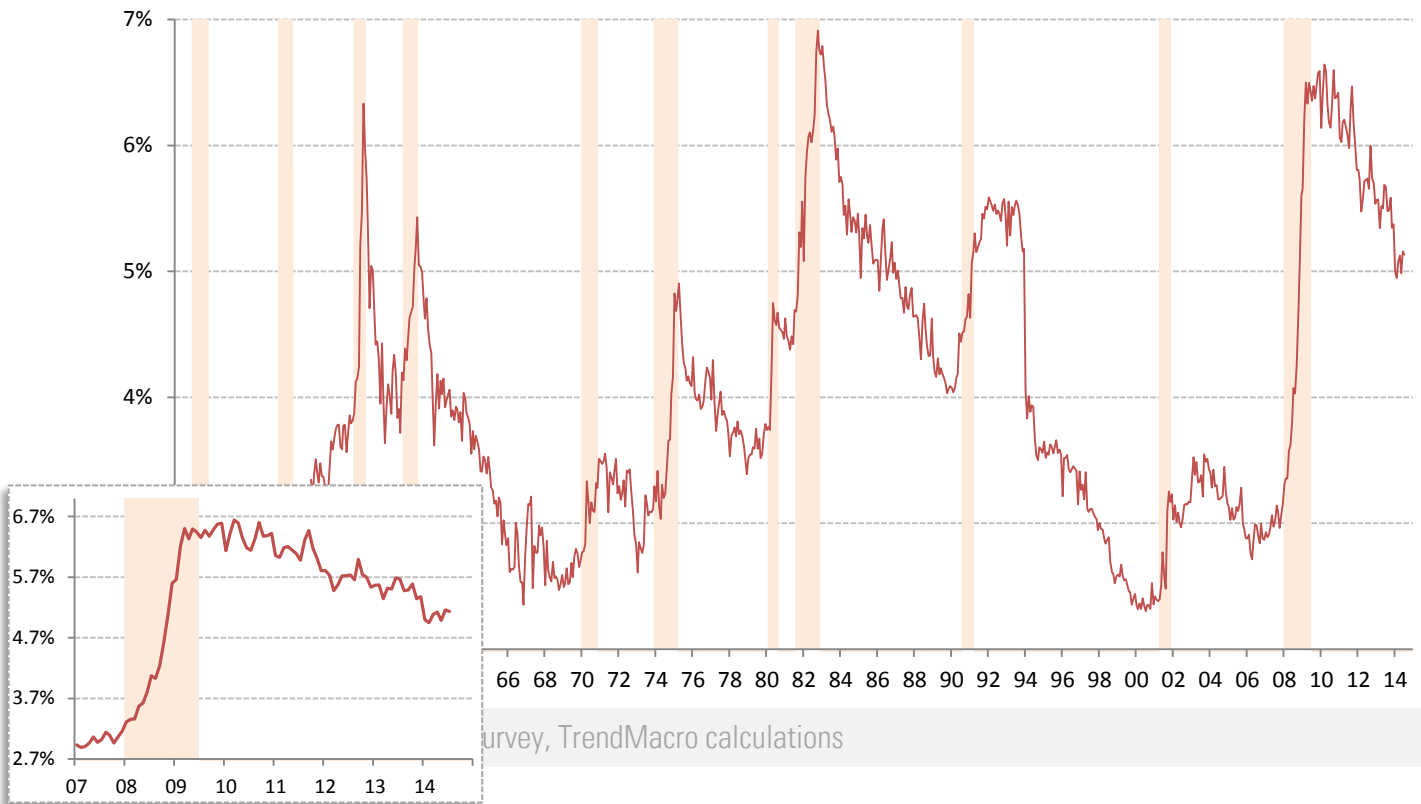
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

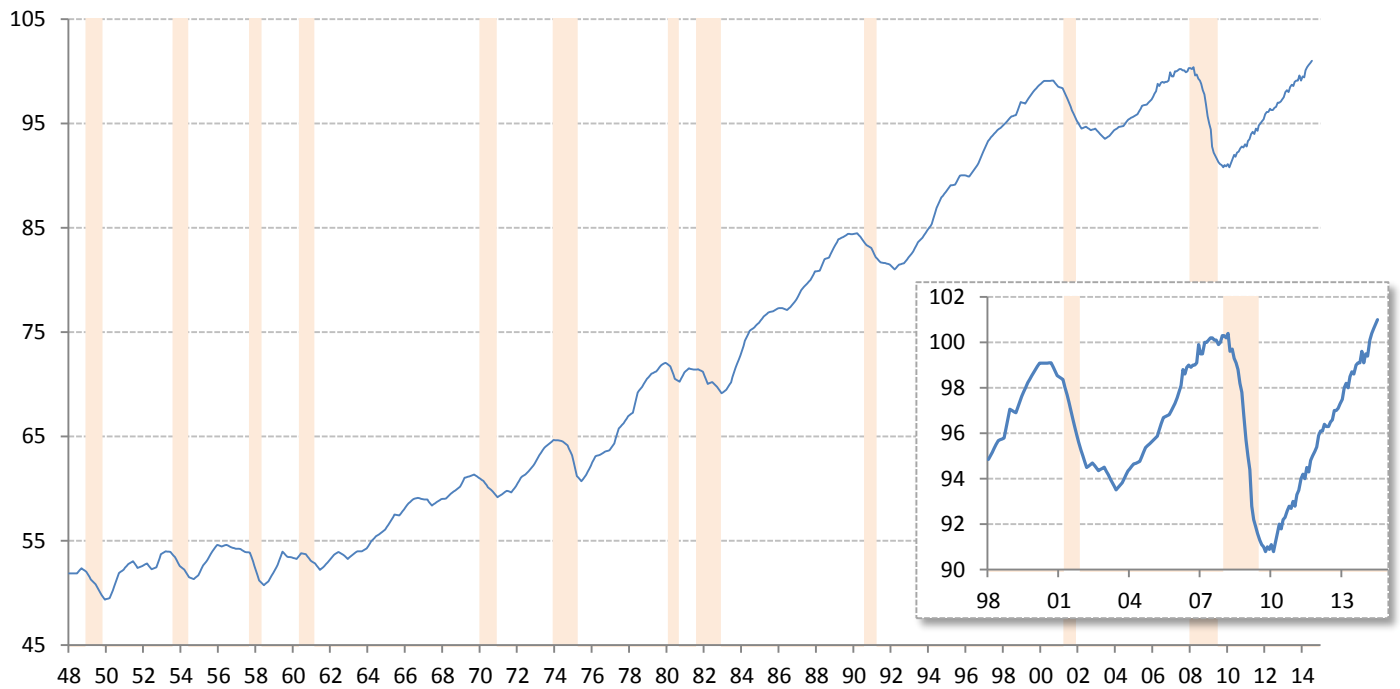
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



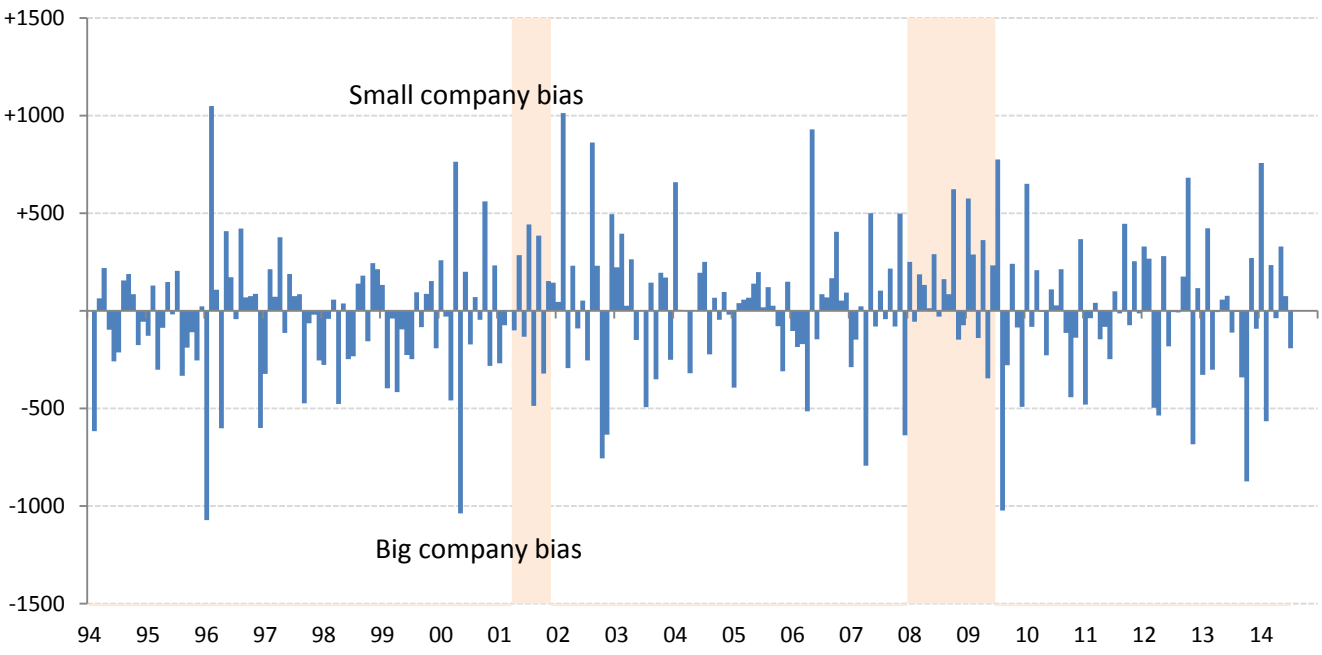
Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



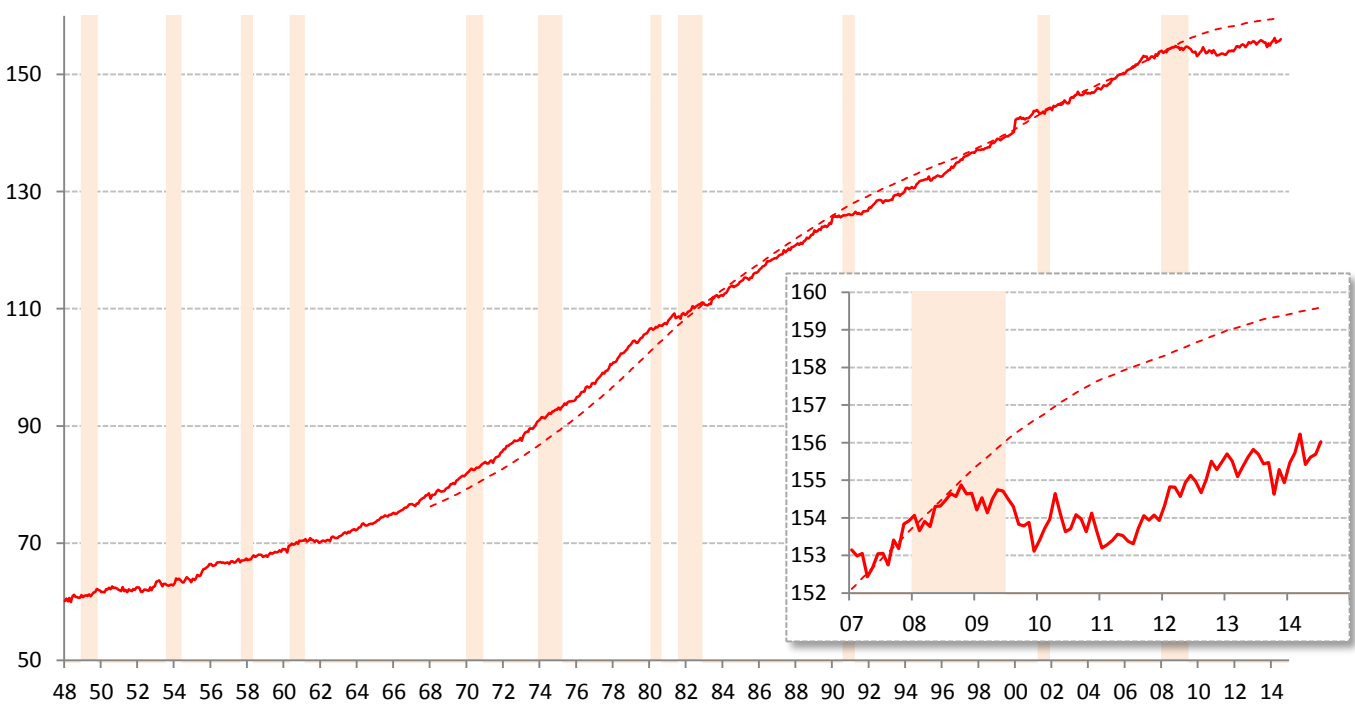
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

Civilian labor force versus 20-year trend, millions ■ Recession



Source: BLS Current Population Survey, TrendMacro calculations