













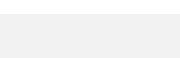


## Data Insights: Jobs

Friday, April 1, 2016

### Today's jobs data: what you need to know

<b>Non-farm payrolls</b>	Change Mar: +215	Revision Feb: +3	Revision Jan: -4	
<b>Private payrolls</b>	Change Mar: +195	Revision Feb: +6	Revision Jan: -27	
<b>Employment</b>	Change Mar: +246			
<b>Unemployment</b>	Change Mar: +151			
<b>Long-term unemployment</b>	Change Mar: +21			
<b>Civilian labor force</b>	Change Mar: +396	4.72 million below trend	38.0% of entrants unemployed	
<b>Unemployment rate</b>	Mar: 5.00%	Change Mar: +0.08%		
<b>Underemployment rate</b>	Mar: 9.8%	Change Mar: +0.1%		
<b>Participation rate</b>	Mar: 63.0%	Change Mar: +0.1%		
<b>UE adjusted for participation</b>	Mar: 0.0%	Change Mar: -9.38%		
<b>Average weeks unemployed</b>	Mar: 28.4	Change Mar: -0.6		
<b>% longterm unemployed</b>	Mar: 27.6%	Change Mar: -0.1%		
<b>Aggregate hours worked index</b>	Mar: 105.1	Change Mar: +0.2%	Revision Feb: unch	
<b>Average hourly earnings</b>	Mar: +0.3%	Change Mar: +0.4%	Revision Feb: unch	
<b>Aggregate weekly earnings</b>	Mar: 127.7	Change Mar: +0.4%	Revision Feb: +0.1	
<b>Monthly job-finding probability</b>	Mar: 28.9%	Change Mar: -0.2%		
<b>Monthly separation probability</b>	Mar: 1.9%	Change Mar: +0.1%		
<b>% involuntary part-time</b>	Mar: 4.0%	Change Mar: +0.1%		
<b>"Household" vs "Payroll" jobs</b>	Change Mar: +71			

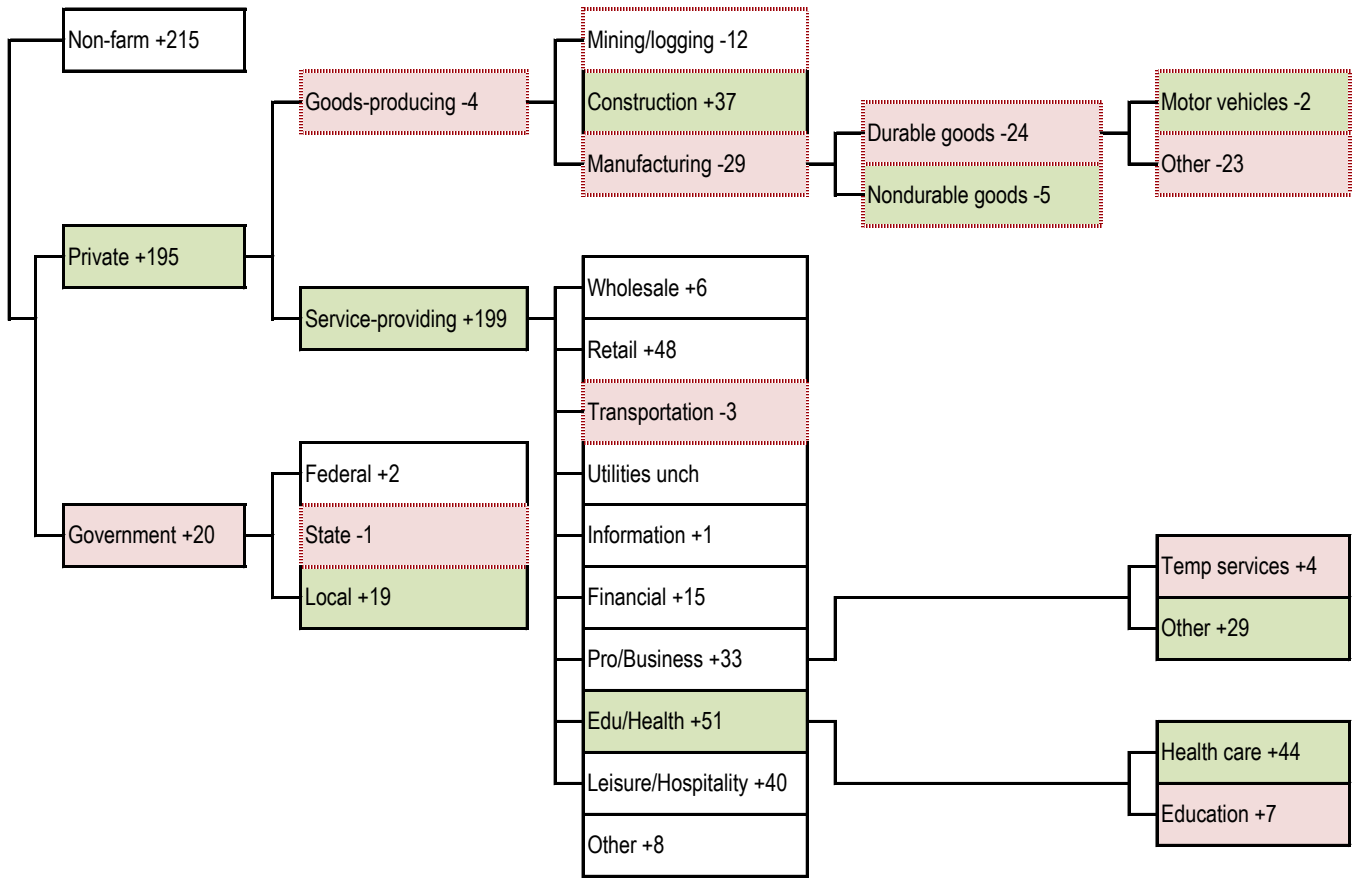
Source: Bureau of Labor Statistics, TrendMacro calculations

#### For more information contact us:

Donald Luskin: 312 273 6766 [don@trendmacro.com](mailto:don@trendmacro.com)  
 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

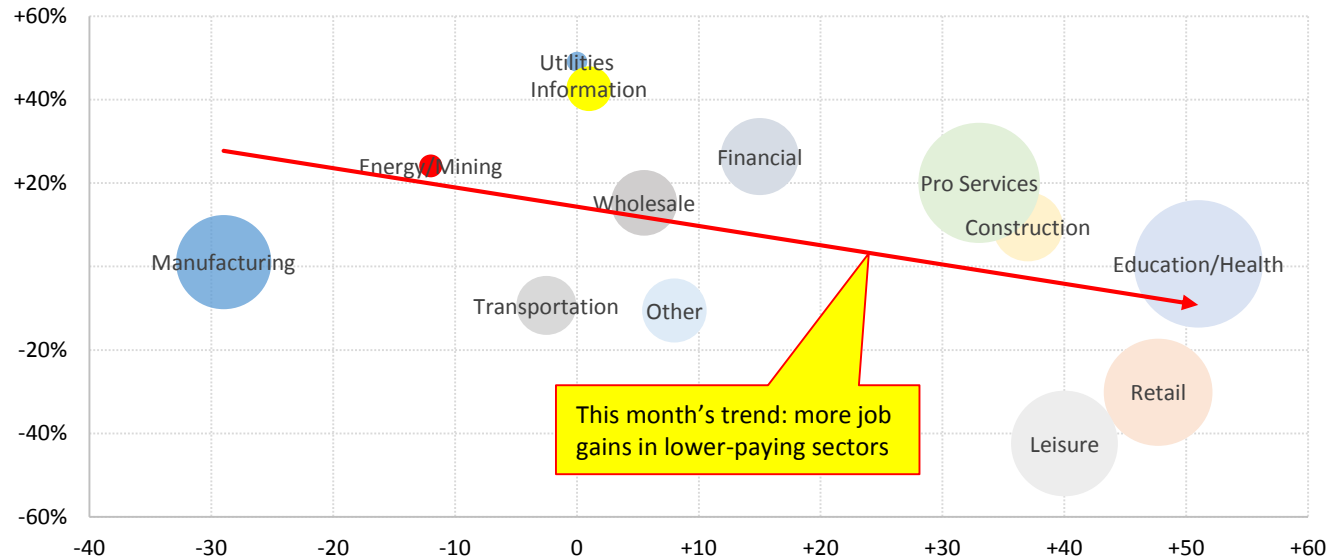
# Today's payroll data: what you need to know -- where did the jobs come from?

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



## Where is the pay coming from?

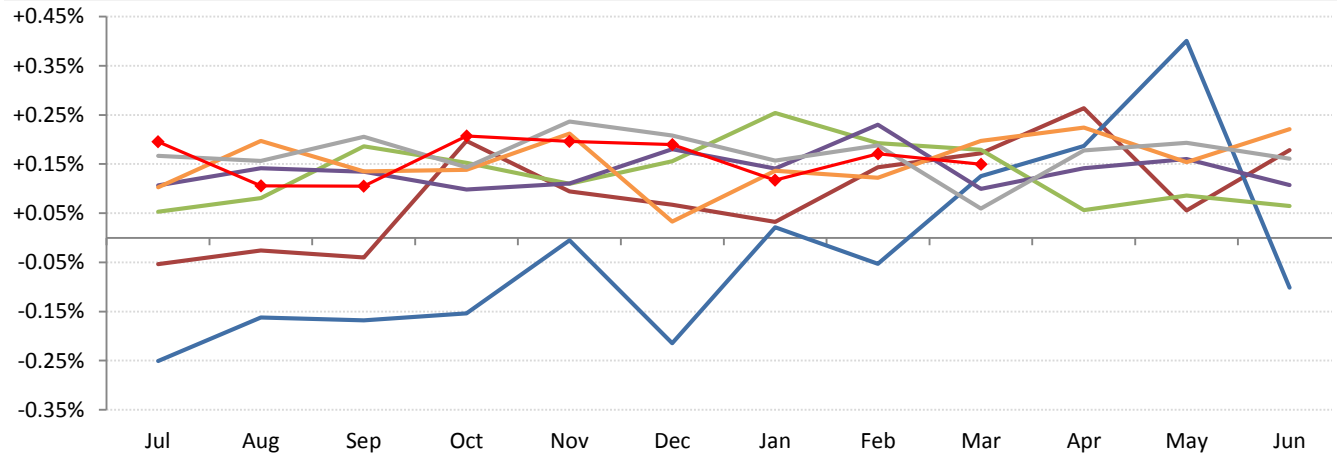
Left: Hourly wages vs average Right: Payrolls gains/losses this month Size of circle: Portion of all employment



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

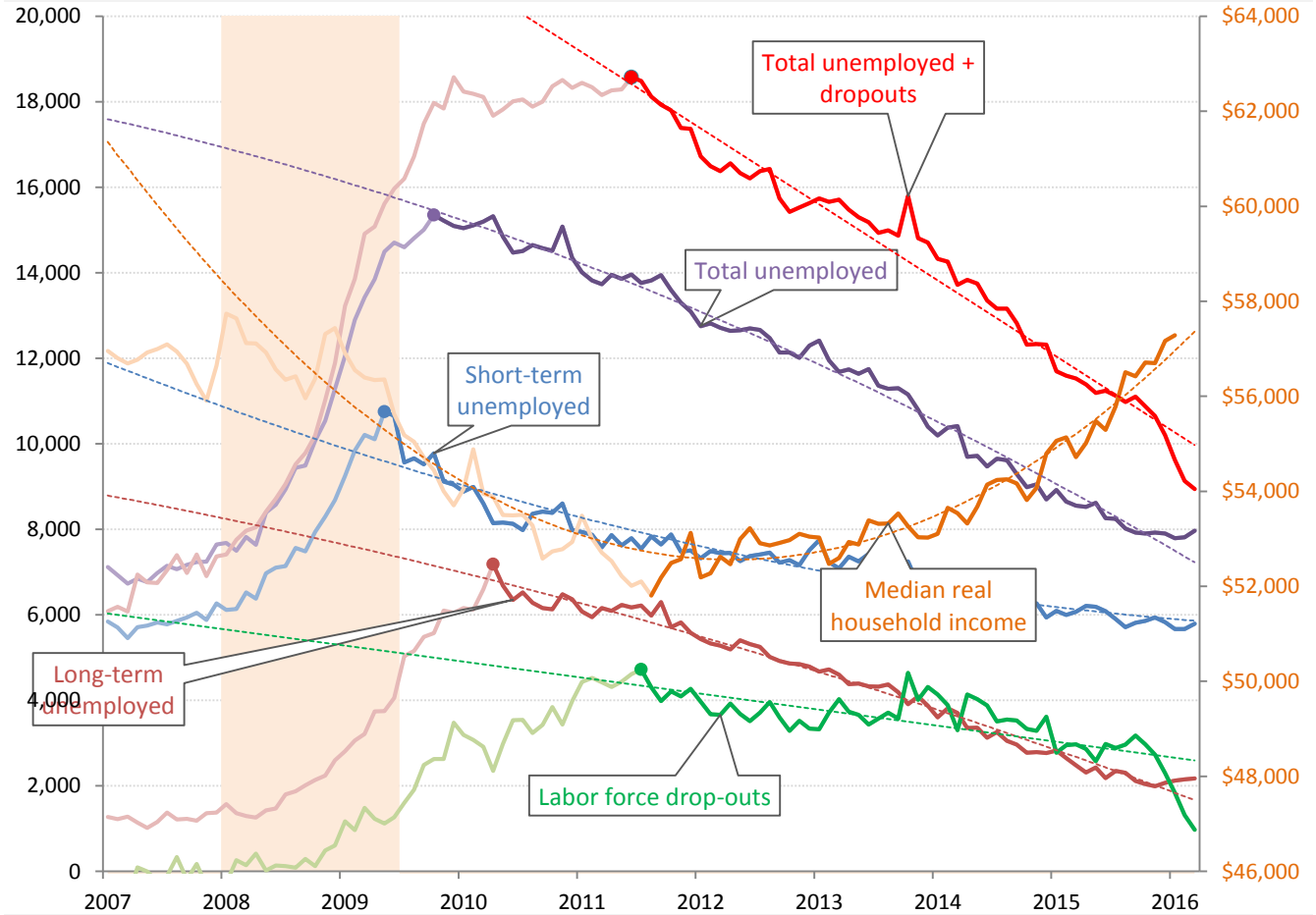


Source: BLS Current Population Survey, TrendMacro calculations

## The ultimate jobless recovery is becoming jobful

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

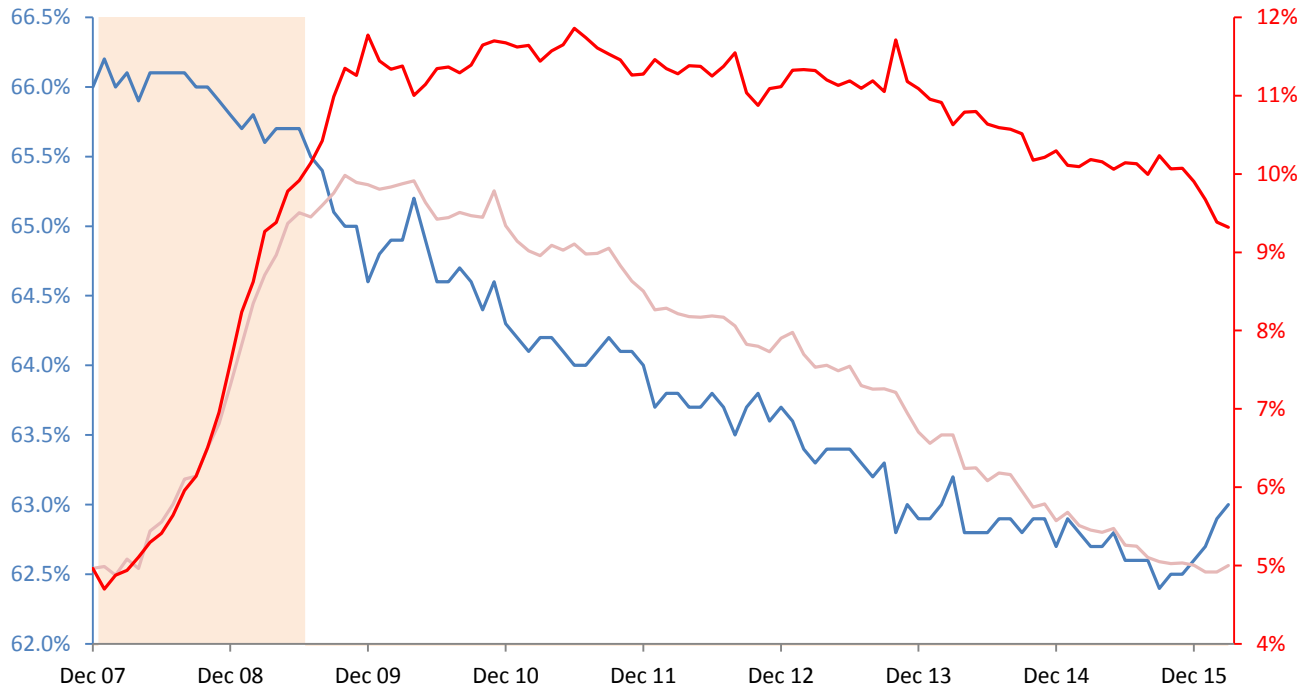
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

## Unemployment rate normalized for participation rate December 2007

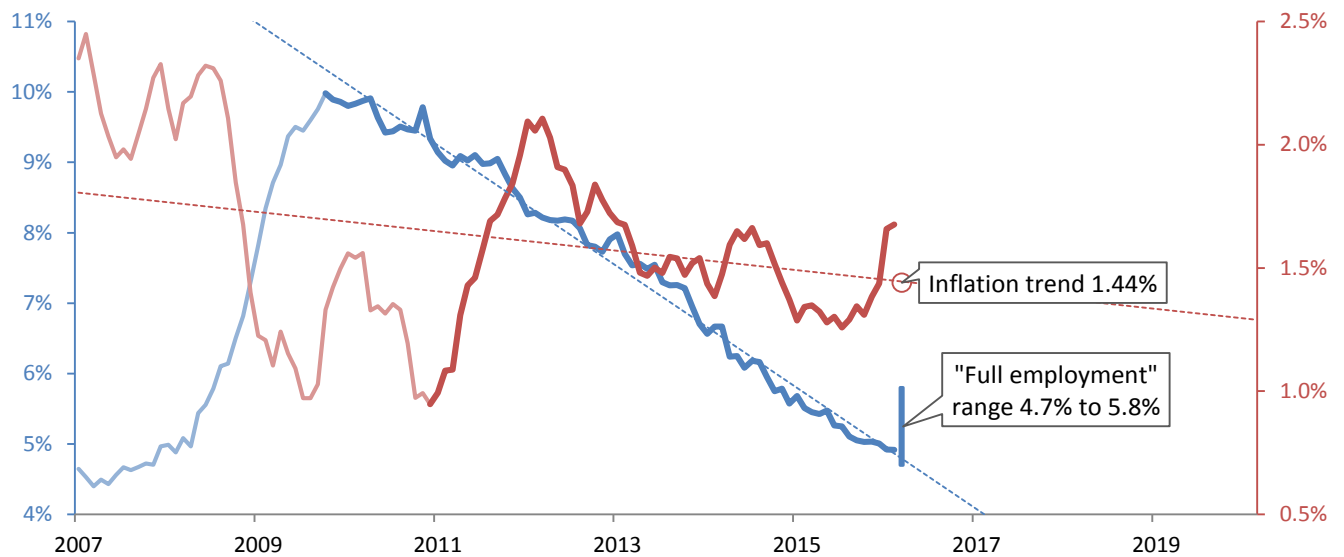
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

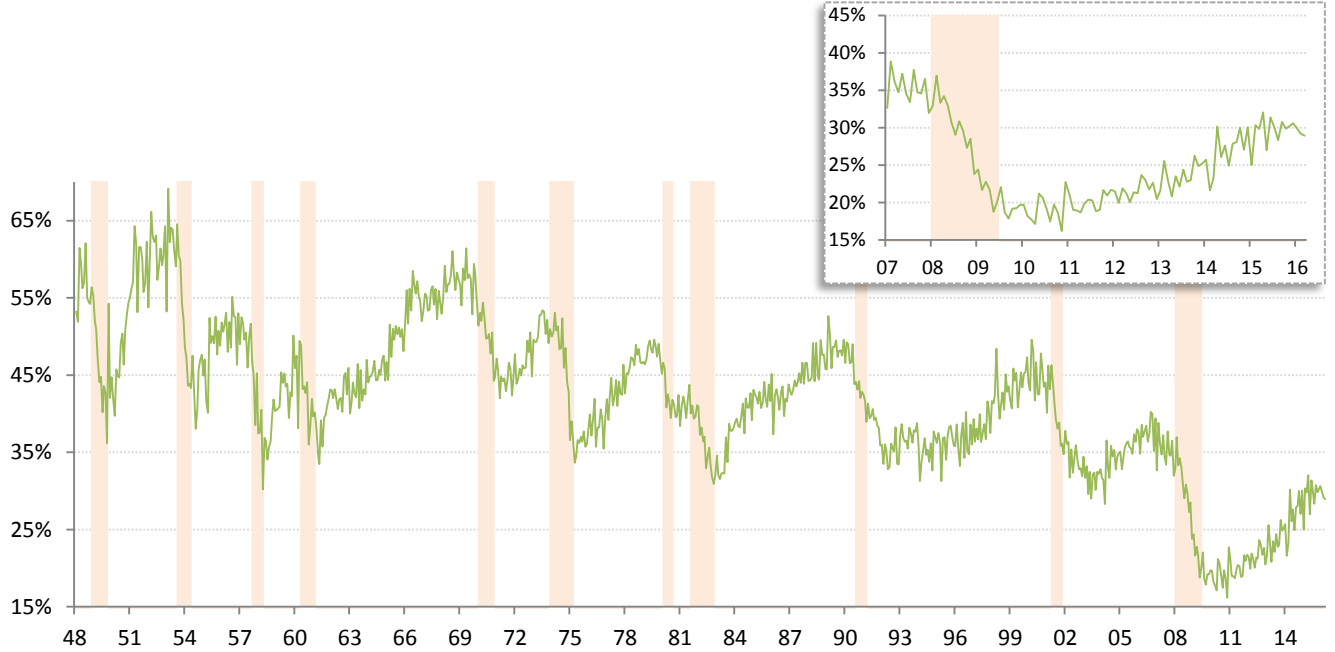
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

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

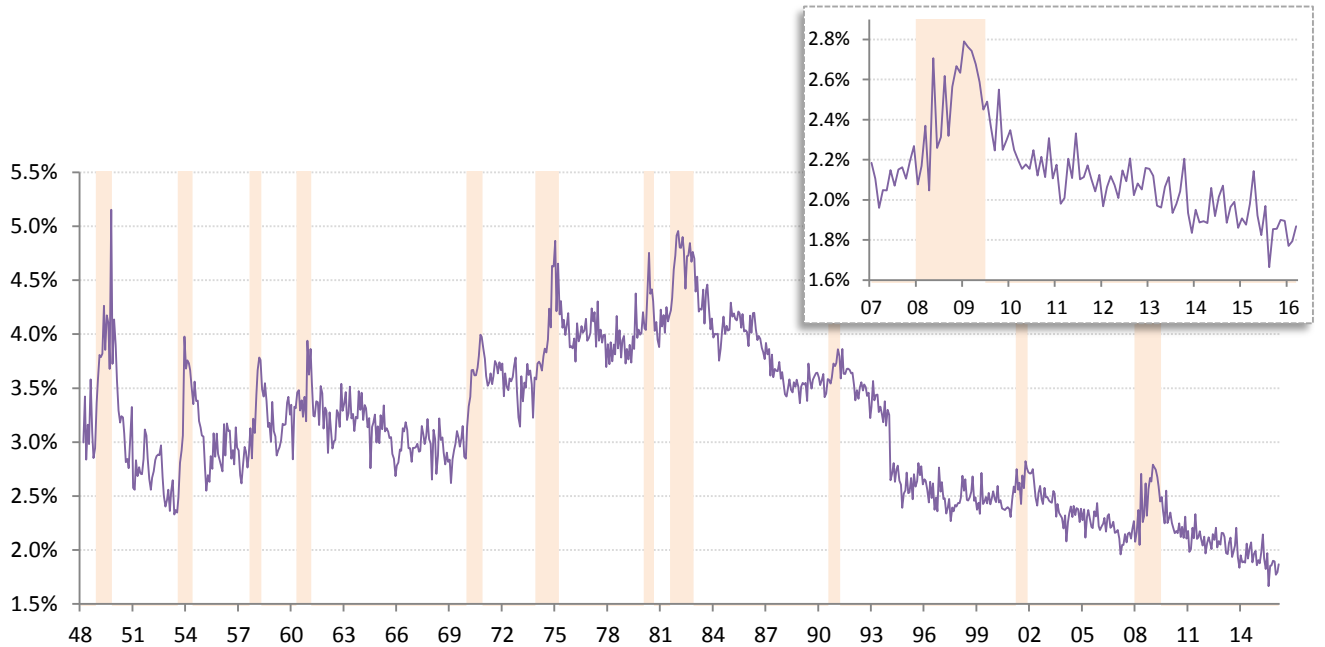
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

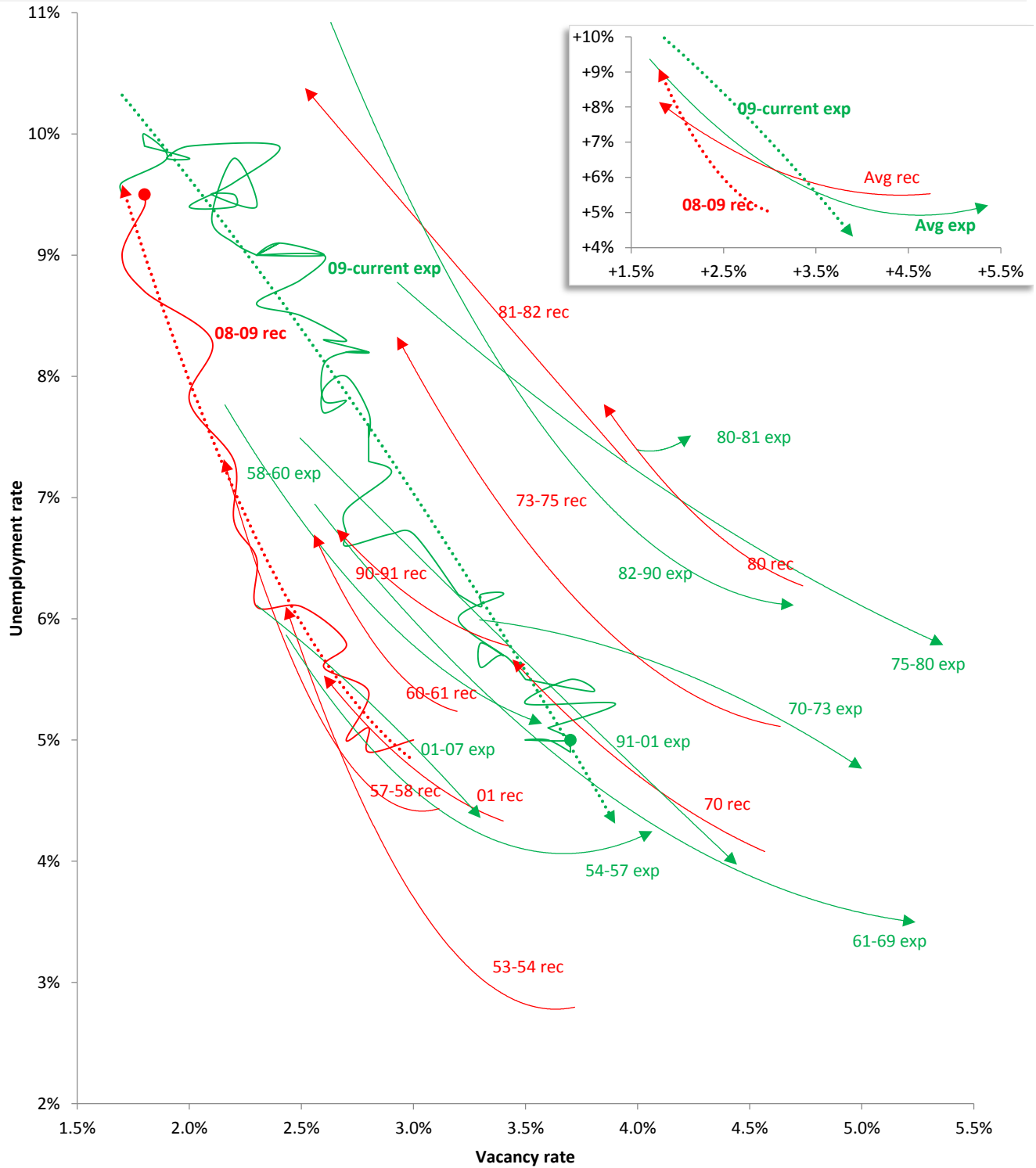
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

# The Beveridge Curve Cycle relationship between unemployment and job openings

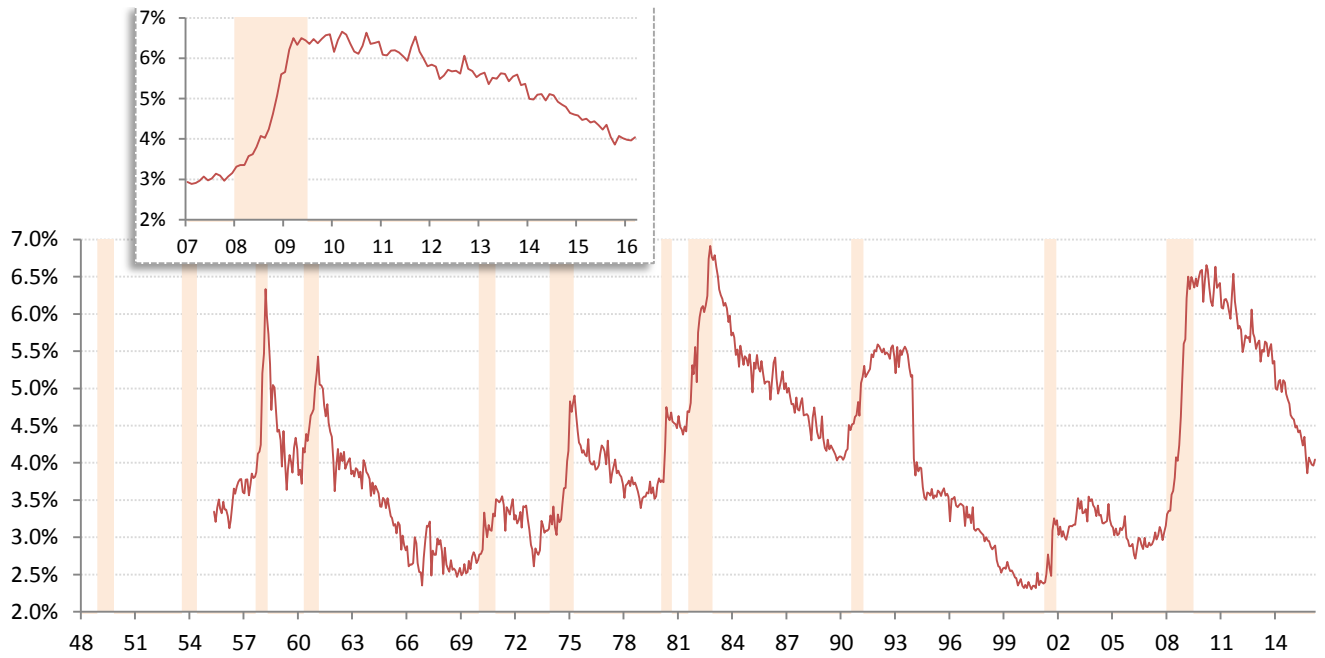
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

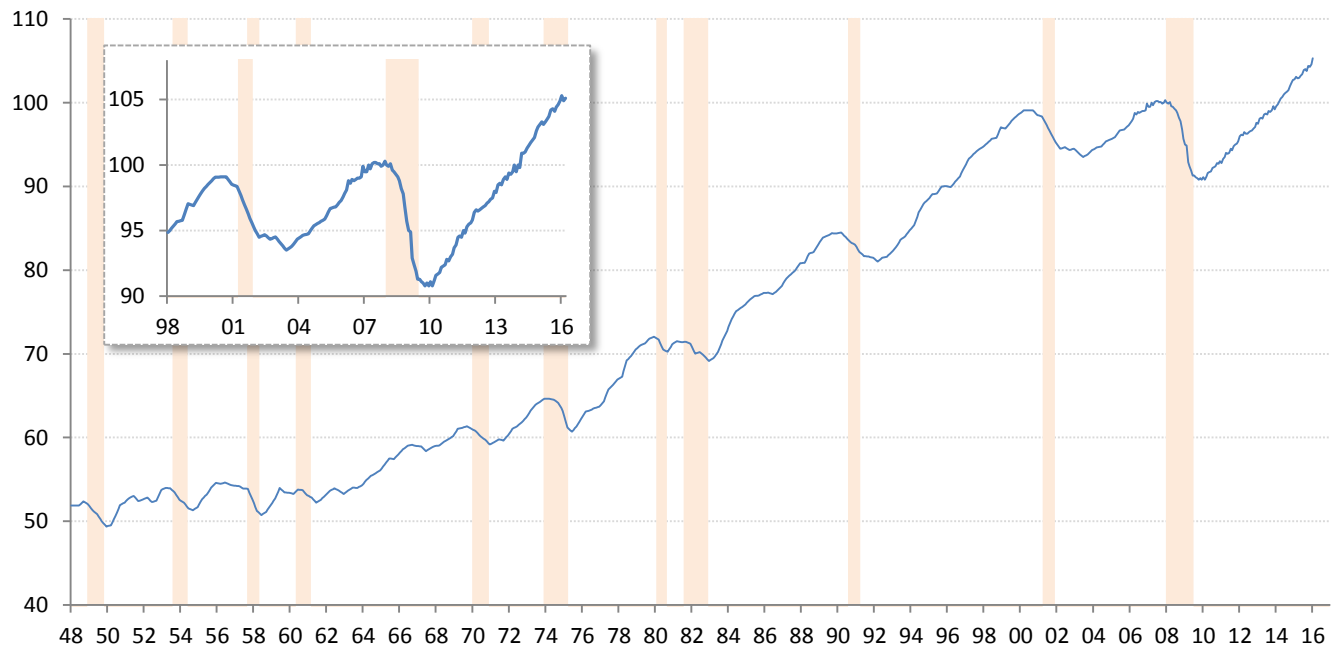
# Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



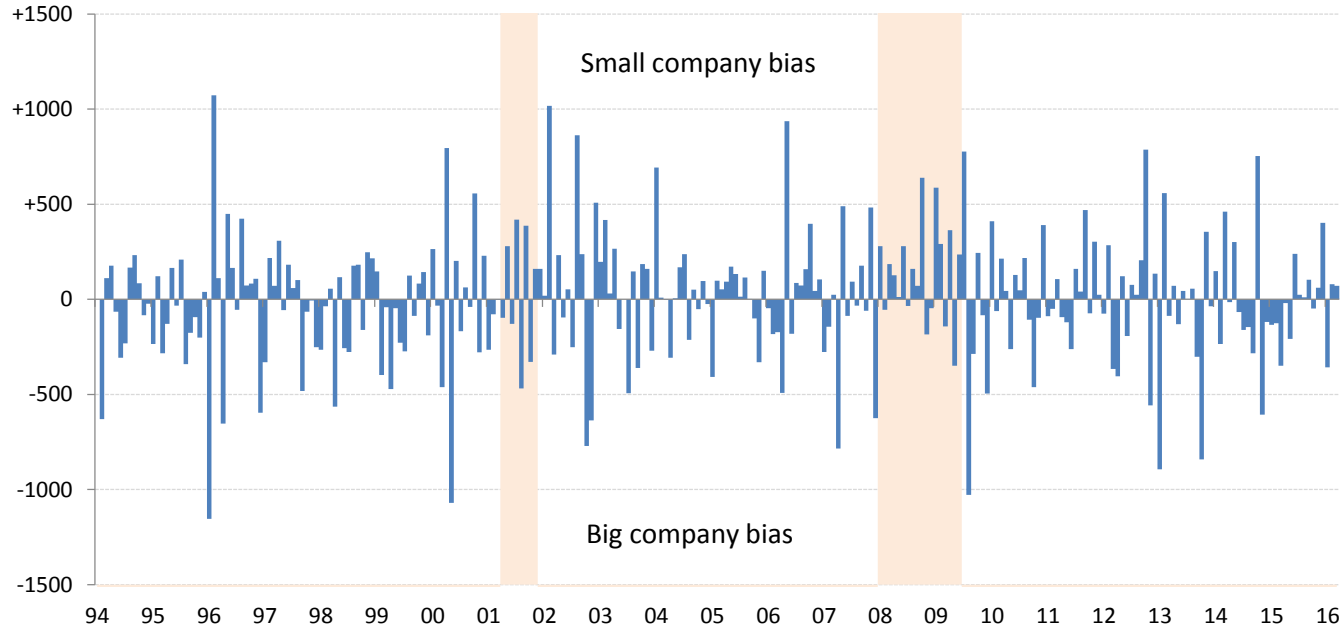
Source: BLS Current Population Survey, TrendMacro calculations

# Aggregate weekly private hours-worked index ■ Recession



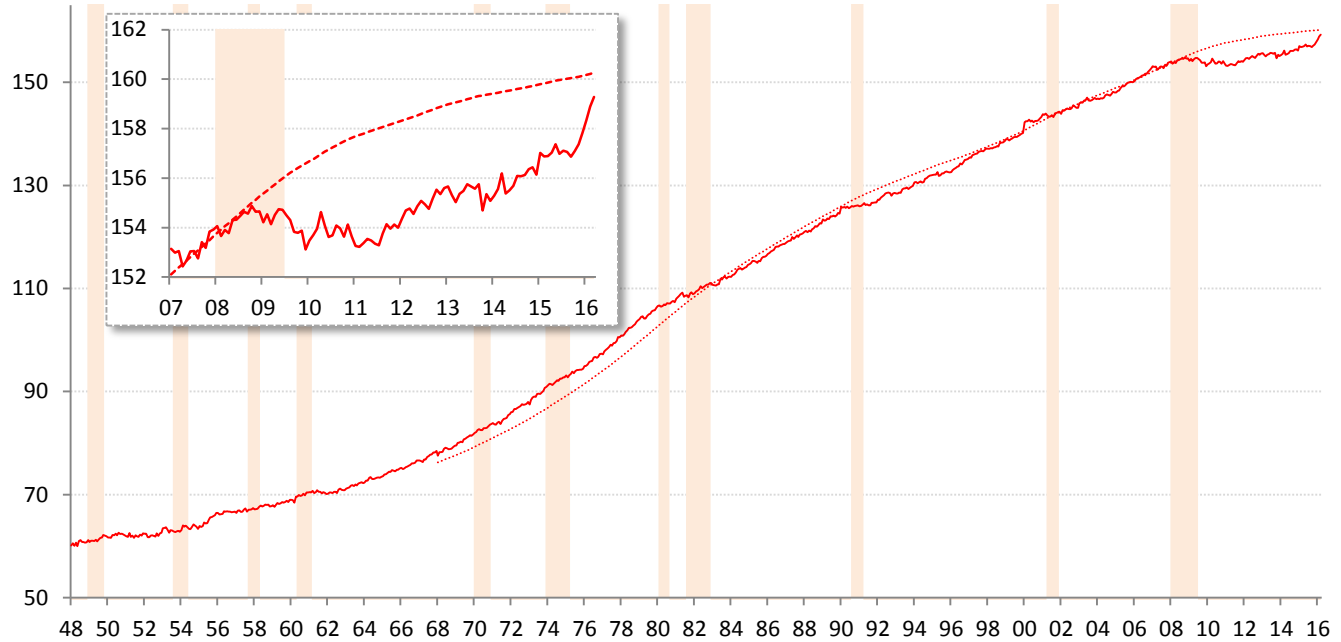
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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