







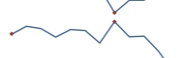









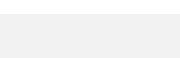


Data Insights: Jobs

Friday, February 5, 2016

Today's jobs data: what you need to know

Non-farm payrolls	Change Jan: +151	Revision Dec: -30	Revision Nov: -75	
Private payrolls	Change Jan: +158	Revision Dec: -24	Revision Nov: -119	
Employment	Change Jan: +615			
Unemployment	Change Jan: -113			
Long-term unemployment	Change Jan: +53			
Civilian labor force	Change Jan: +502	4.65 million below trend	More than all entrants employed	
Unemployment rate	Jan: 4.92%	Change Jan: -0.09%		
Underemployment rate	Jan: 9.9%	Change Jan: unch		
Participation rate	Jan: 62.7%	Change Jan: +0.1%		
UE adjusted for participation	Jan: 9.7%	Change Jan: -0.23%		
Average weeks unemployed	Jan: 28.9	Change Jan: +1.3		
% longterm unemployed	Jan: 26.9%	Change Jan: +0.6%		
Aggregate hours worked index	Dec: 105.3	Change Dec: +0.7%	Revision Dec: unch	
Average hourly earnings	Jan: +0.5%	Change Jan: +0.5%	Revision Dec: unch	
Aggregate weekly earnings	Jan: 127.8	Change Jan: +1.4%	Revision Dec: unch	
Monthly job-finding probability	Jan: 32.7%	Change Jan: -0.9%		
Monthly separation probability	Jan: 1.8%	Change Jan: -0.1%		
% involuntary part-time	Jan: 4.0%	Change Jan: -0.0%		
"Household" vs "Payroll" jobs	Change Jan: -341			

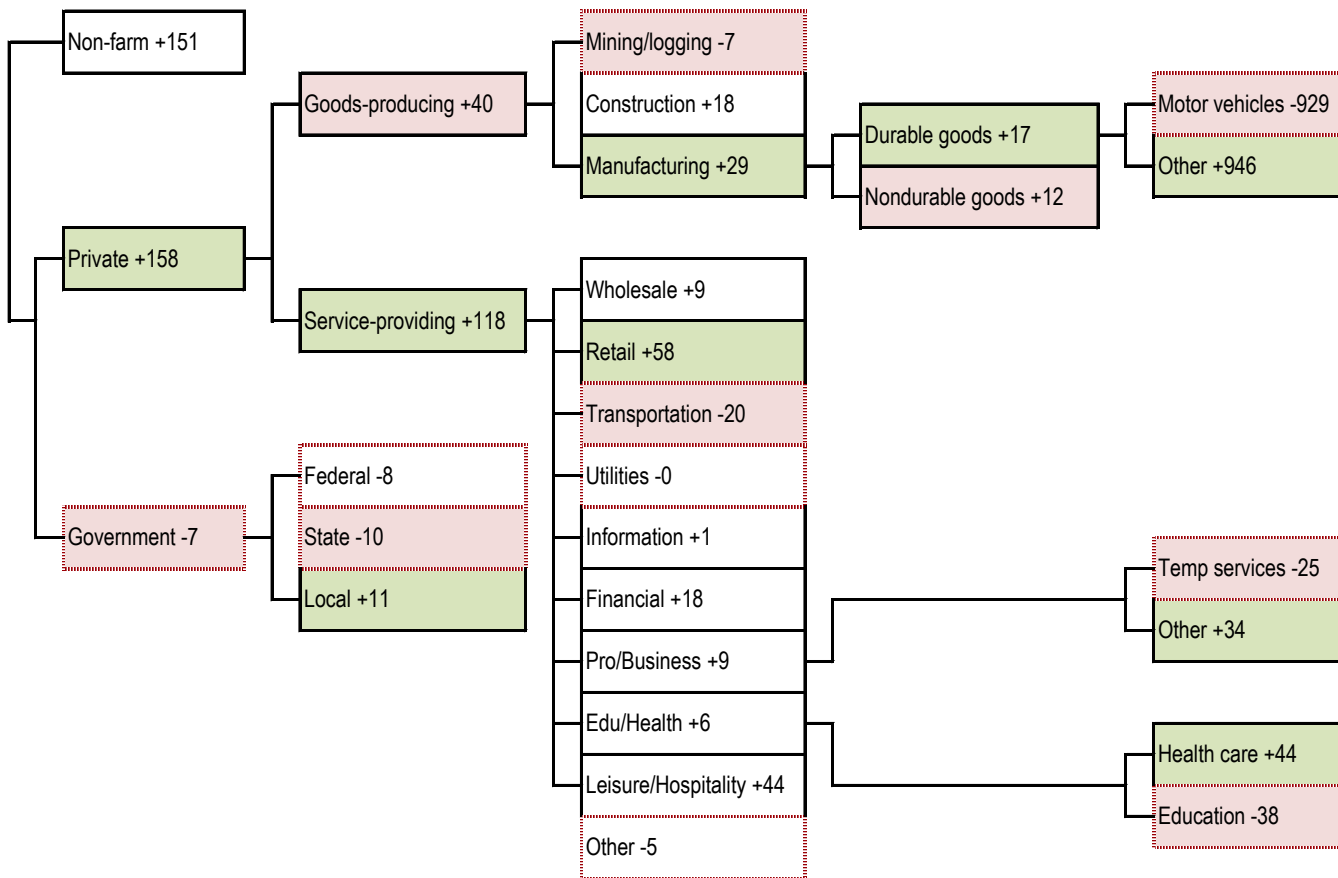
Source: Bureau of Labor Statistics, TrendMacro calculations

For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com
 Thomas Demas: 704 552 3625 tdemas@trendmacro.com

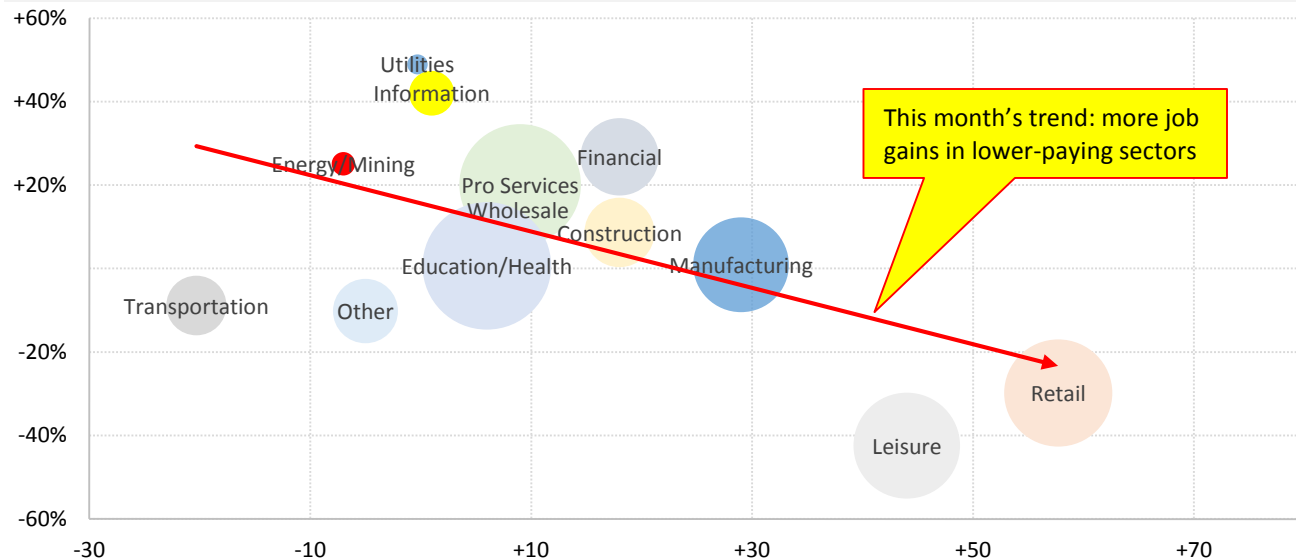
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

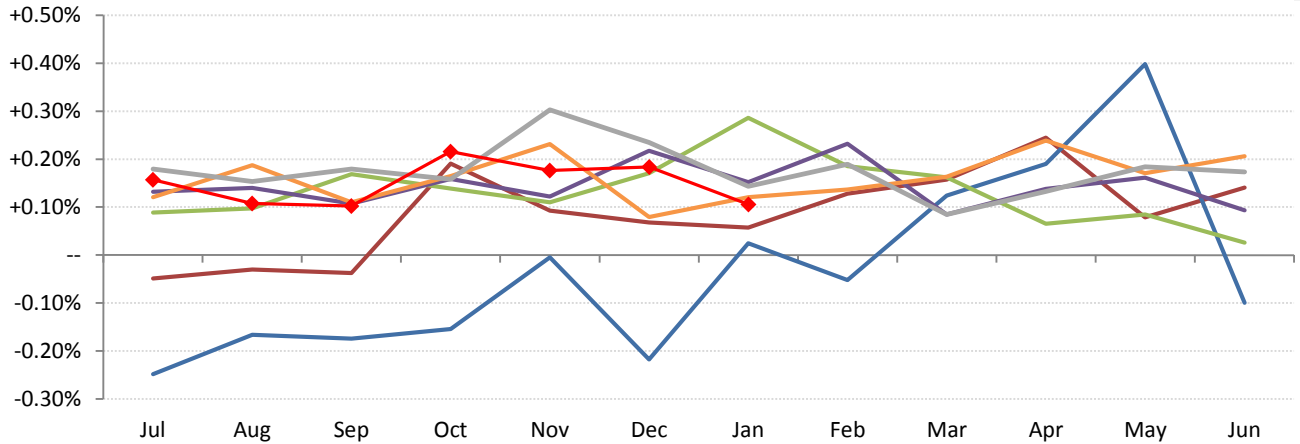
Left: Hourly wages vs average Right: Payrolls gains/losses this month Size of circle: Portion of all employment



Source: BLS, TrendMacro calculations

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

Payroll growth MOM from July — 09-10 — 10-11 — 11-12 — 12-13 — 13-14 — 14-15 — 2015-16

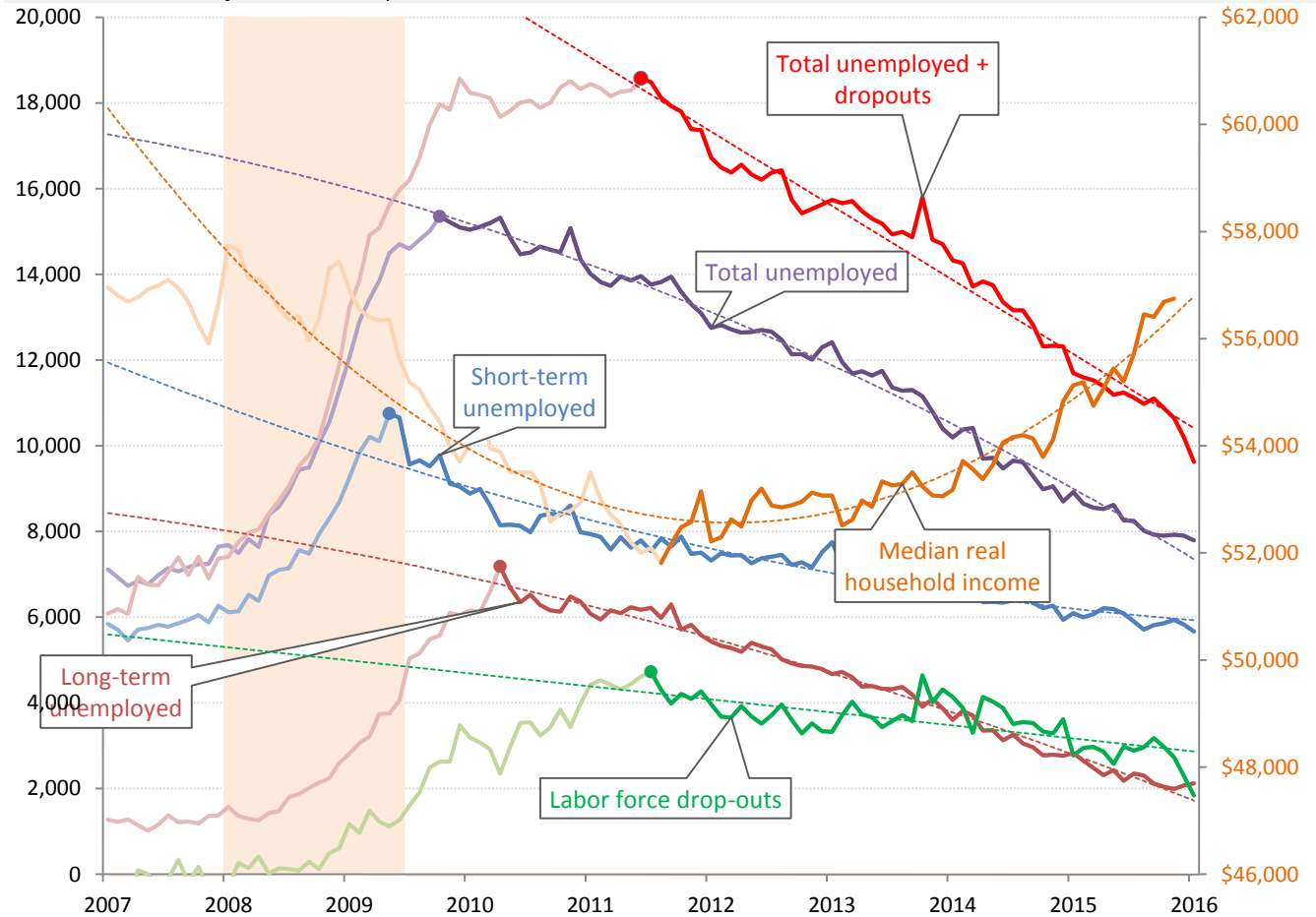


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

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

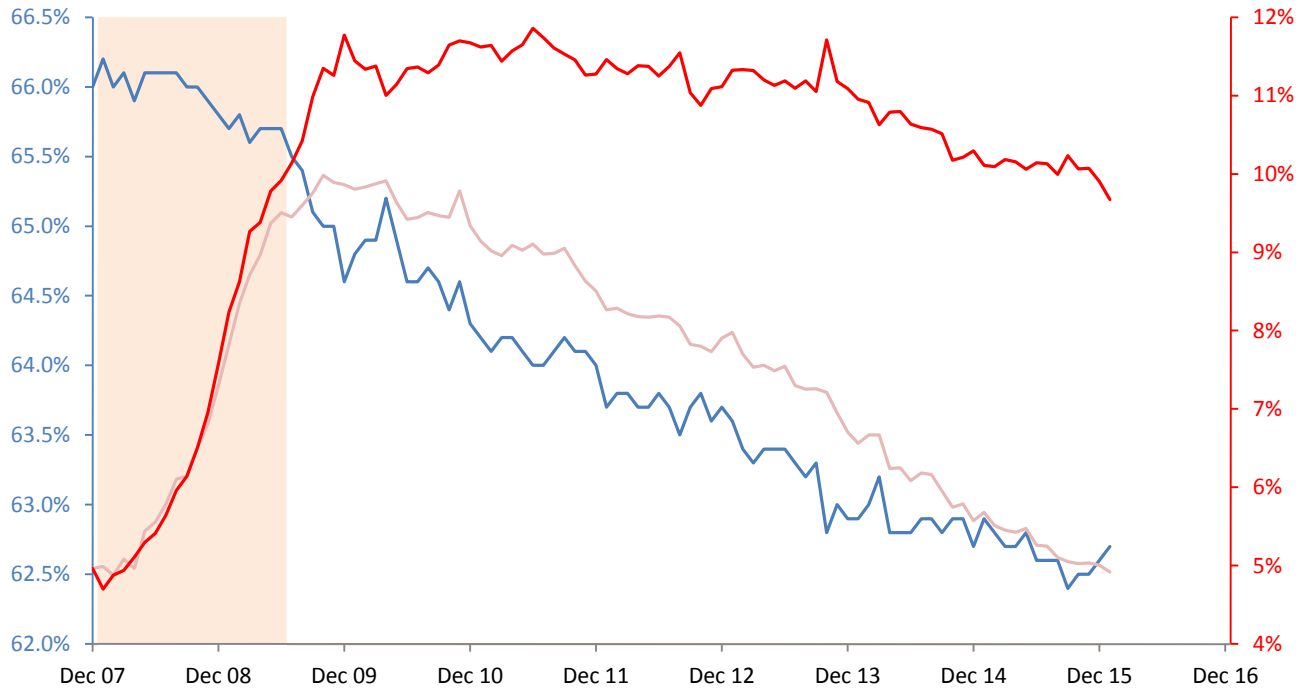
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

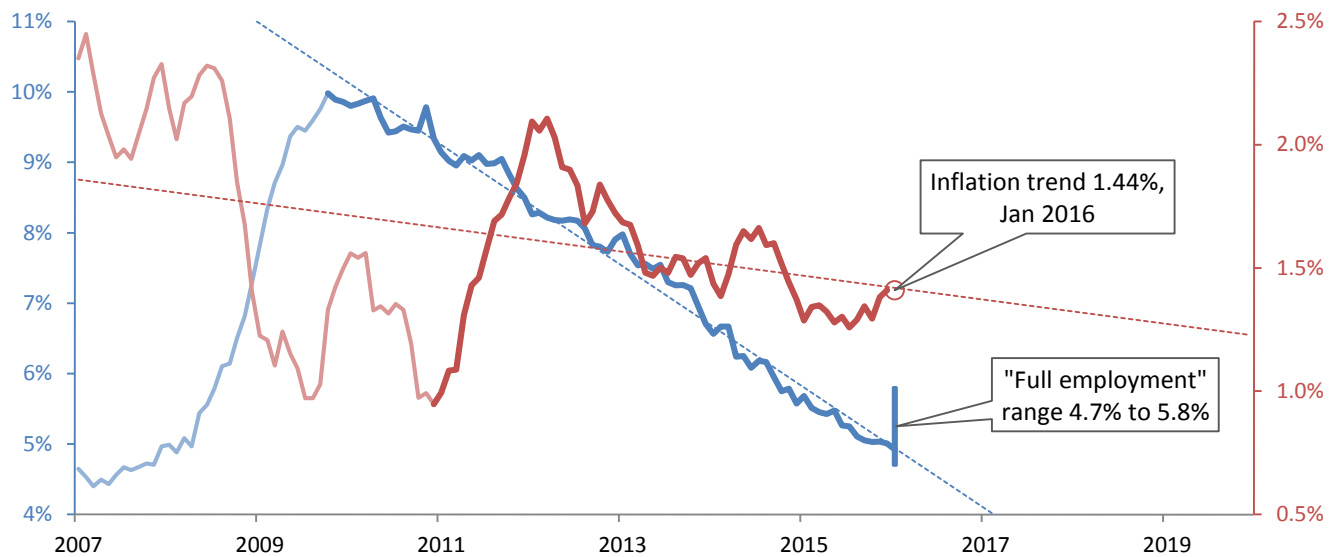
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

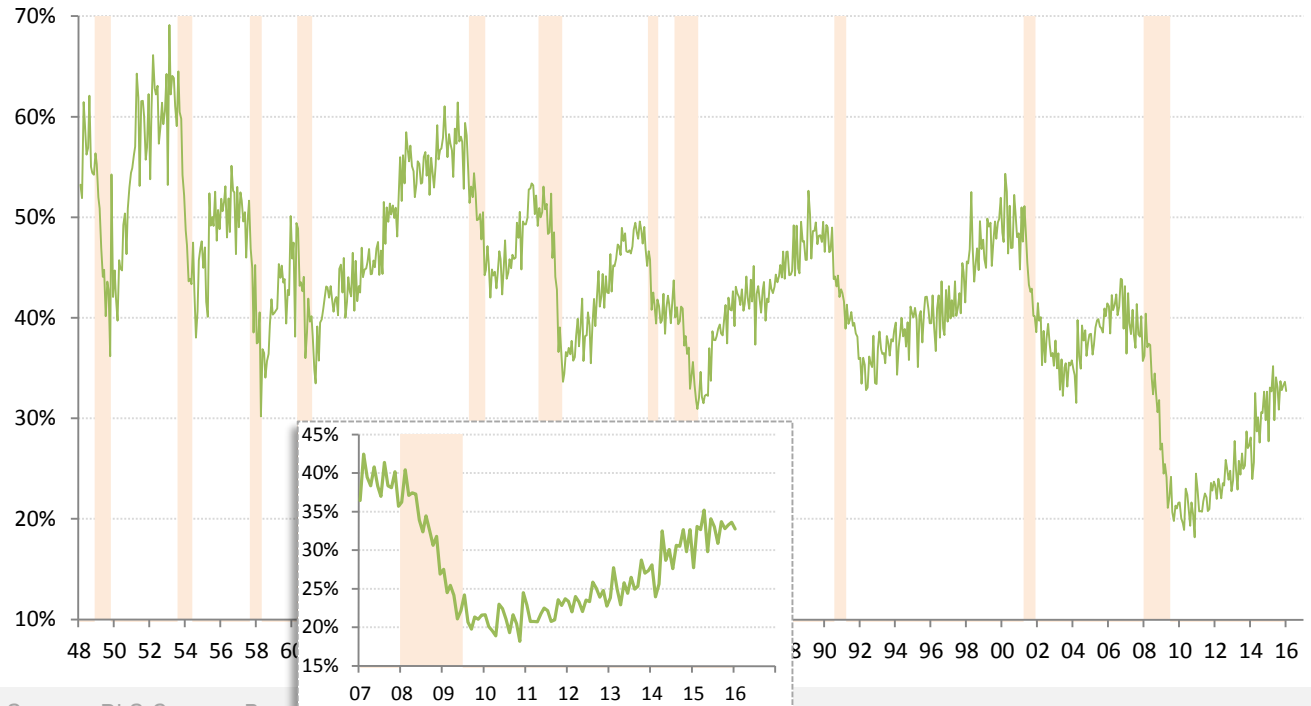
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

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

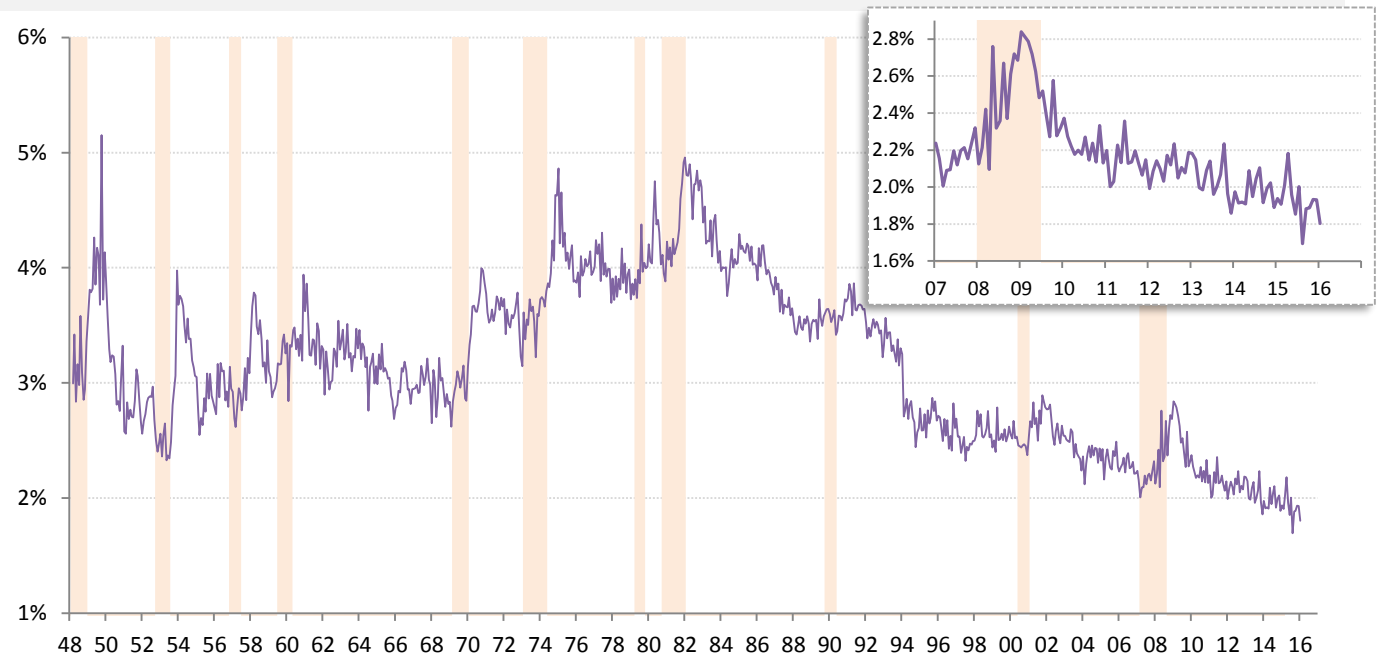
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

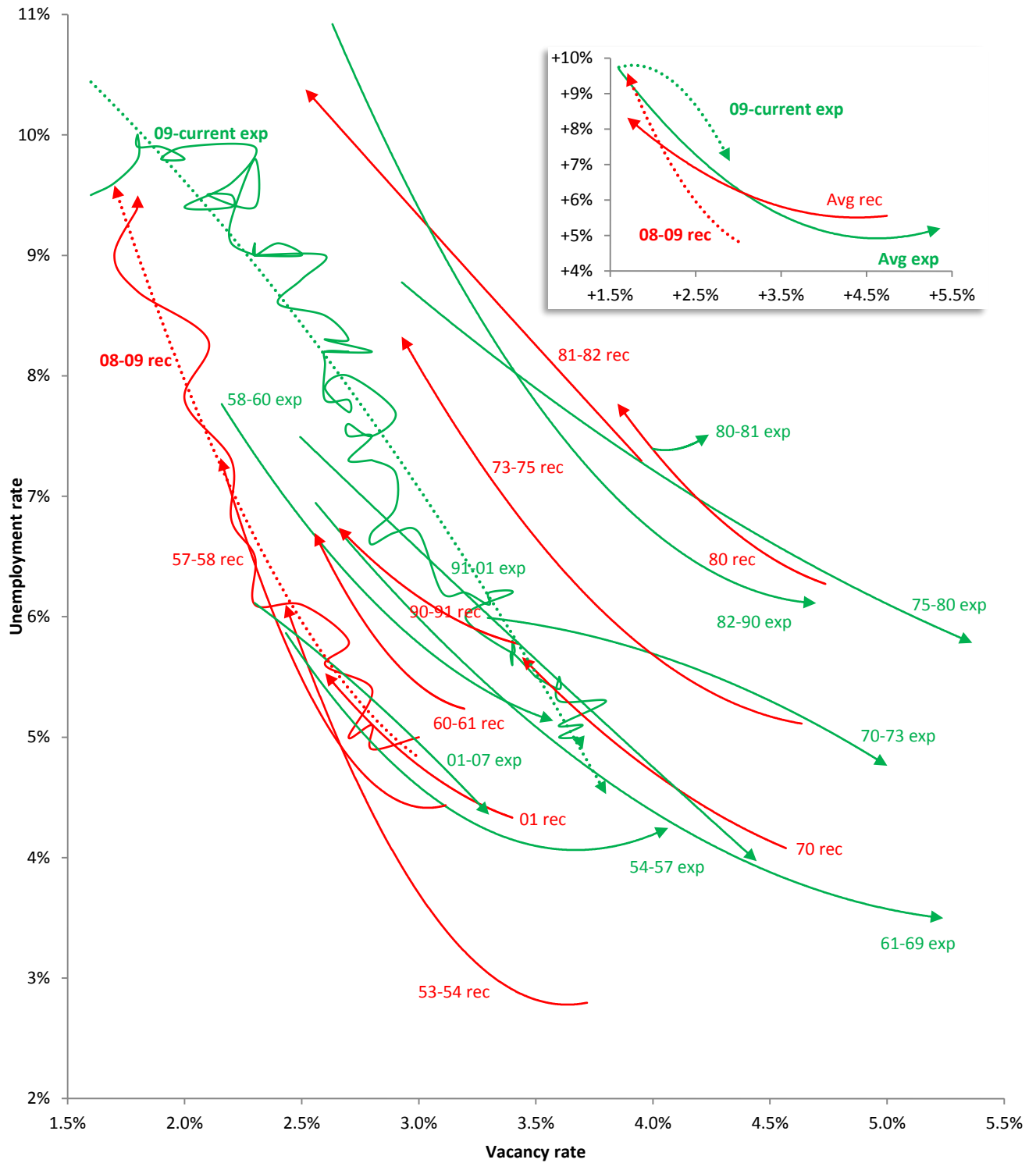
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

The Beveridge Curve Cycle relationship between unemployment and job openings

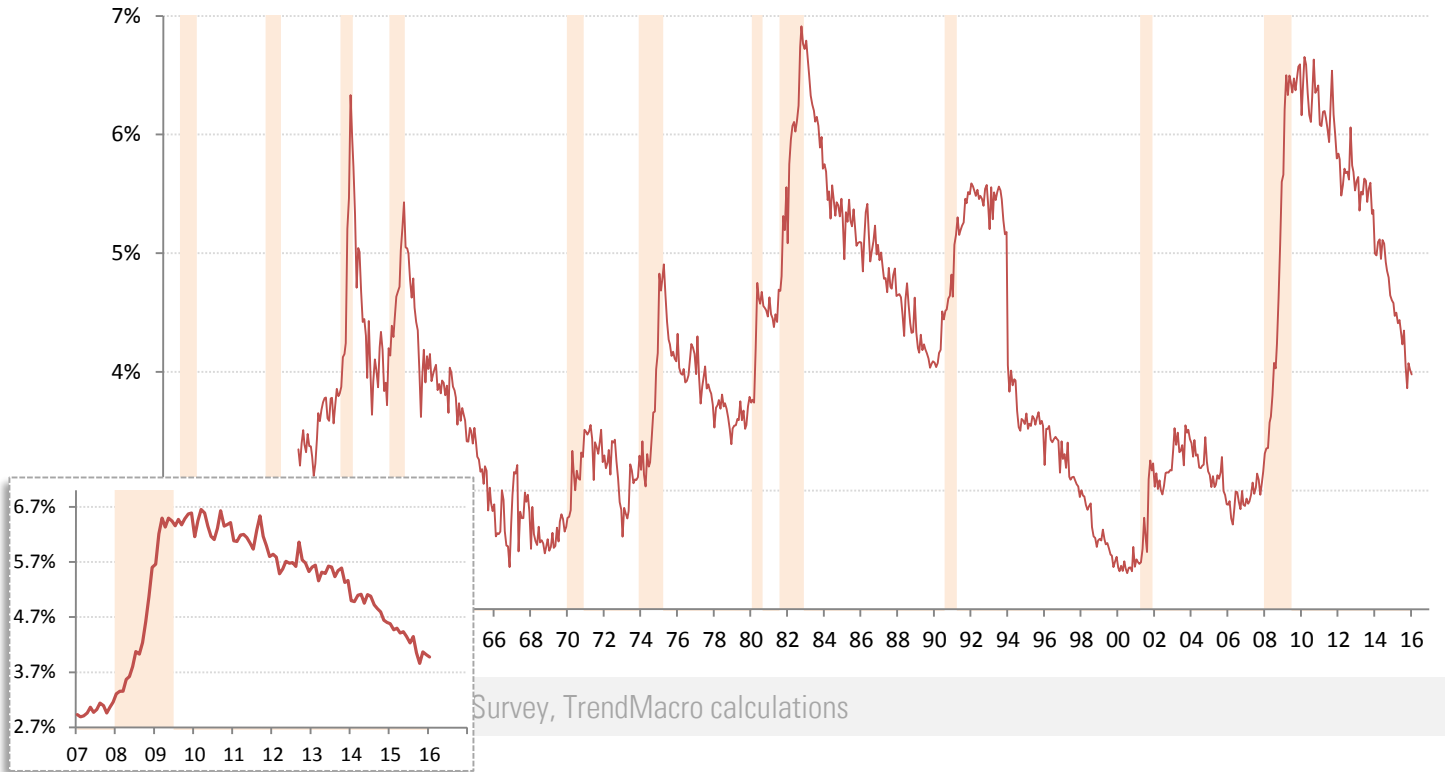
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

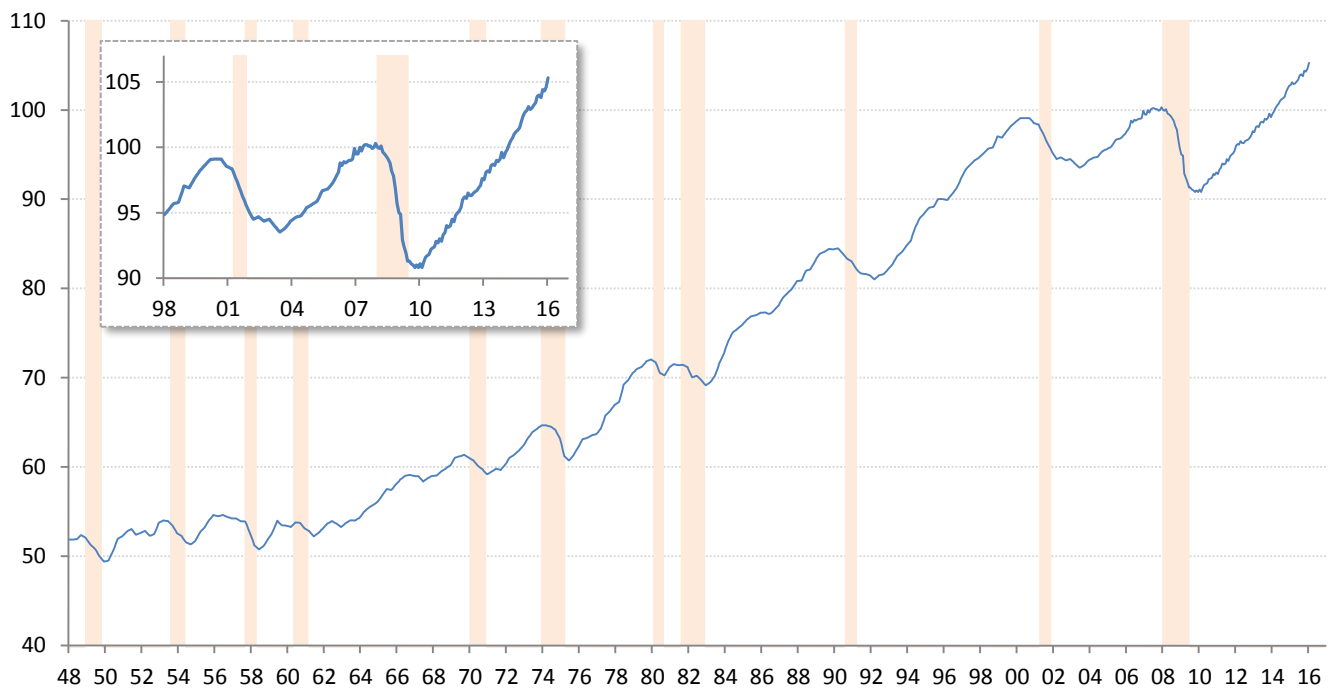
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



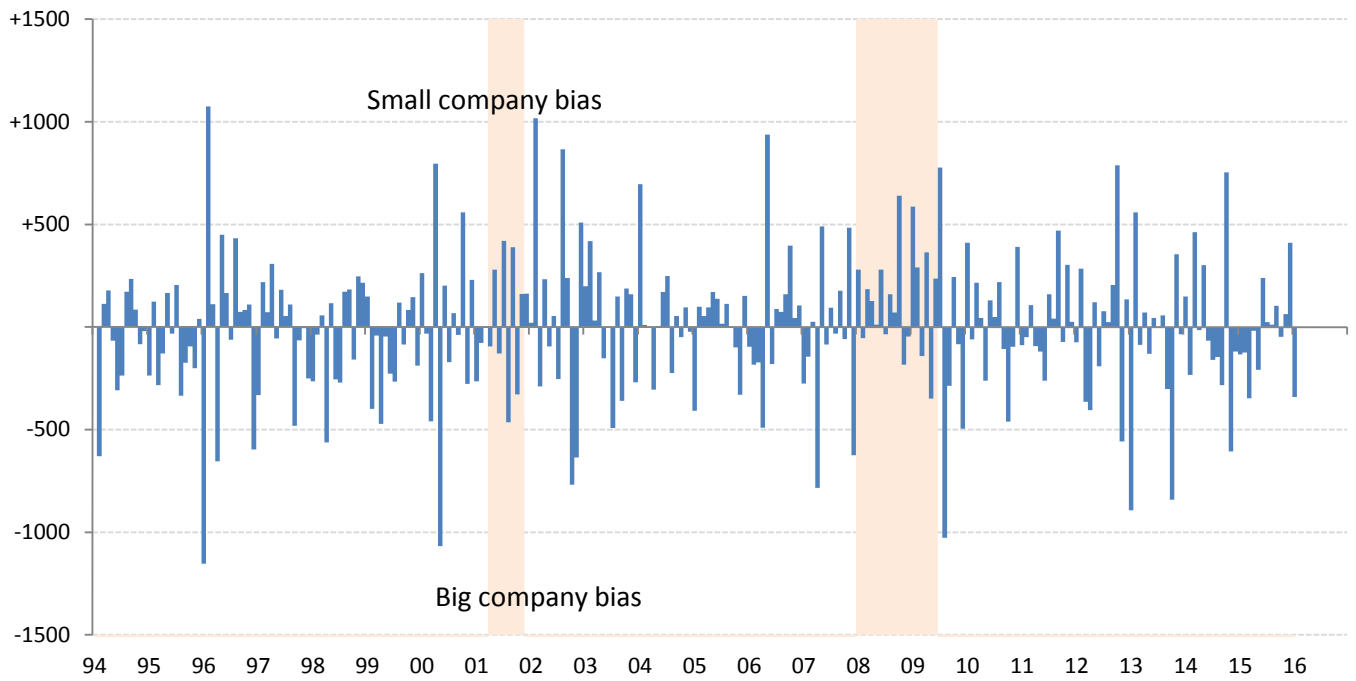
Aggregate weekly private hours-worked index

■ Recession



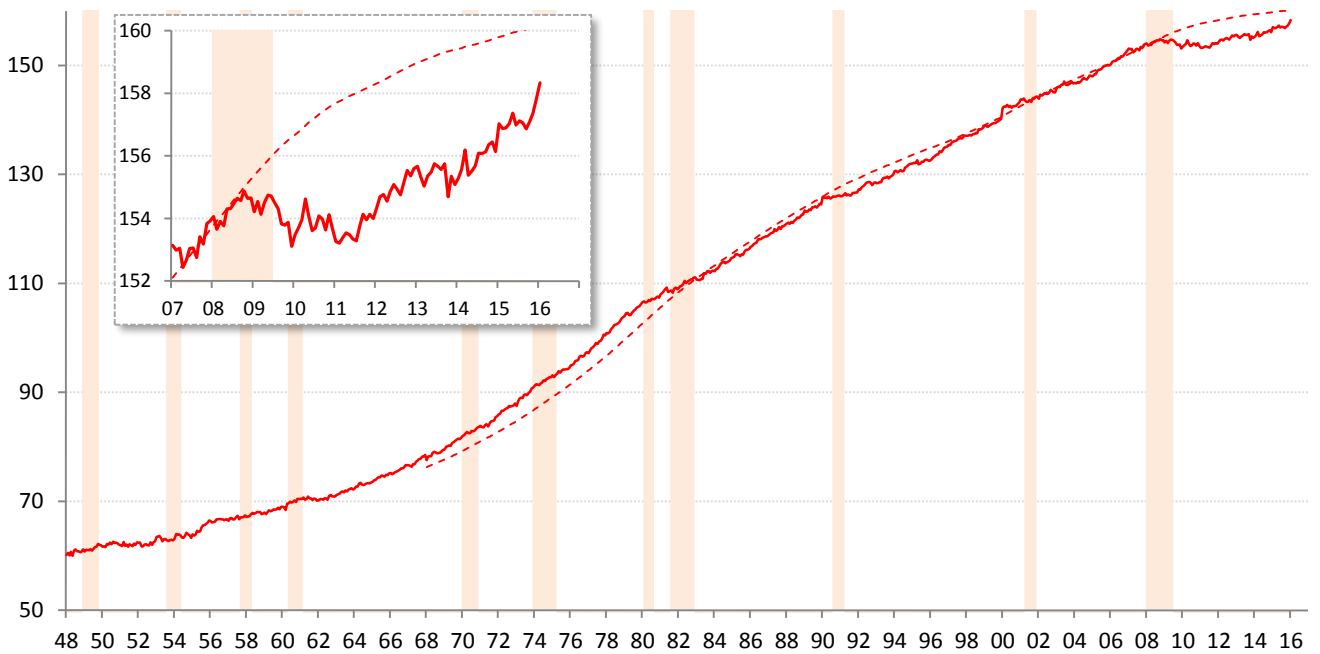
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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