Data Insights: Jobs

Friday, January 9, 2015

Today's jobs data: what you need to know

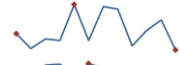|						
Non-farm payrolls	Change Dec:	+252	Revision Nov:	+32	Revision Oct:	+18
Private payrolls	Change Dec:	+240	Revision Nov:	+31	Revision Oct:	+19
Employment	Change Dec:	+155				
Unemployment	Change Dec:	-422				
Long -term unemployment	Change Dec:	-39				
Civilian labor force	Change Dec:	-268	4.72 million below trend		More than all leavers unemployed	
Unemployment rate	Dec:	5.56%	Change Dec:	-0.26%		
Underemployment rate	Dec:	11.2%	Change Dec:	-0.2%		
Participation rate	Dec:	62.7%	Change Dec:	-0.2%		
UE adjusted for participation	Dec:	11.9%	Change Dec:	+0.06%		
Average weeks unemployed	Dec:	32.8	Change Dec:	-0.2		
% longterm unemployed	Dec:	31.9%	Change Dec:	+1.2%		
Aggregate hours worked index	Dec:	102.4	Change Dec:	+0.2%	Revision Nov:	unch
Average hourly earnings	Dec:	-0.2%	Change Dec:	-0.4%	Revision Nov:	-0.2%
Aggregate weekly earnings	Dec:	120.1	Change Dec:	unch	Revision Nov:	-0.1
Monthly job-finding probability	Dec:	33.0%	Change Dec:	+3.3%		
Monthly separation probability	Dec:	1.9%	Change Dec:	-0.1%		
% involuntary part-time	Dec:	4.6%	Change Dec:	-0.0%		
"Household" vs "Payroll" jobs	Change Dec:	-14				

Source: Bureau of Labor Statistics, TrendMacro calculations

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 +252
- Private +240
  - Goods-producing +67
    - Mining/logging +2
    - Construction +48
    - Manufacturing +17
      - Durable goods +13
        - Motor vehicles +2
        - Other +11
      - Nondurable goods +4
  - Service-providing +173
    - Wholesale +10
    - Retail +8
    - Transportation +3
    - Utilities +2
    - Information +2
    - Financial +10
    - Pro/Business +52
      - Temp services +15
      - Other +37
    - Edu/Health +48
      - Health care +44
      - Education +4
    - Leisure/Hospitaity +36
    - Other +2
- Government +12
  - Federal +1
  - State +7
  - Local +4

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
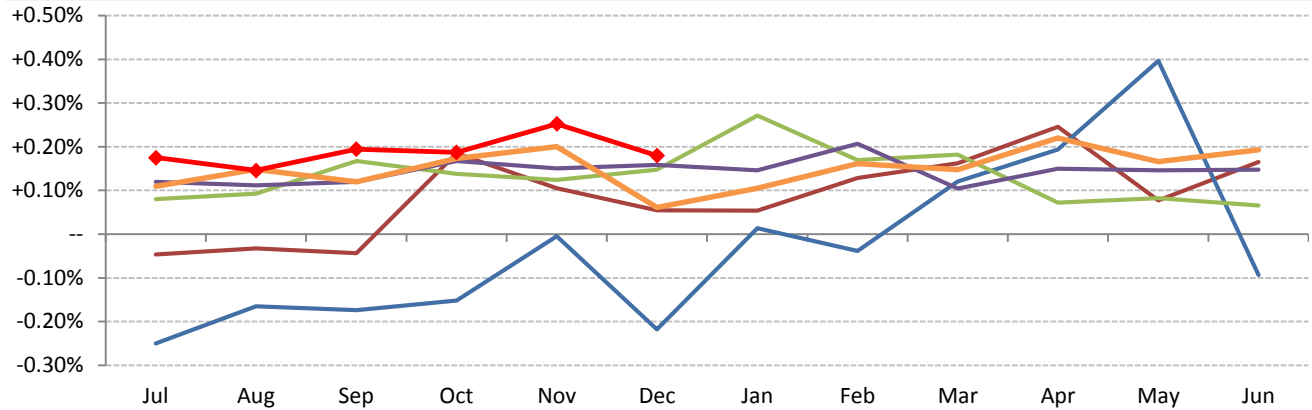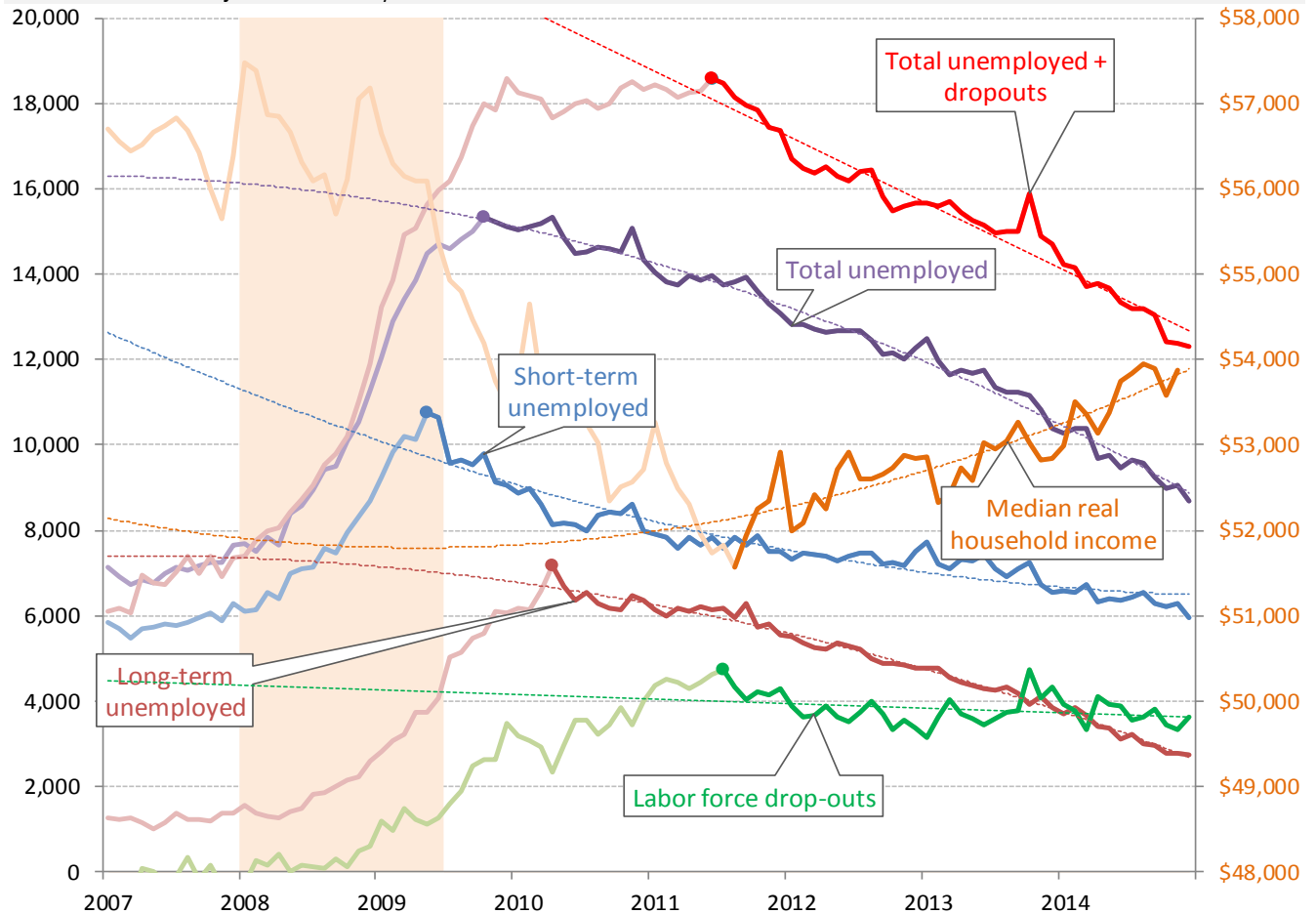

Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

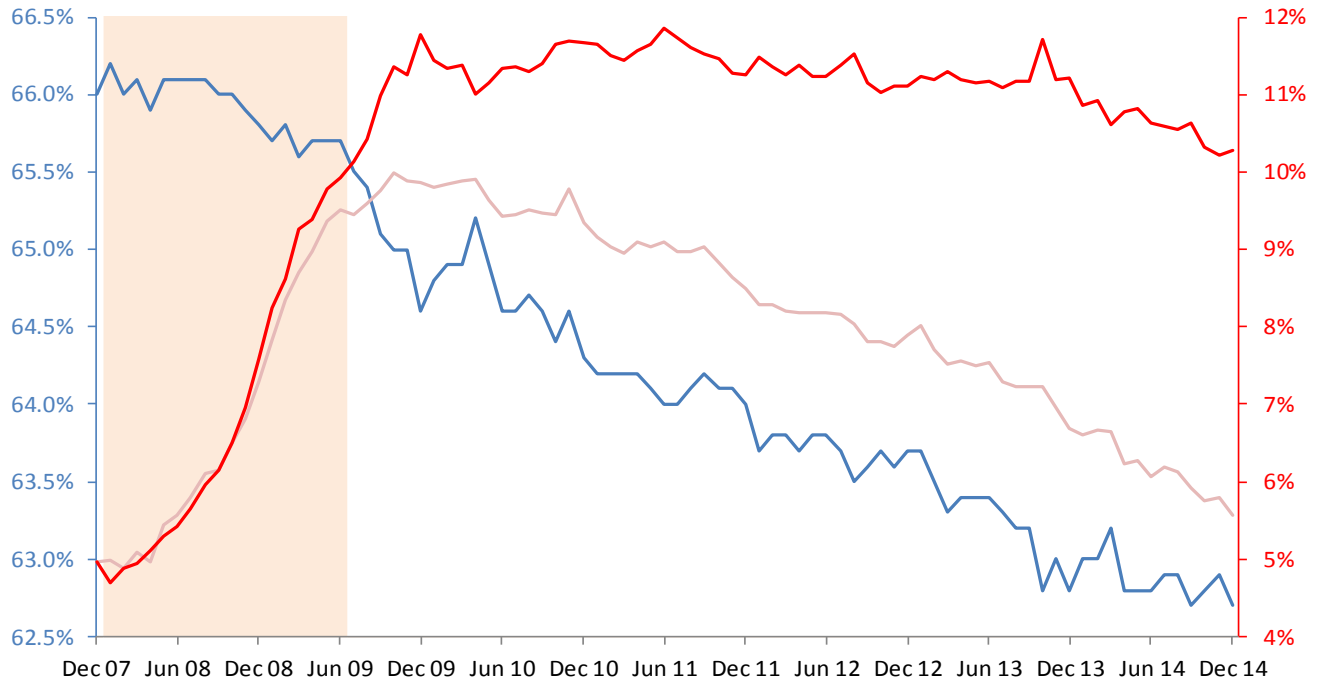Unemployment: thousands   Short-term = <27 weeks   Long-term = >27 weeks
Income inflation adjusted to today's USD

Source: BLS Current Population Survey, TrendMacro calculations

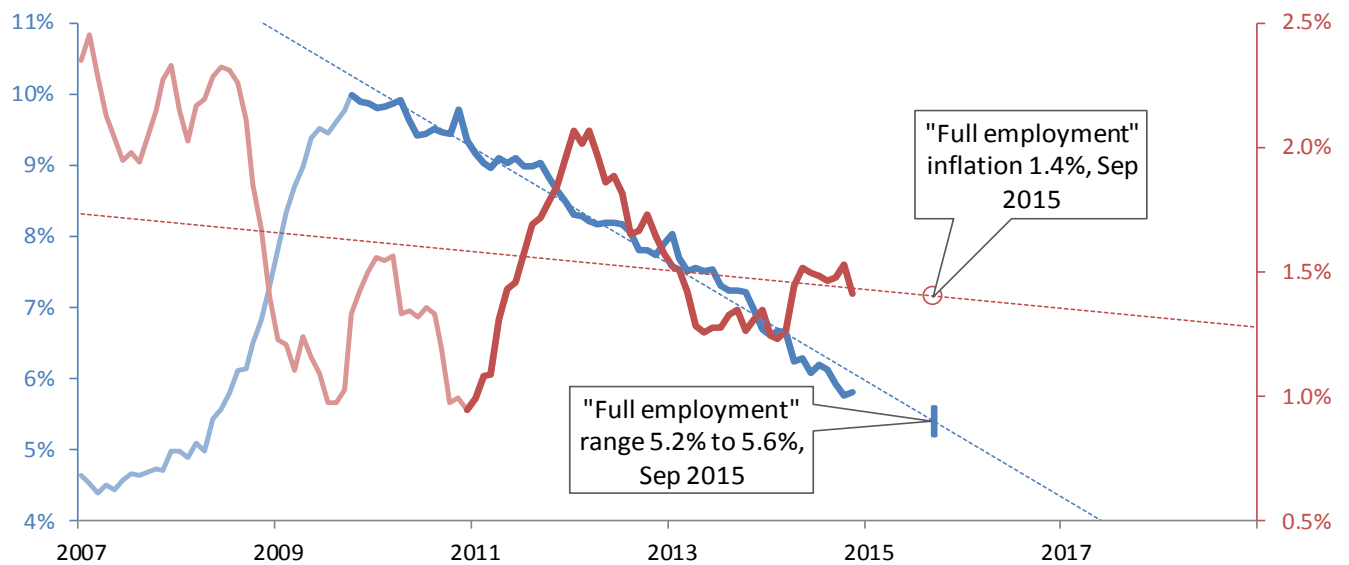## Unemployment rate normalized for participation rate December 2007

Participation rate — Headline unemployment rate — Recession

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

"Full employment" inflation 1.4%, Sep 2015

"Full employment" range 5.2% to 5.6%, Sep 2015

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

Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) ▮ Recession
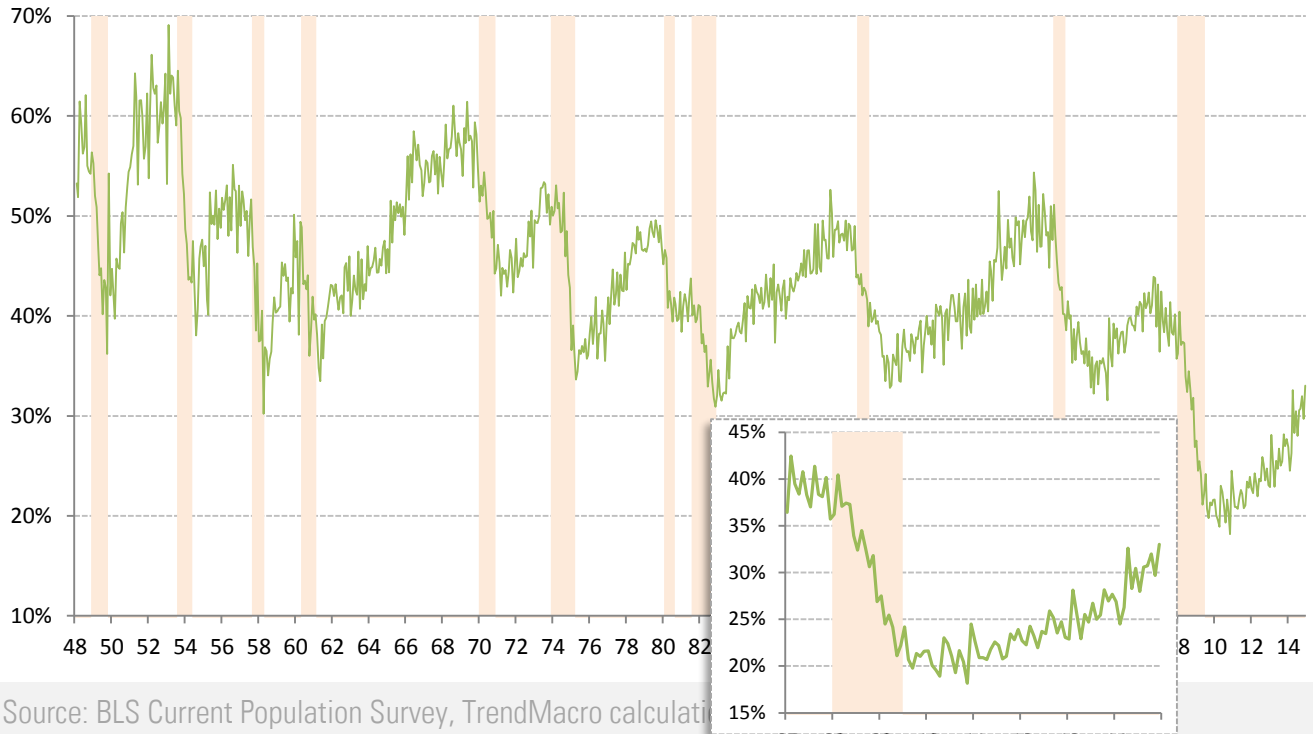
Source: BLS Current Population Survey, TrendMacro calculations

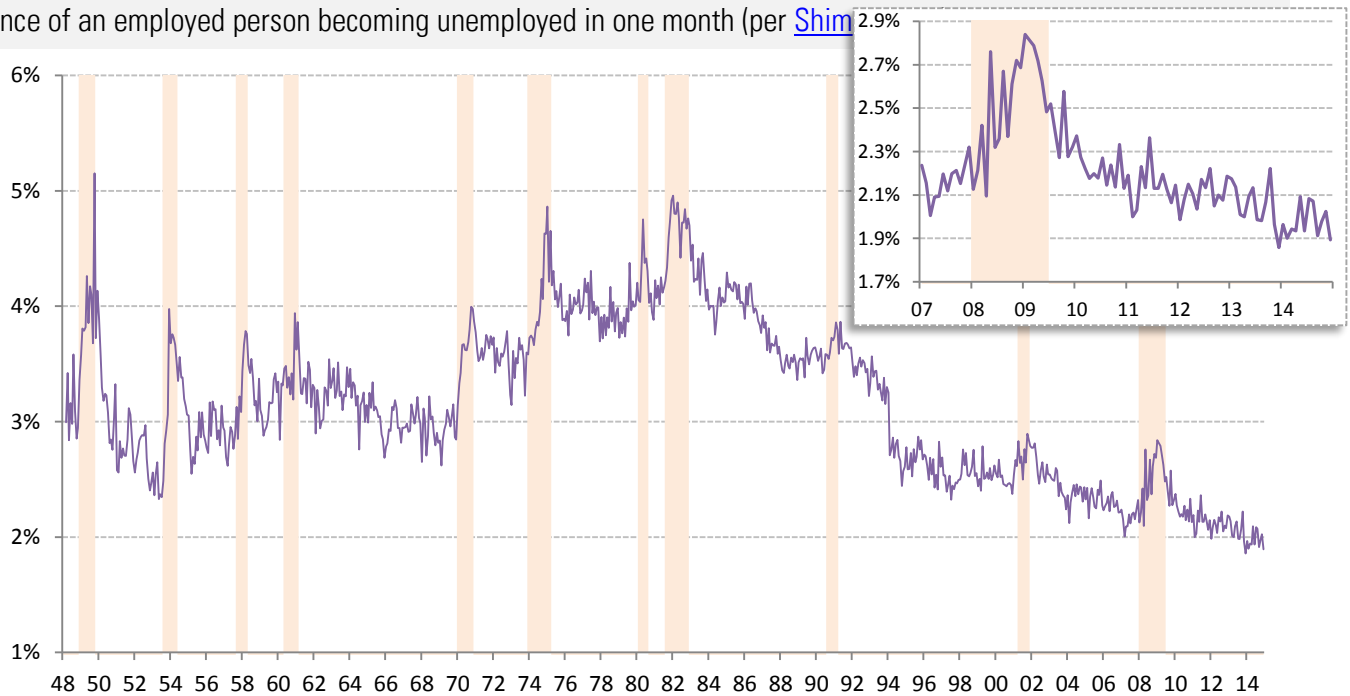## Monthly job-separation probability (the inflow rate to unemployment)

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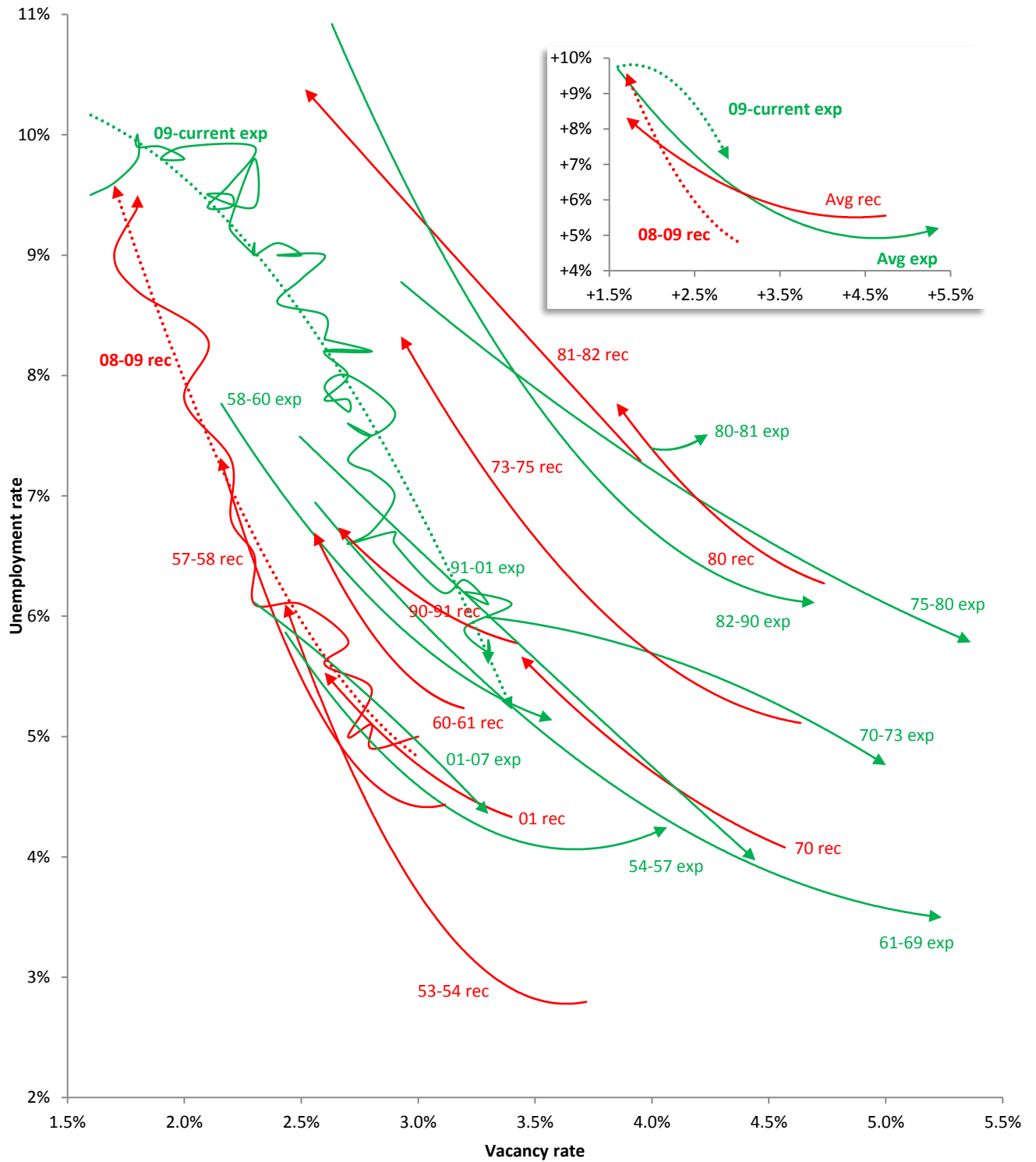

Source: BLS Current Population Survey, TrendMacro calculations

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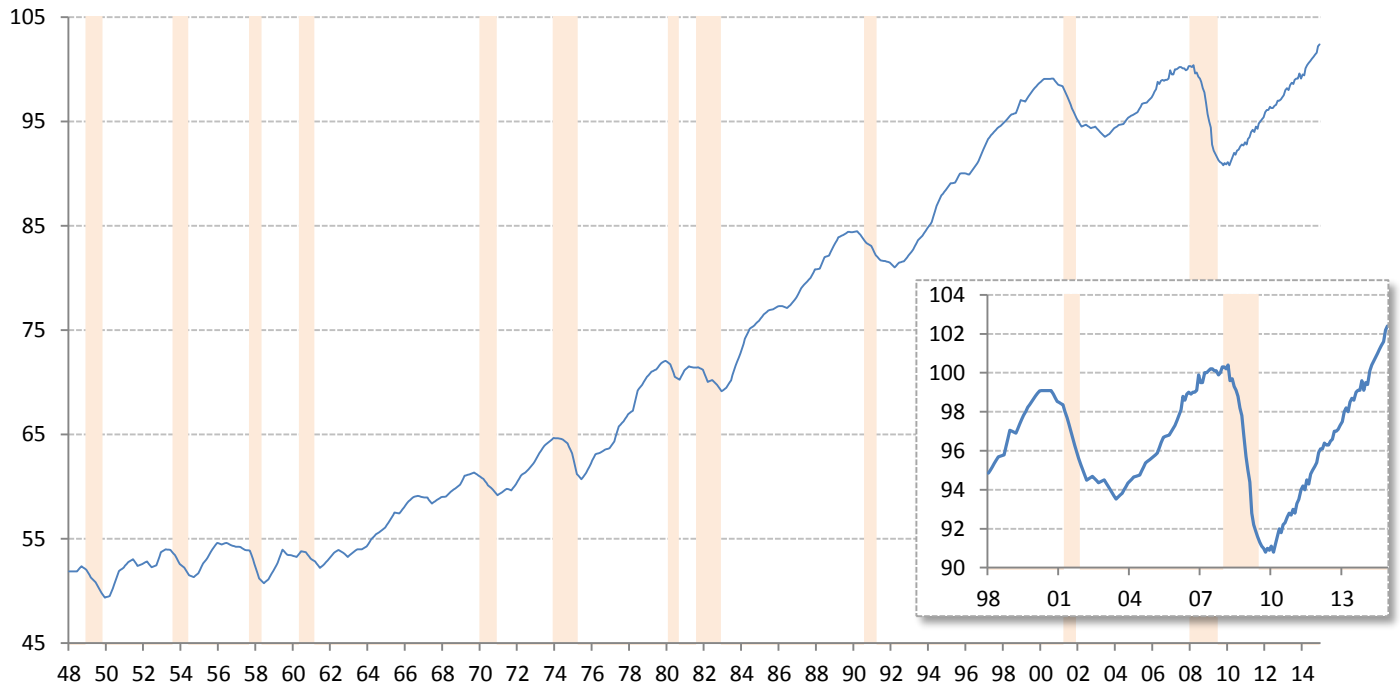
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ▨ Recession
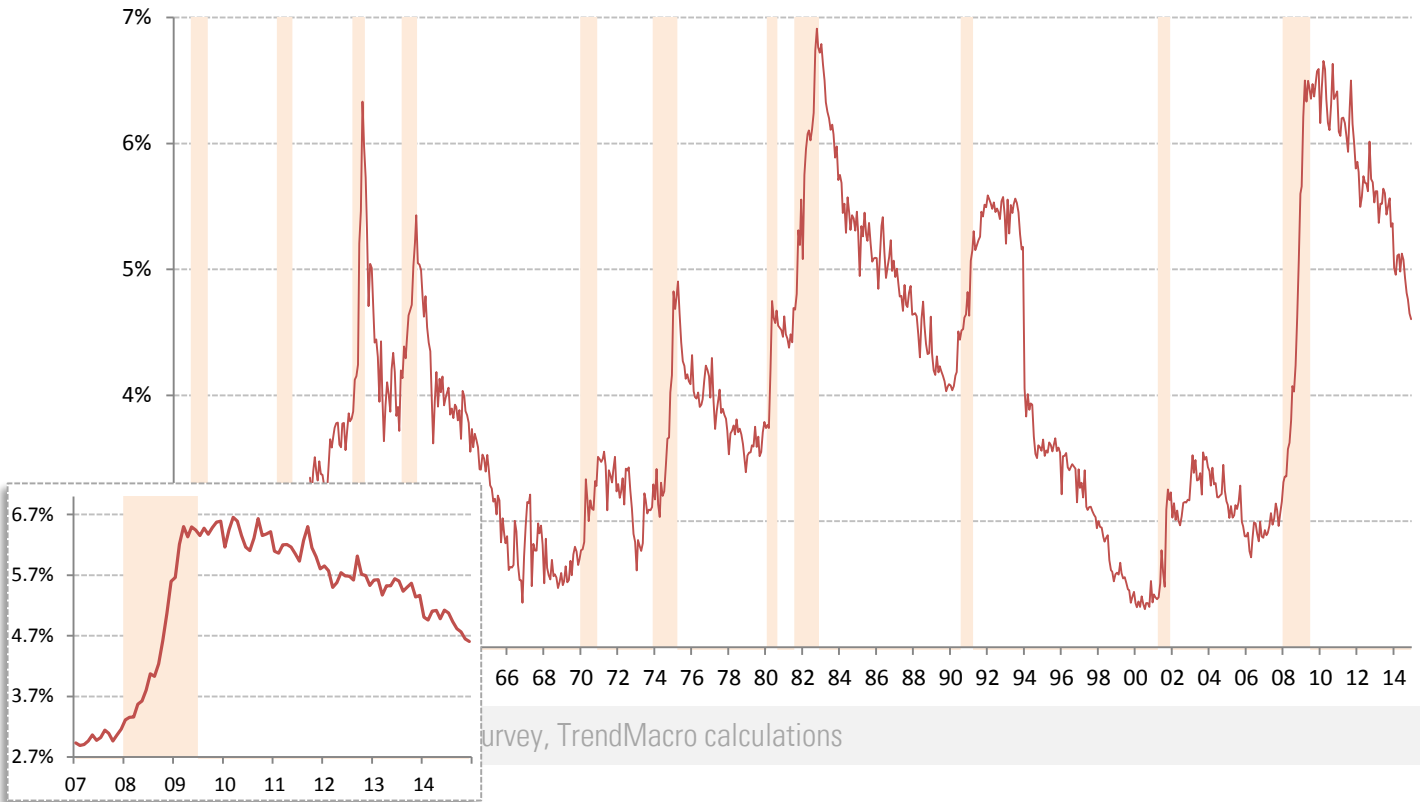
Source: ...urvey, TrendMacro calculations

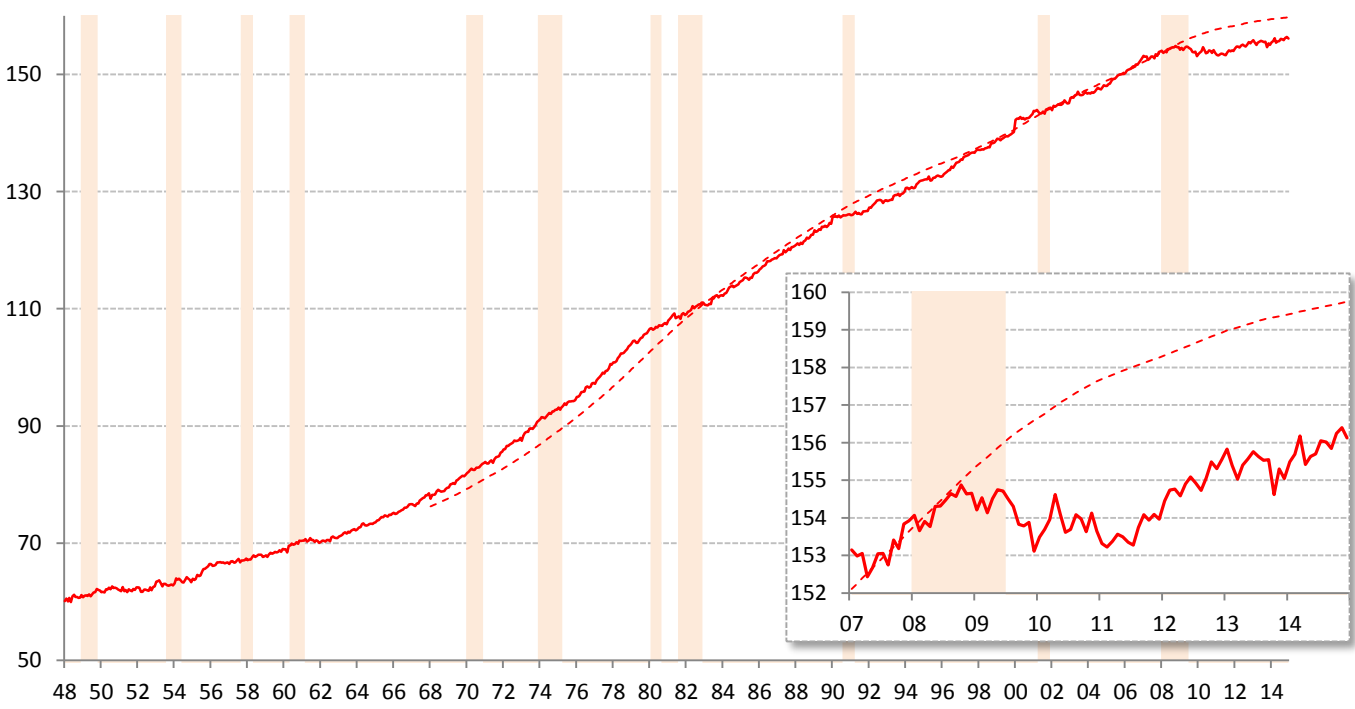## Aggregate weekly private hours-worked index ▨ Recession

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

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

Small company bias

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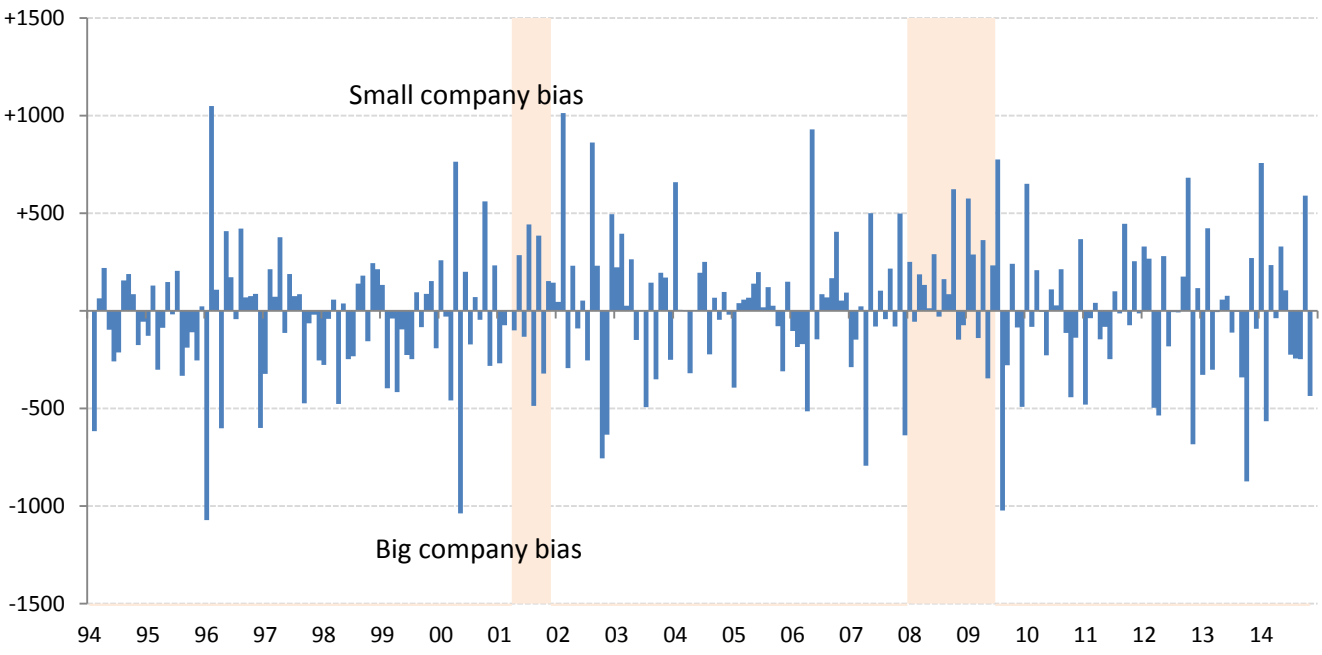
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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

Source: BLS Current Population Survey, TrendMacro calculations