




















Data Insights: Jobs

Thursday, July 2, 2015

Today's jobs data: what you need to know

Non-farm payrolls	Change Jun: +223	Revision May: -26	Revision Apr: -34	
Private payrolls	Change Jun: +223	Revision May: -12	Revision Apr: -17	
Employment	Change Jun: -56			
Unemployment	Change Jun: -375			
Long-term unemployment	Change Jun: -244			
Civilian labor force	Change Jun: -432	4.72 million below trend	87.0% of leavers unemployed	
Unemployment rate	Jun: 5.28%	Change Jun: -0.22%		
Underemployment rate	Jun: 10.5%	Change Jun: -0.3%		
Participation rate	Jun: 62.6%	Change Jun: -0.3%		
UE adjusted for participation	Jun: 10.2%	Change Jun: +0.22%		
Average weeks unemployed	Jun: 28.1	Change Jun: -2.6		
% longterm unemployed	Jun: 25.8%	Change Jun: -2.8%		
Aggregate hours worked index	Jun: 103.4	Change Jun: +0.2%	Revision May: -0	
Average hourly earnings	Jun: unch	Change Jun: -0.2%	Revision May: -0.1%	
Aggregate weekly earnings	Jun: 123.2	Change Jun: +0.2%	Revision May: -0.1	
Monthly job-finding probability	Jun: 34.2%	Change Jun: +4.5%		
Monthly separation probability	Jun: 1.9%	Change Jun: -0.1%		
% involuntary part-time	Jun: 4.4%	Change Jun: -0.1%		
"Household" vs "Payroll" jobs	Change Jun: +296			

Source: Bureau of Labor Statistics, TrendMacro calculations

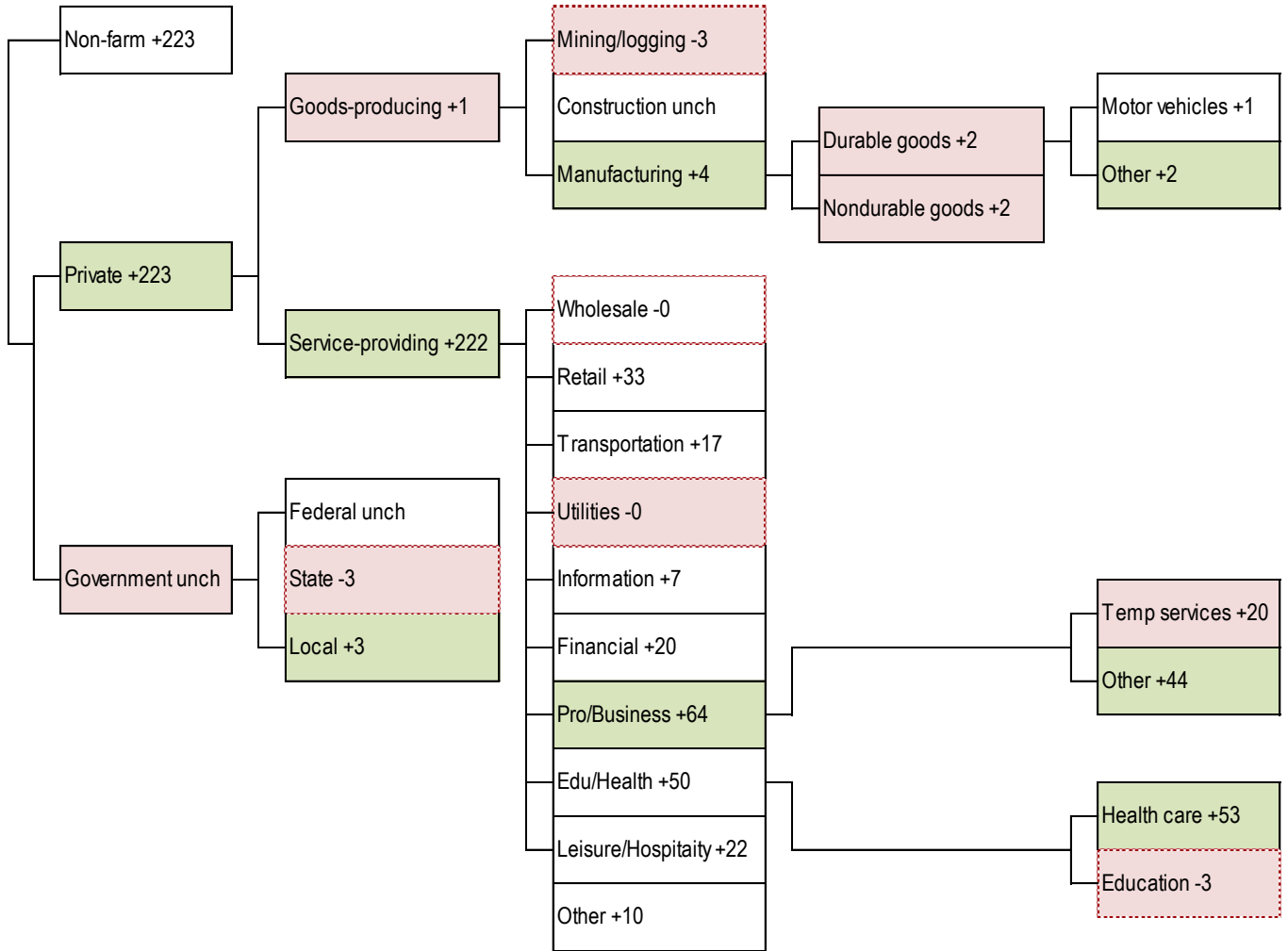
For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com

Copyright 2015 Trend Macrolytics LLC. All rights reserved. This document is not to be forwarded to individuals or organizations not authorized by Trend Macrolytics LLC to receive it. For information purposes only; not to be deemed to be recommendations for buying or selling specific securities or to constitute personalized investment advice. Derived from sources deemed to be reliable, but no warranty is made as to accuracy.

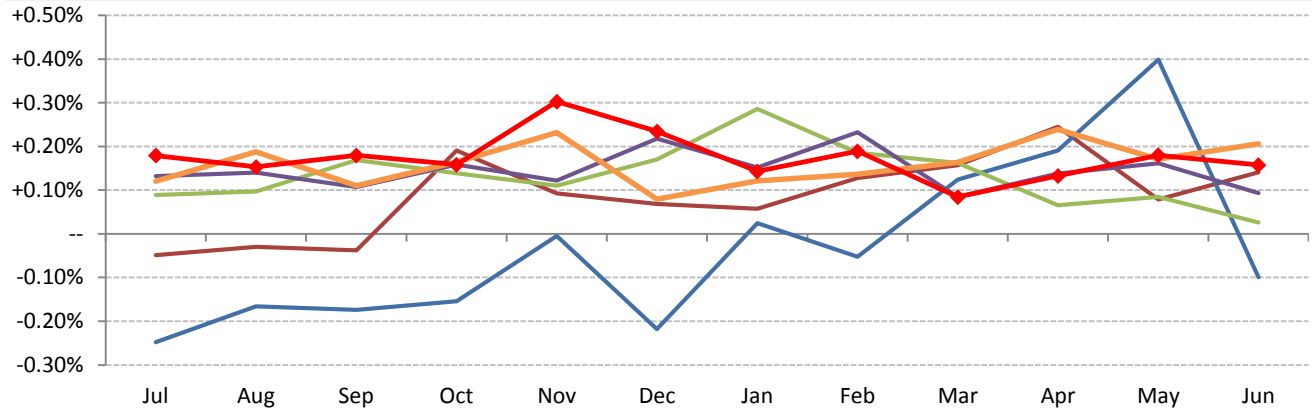
Today's payroll data: what you need to know -- where did the jobs come from?

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

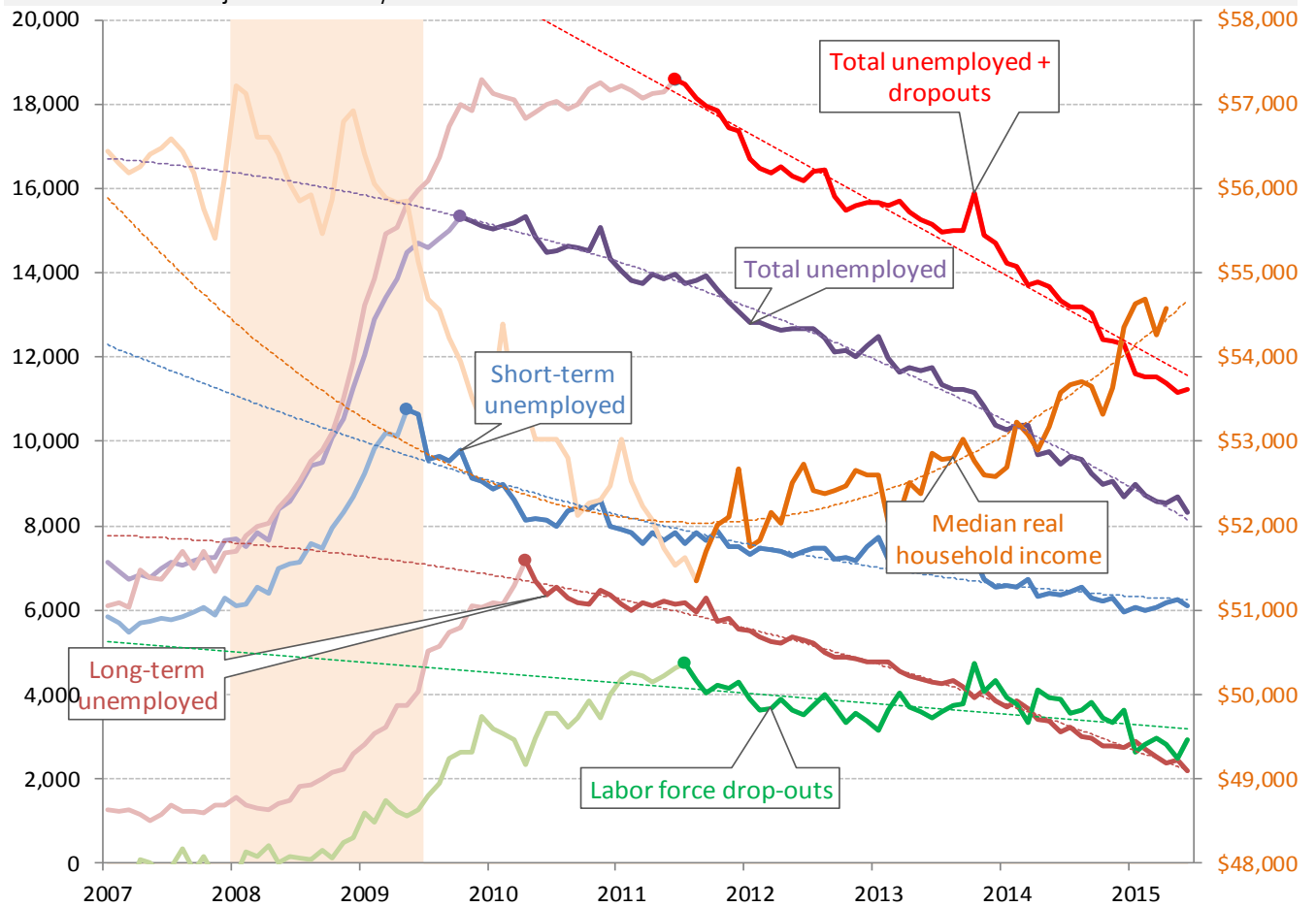


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks

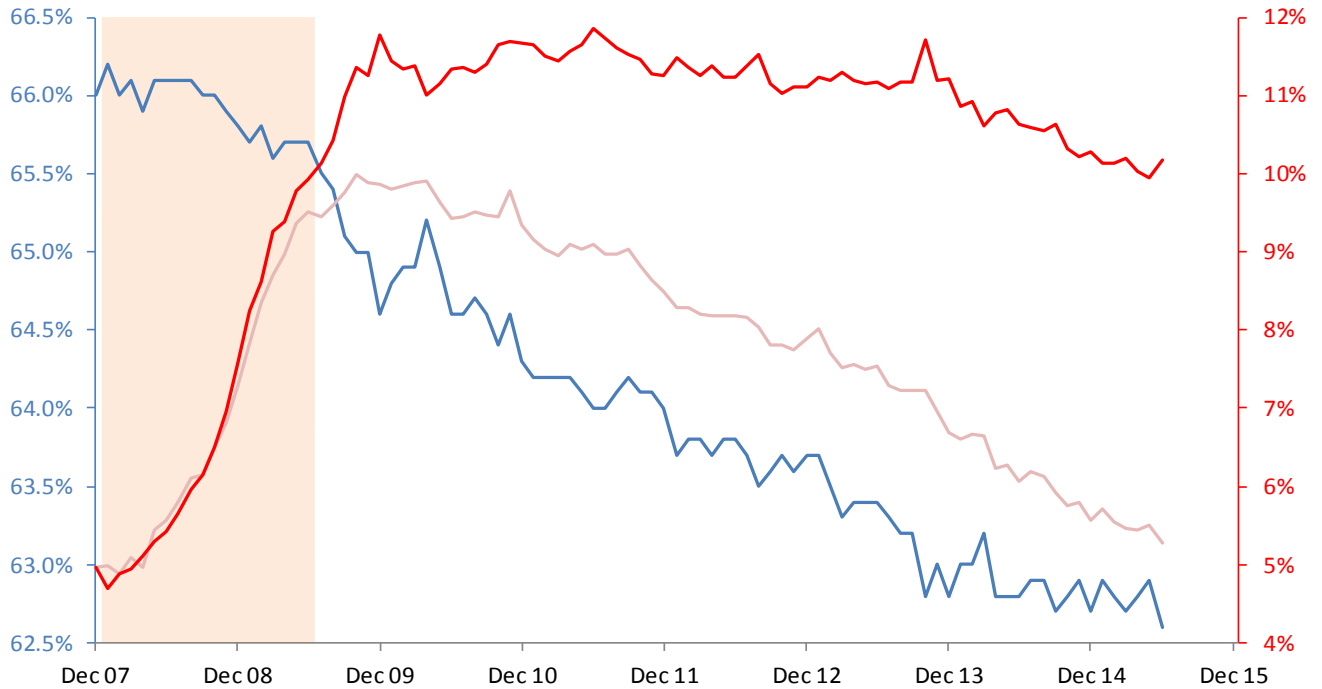
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

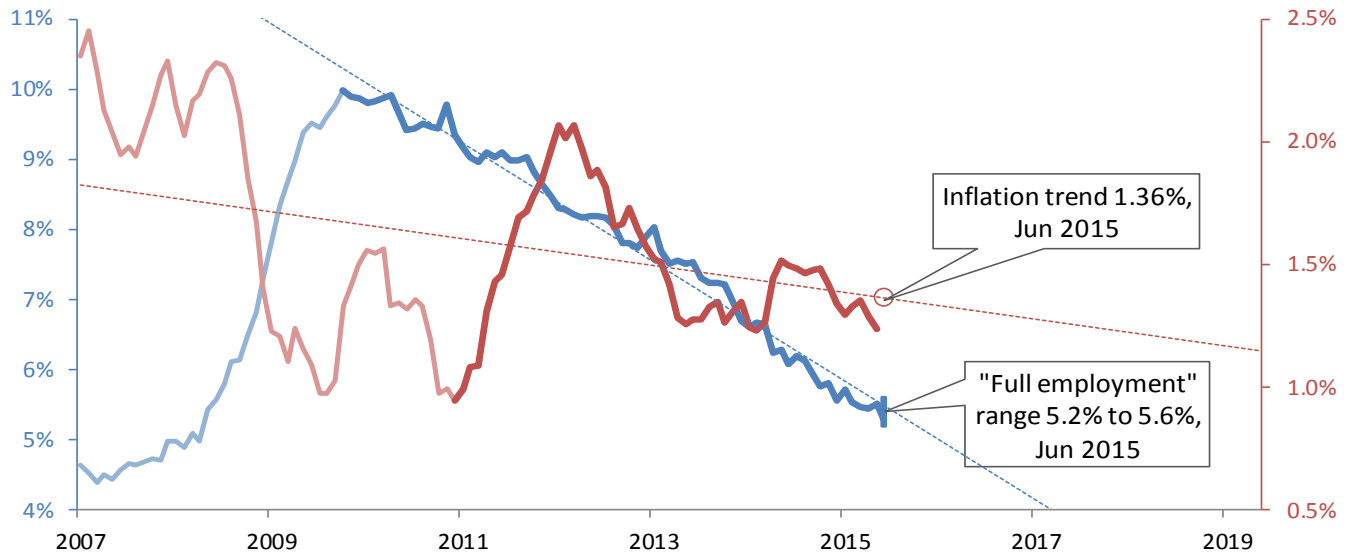
— Unemployment rate normalized for participation rate December 2007
 — Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

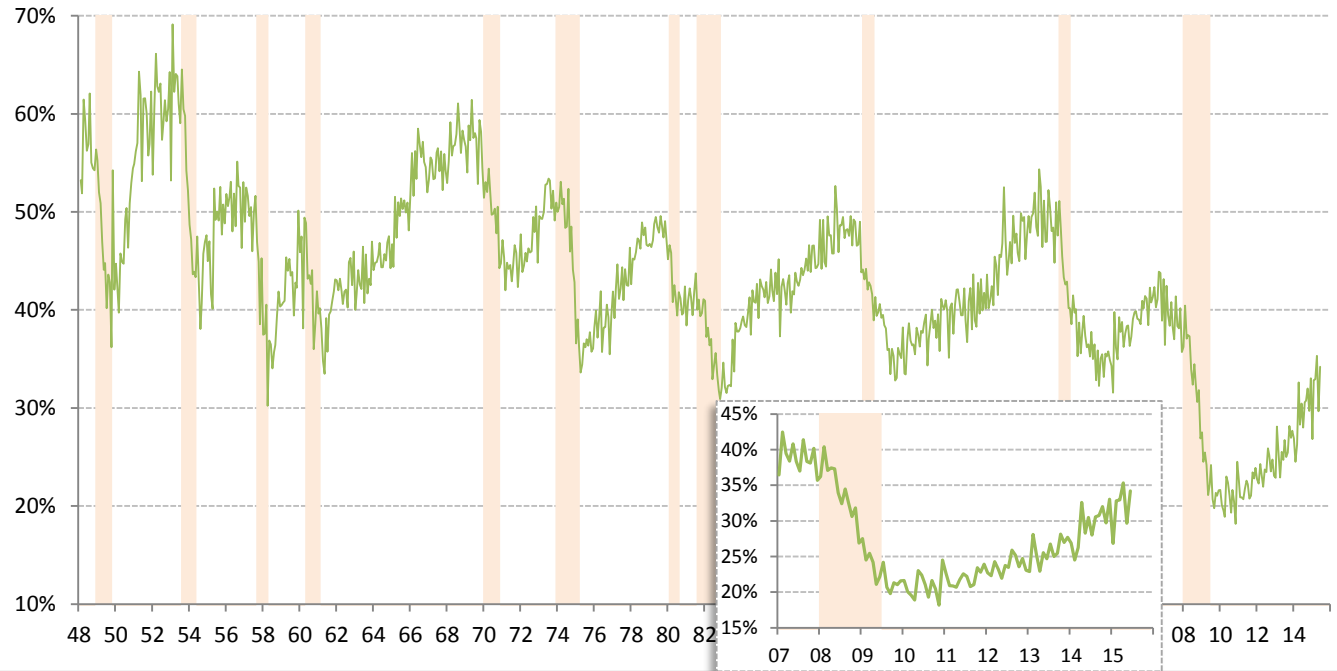
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

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

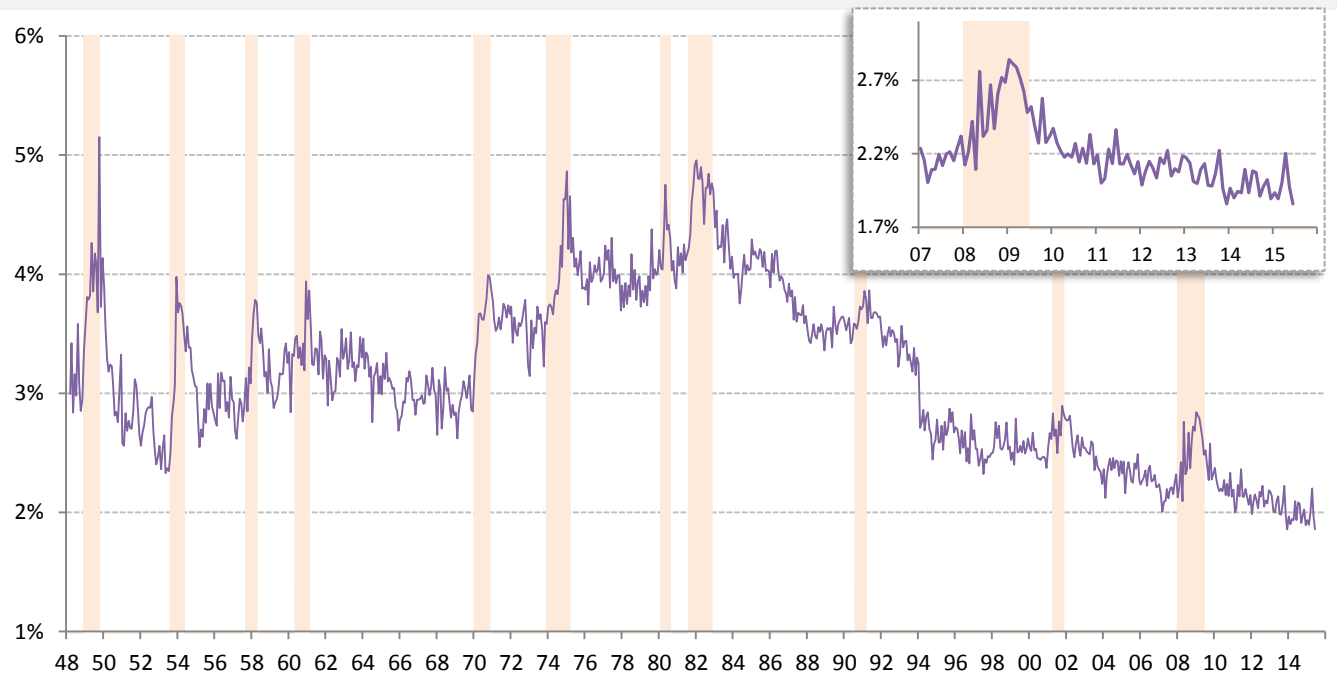
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



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 [Shimer 2005](#)) Recession

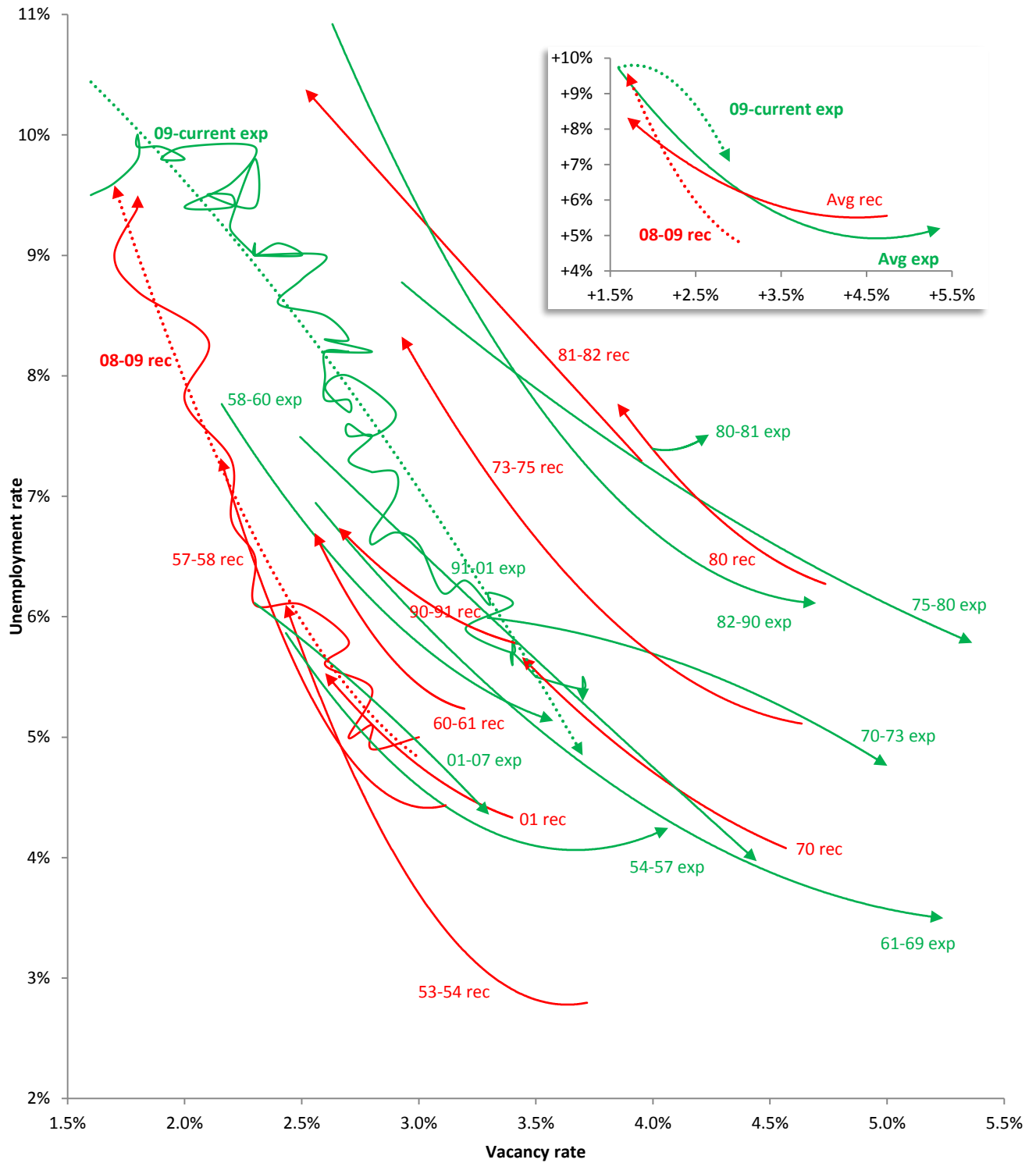


Source: BLS Current Population Survey, TrendMacro calculations

The Beveridge Curve

Cycle relationship between unemployment and job openings

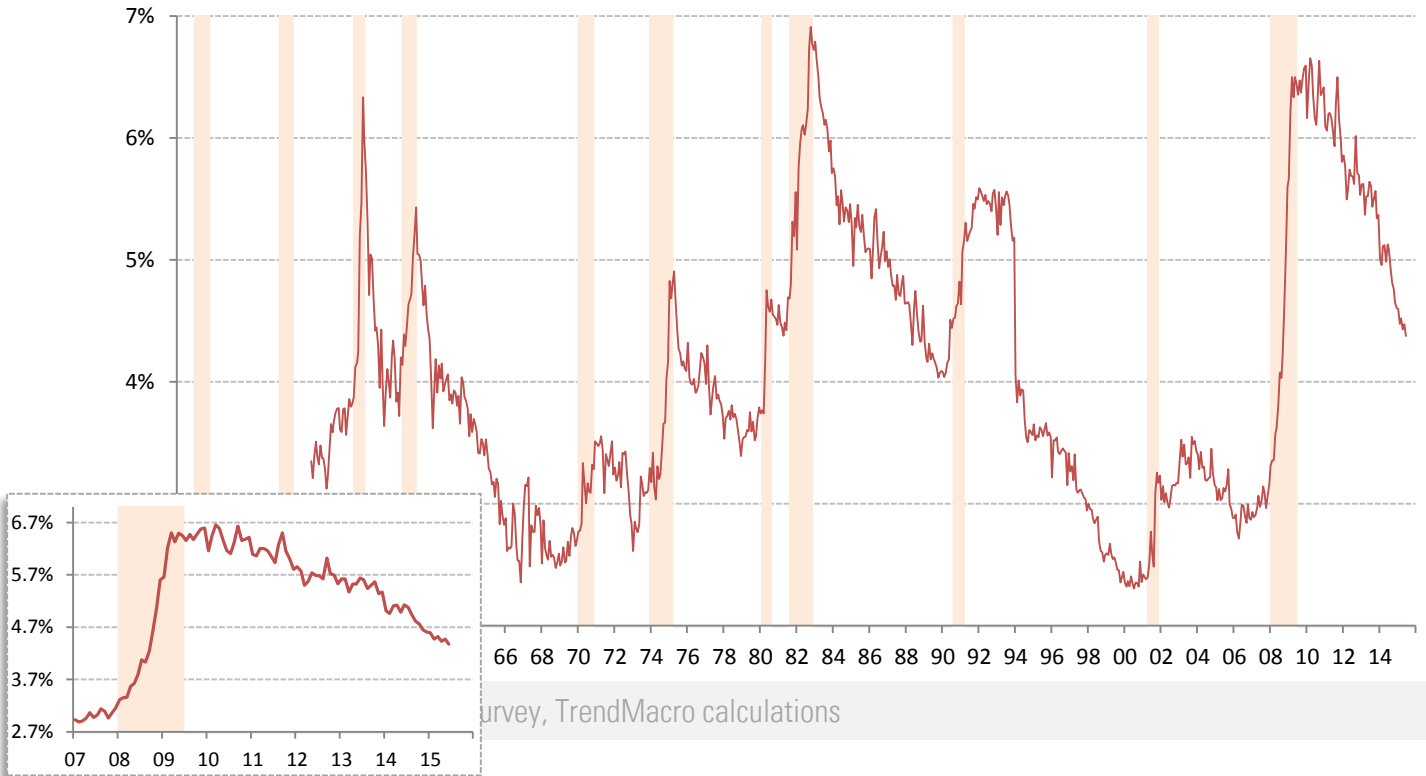
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



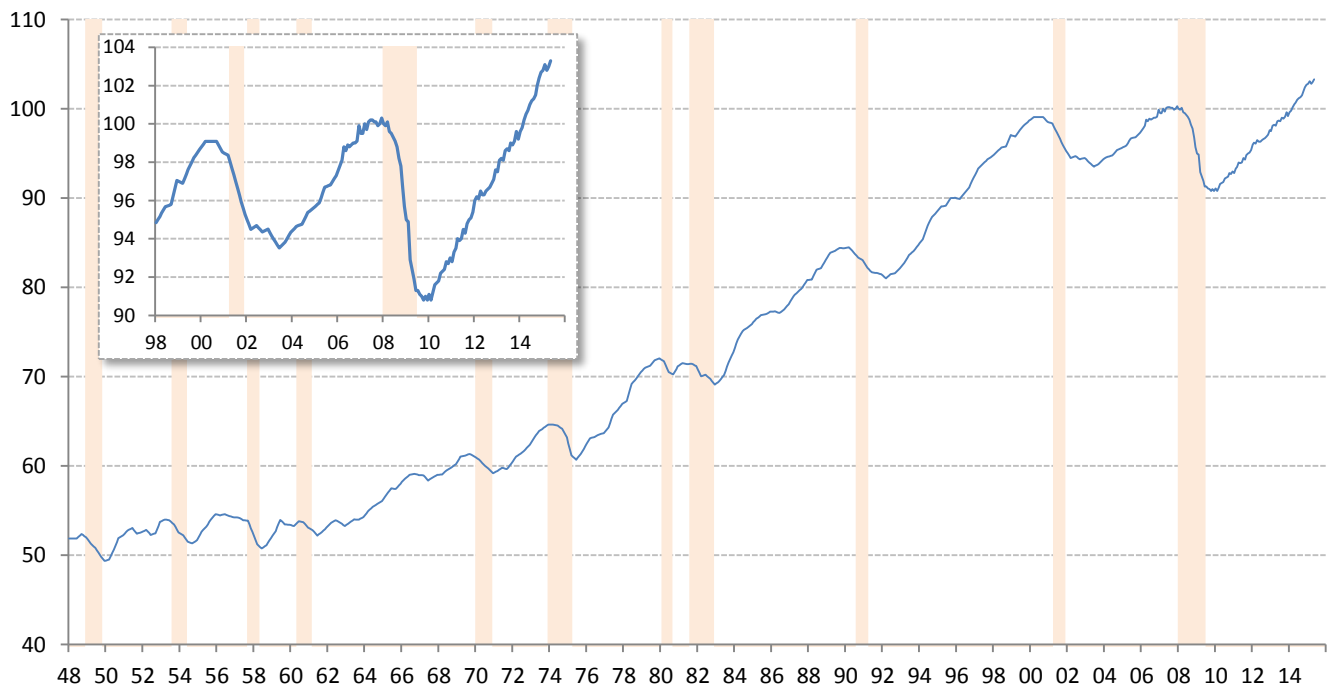
Source: BLS Current Population Survey & JOLTS. Pre-2000:Conference Board normalized per [Valletta \(2005\)](#), TrendMacro calculations

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

Persons available for full-time work ■ Recession

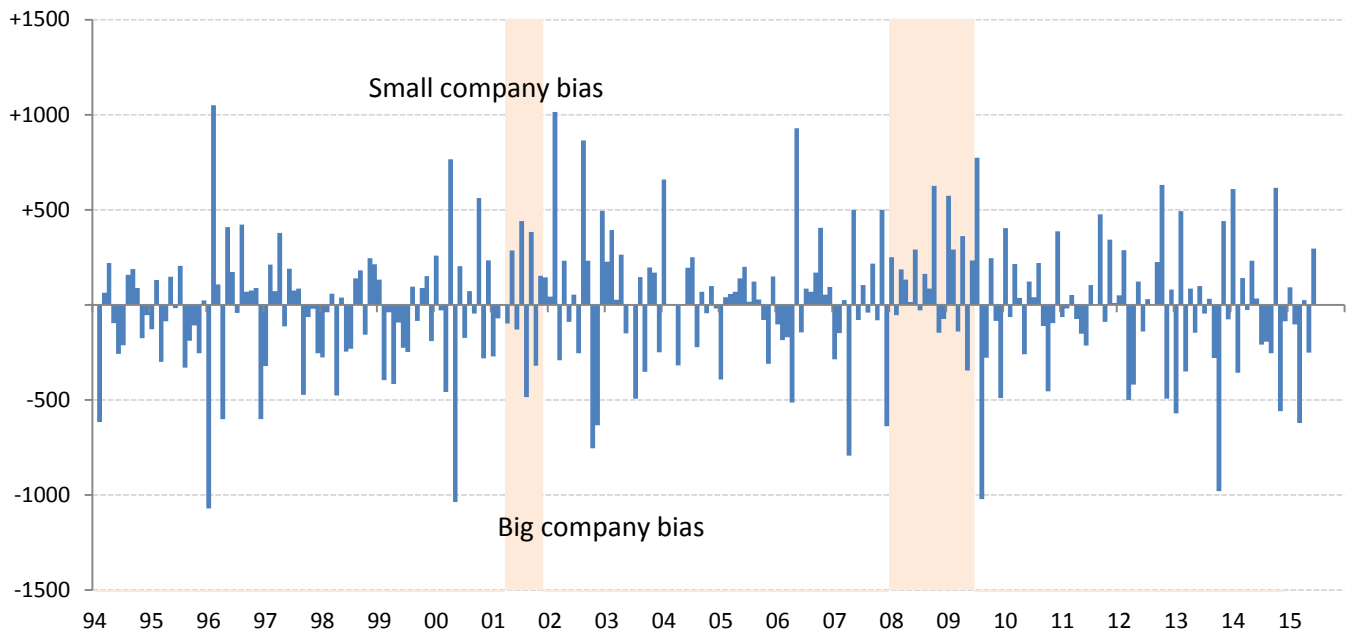


Aggregate weekly private hours-worked index ■ Recession



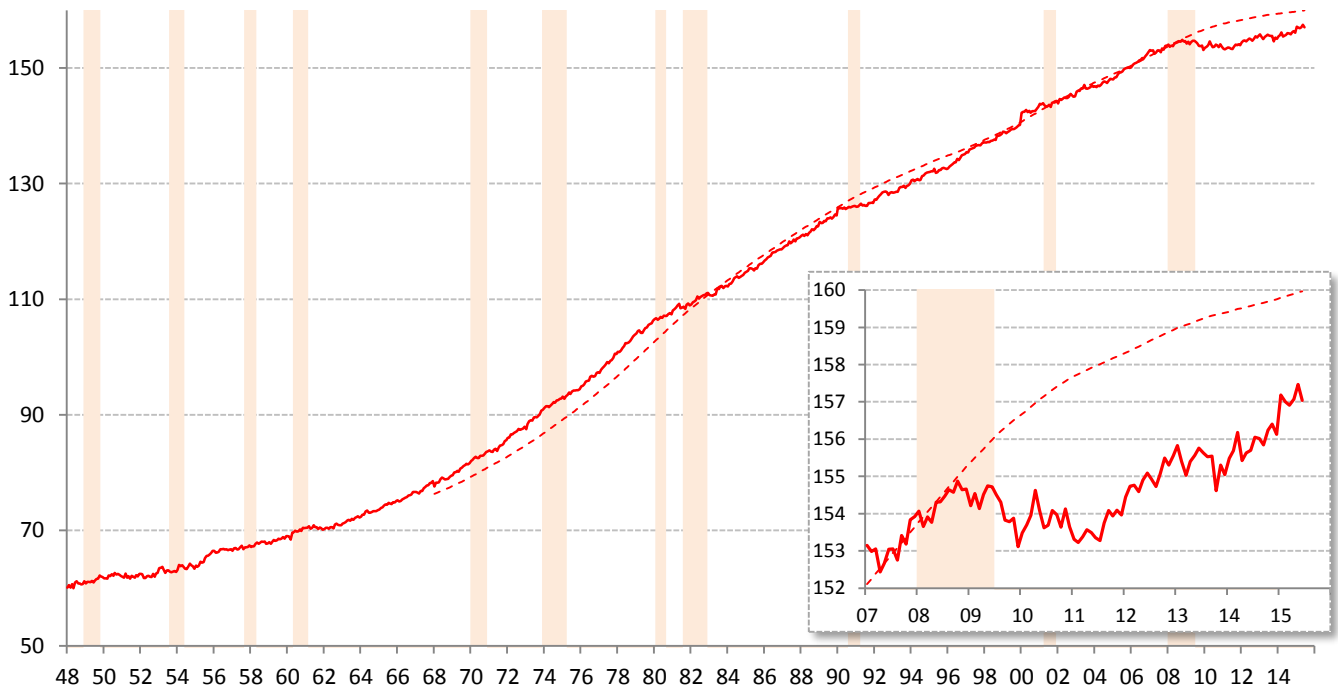
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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