

Data Insights: Jobs

Friday, June 1, 2018

Today's jobs data: what you need to know

Non-farm payrolls	Change May: +223	Revision Apr: -5	Revision Mar: +20	
Private payrolls	Change May: +218	Revision Apr: -6	Revision Mar: +18	
Employment	Change May: +293			
Unemployment	Change May: -281			
Long-term unemployment	Change May: -69			
Civilian labor force	Change May: +12	0.11 million below trend	More than all entrants employed	
Unemployment rate	May: 3.75%	Change May: -0.17%		
Underemployment rate	May: 7.6%	Change May: -0.2%		
Participation rate	May: 62.7%	Change May: -0.1%		
UE adjusted for participation	May: 8.6%	Change May: -0.02%		
Average weeks unemployed	May: 21.3	Change May: -1.8		
% longterm unemployed	May: 19.4%	Change May: -0.6%		
Aggregate hours worked index	May: 109.4	Change May: +0.2%	Revision Apr: unch	
Average hourly earnings	May: +0.3%	Change May: +0.2%	Revision Apr: unch	
Aggregate weekly earnings	May: 140.8	Change May: +0.5%	Revision Apr: unch	
Monthly job-finding probability	May: 36.5%	Change May: +0.7%		
Monthly separation probability	May: 1.6%	Change May: -0.1%		
% involuntary part-time	May: 3.2%	Change May: -0.0%		
"Household" vs "Payroll" jobs	Change May: -257			

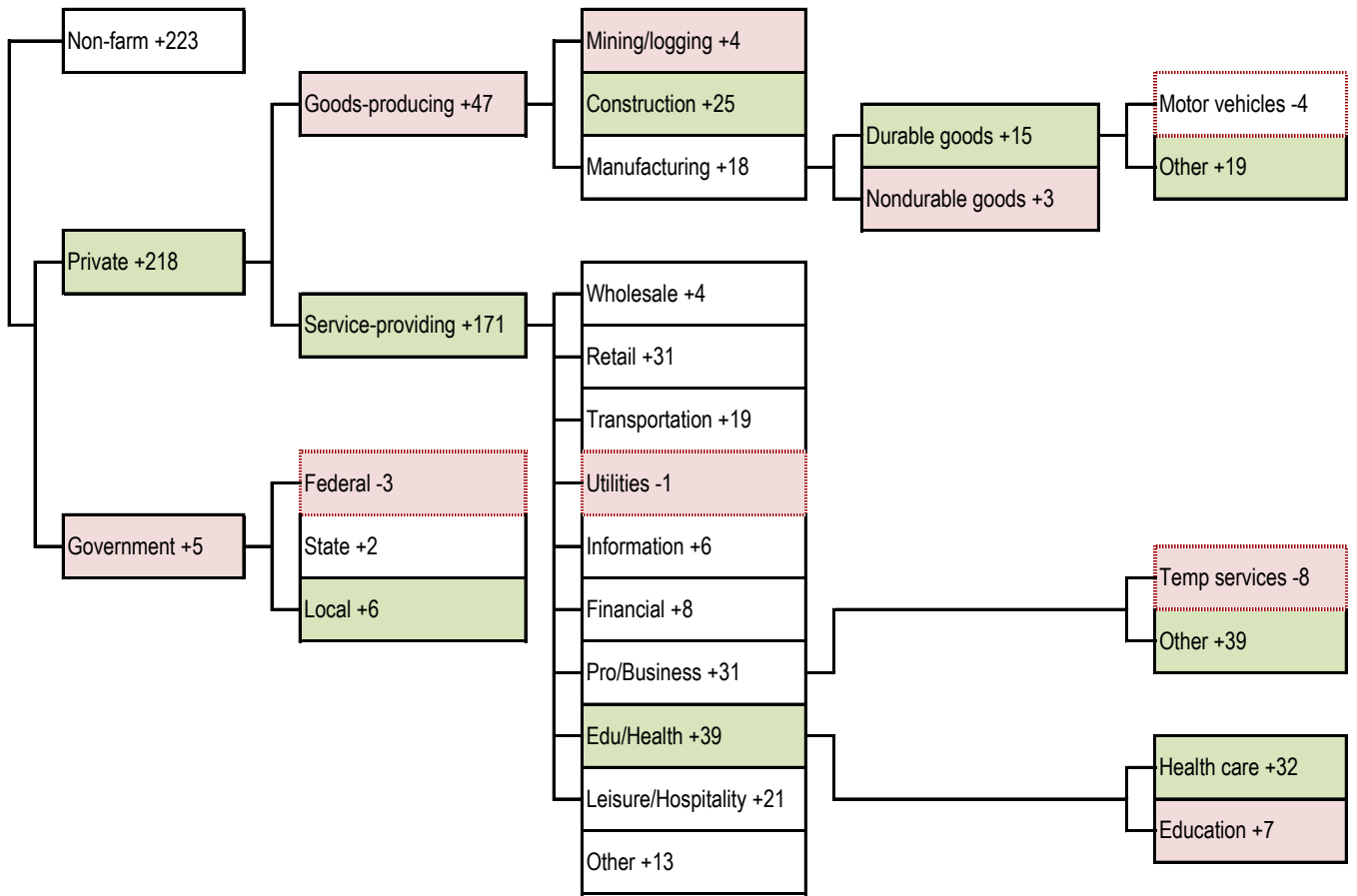
Source: Bureau of Labor Statistics, TrendMacro calculations

For more information contact us:

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

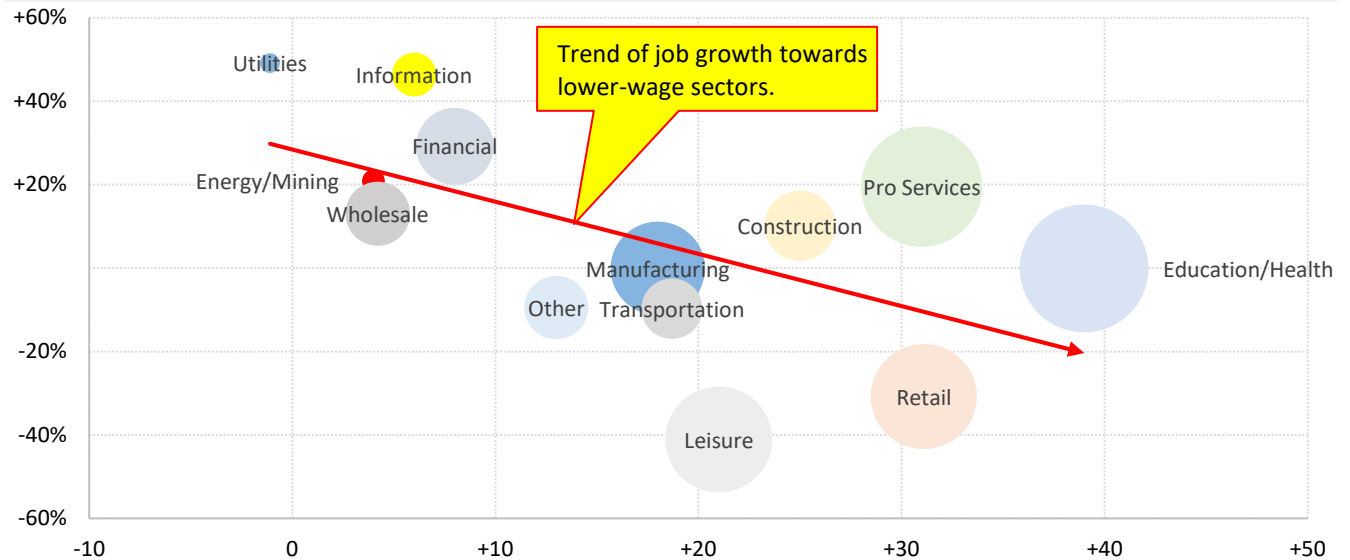
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

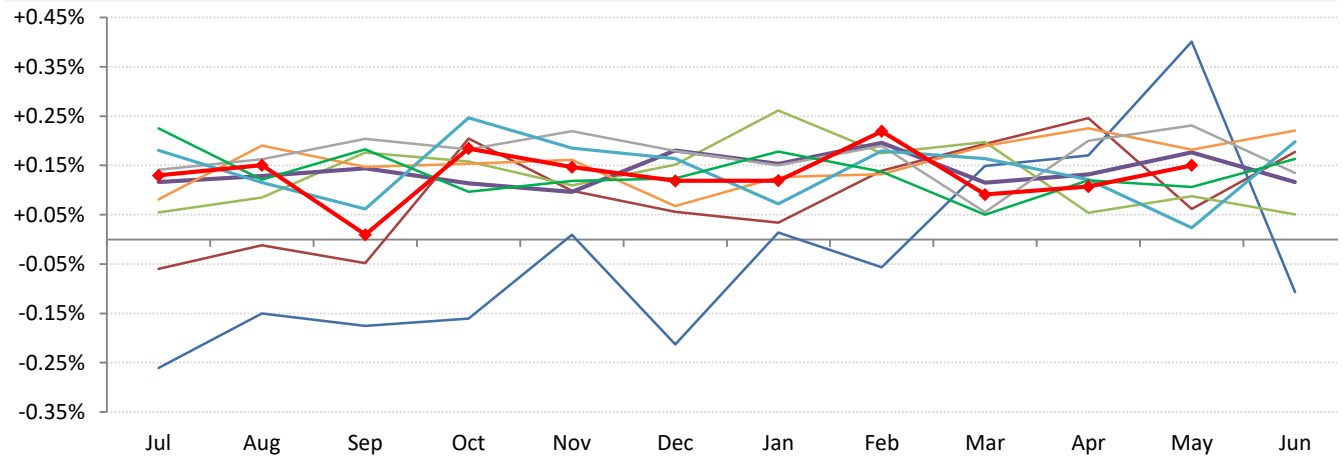
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

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

Growth MOM from July — 2009-10 — 10-11 — 11-12 — 12-13 — 13-14 — 14-15 — 2015-16 — 2015-16 — 2017-18

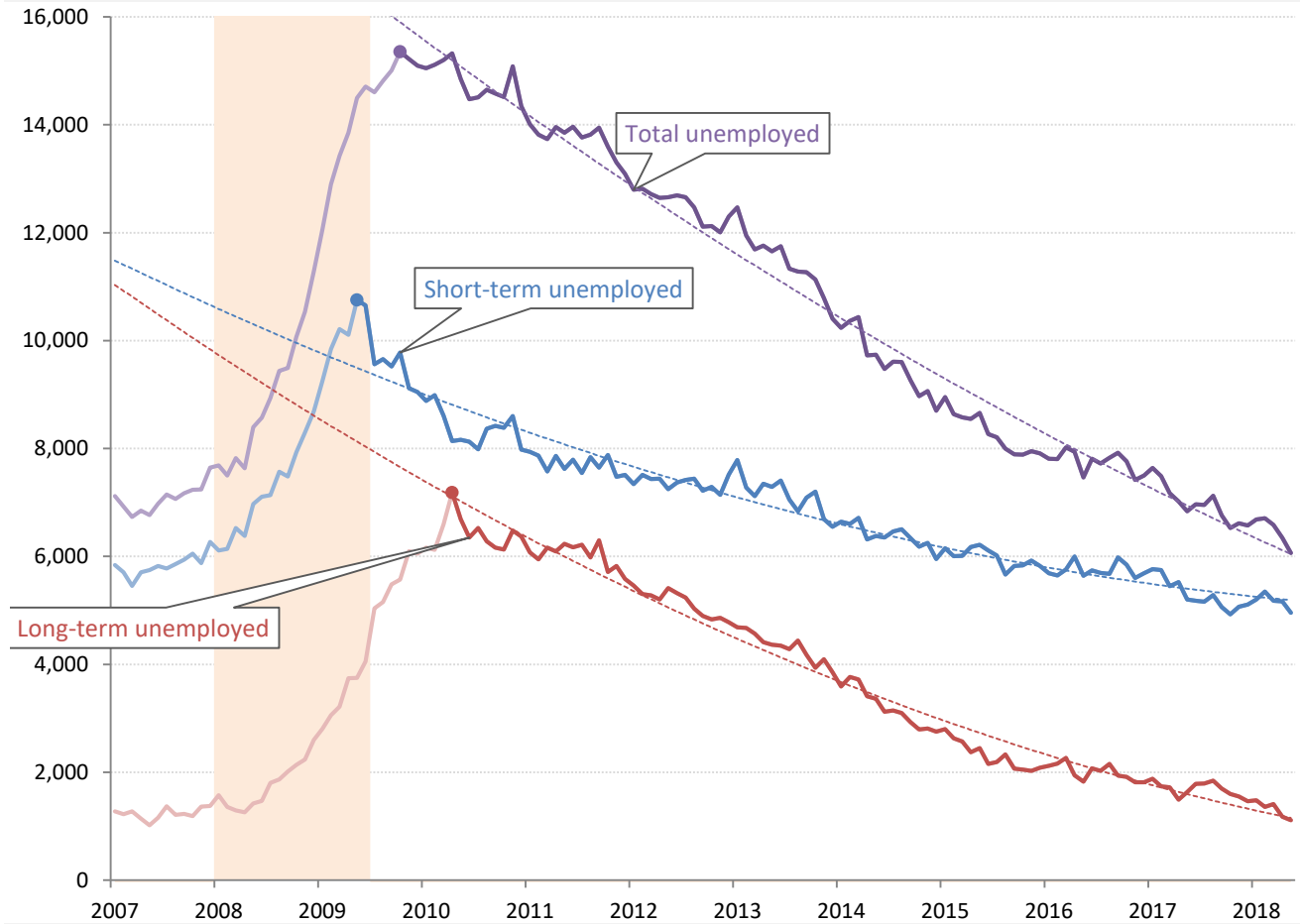


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

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

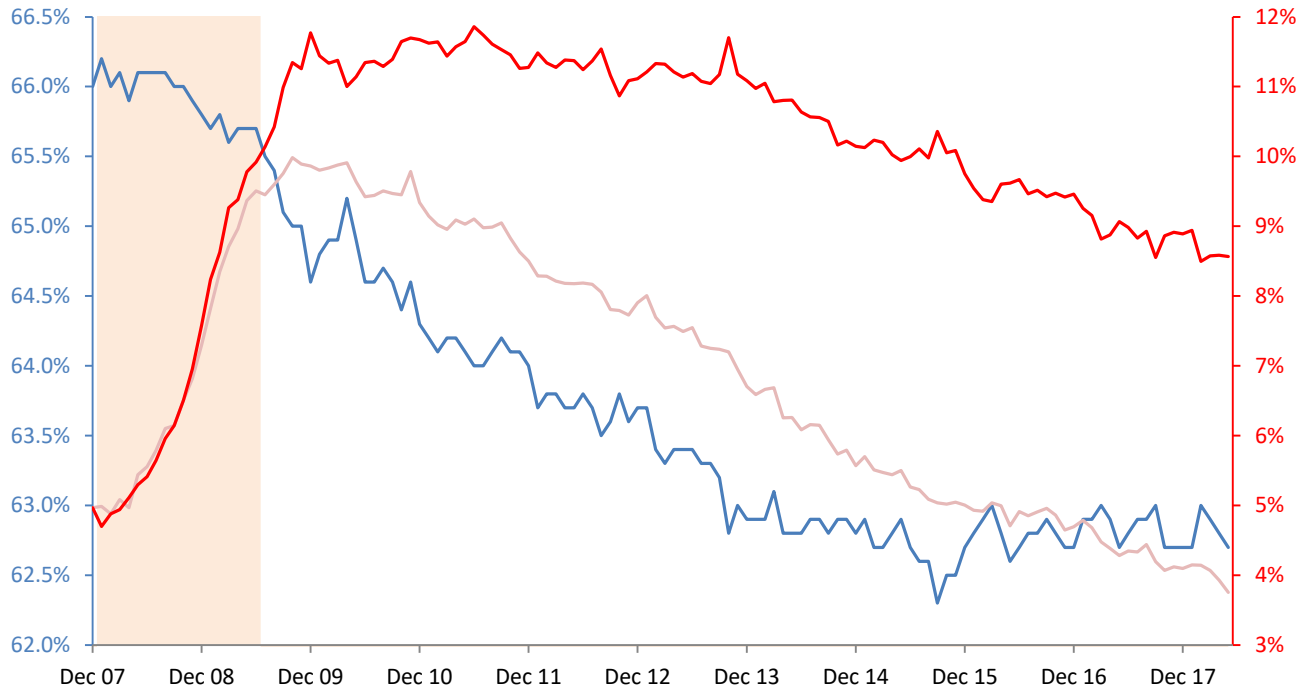
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

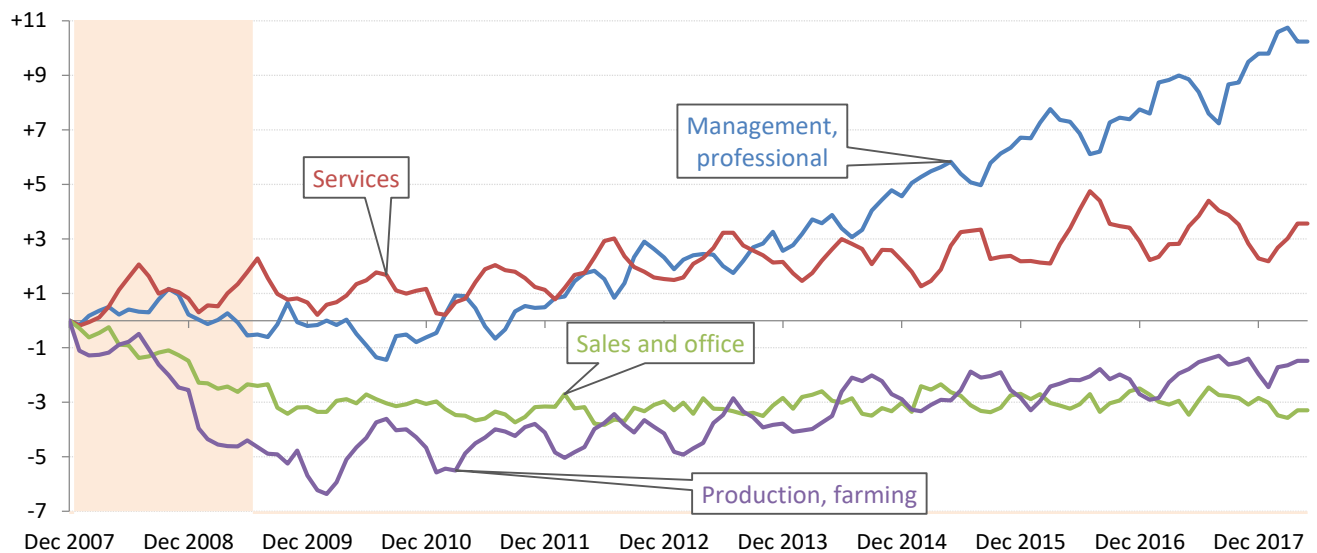
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the Not So Great Expansion following the Great Recession

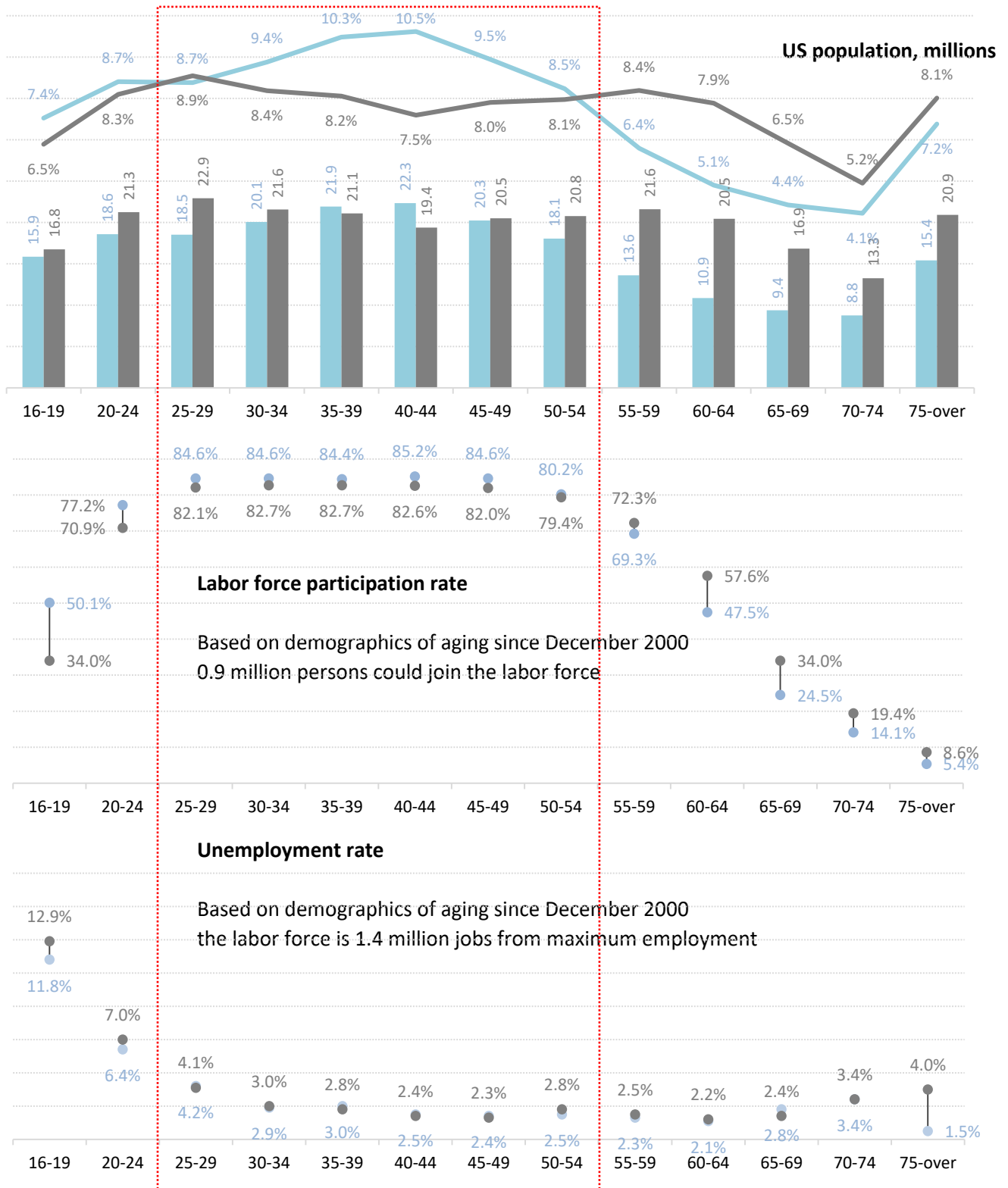
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

US labor force demographics: fading baby boom and its rising echo

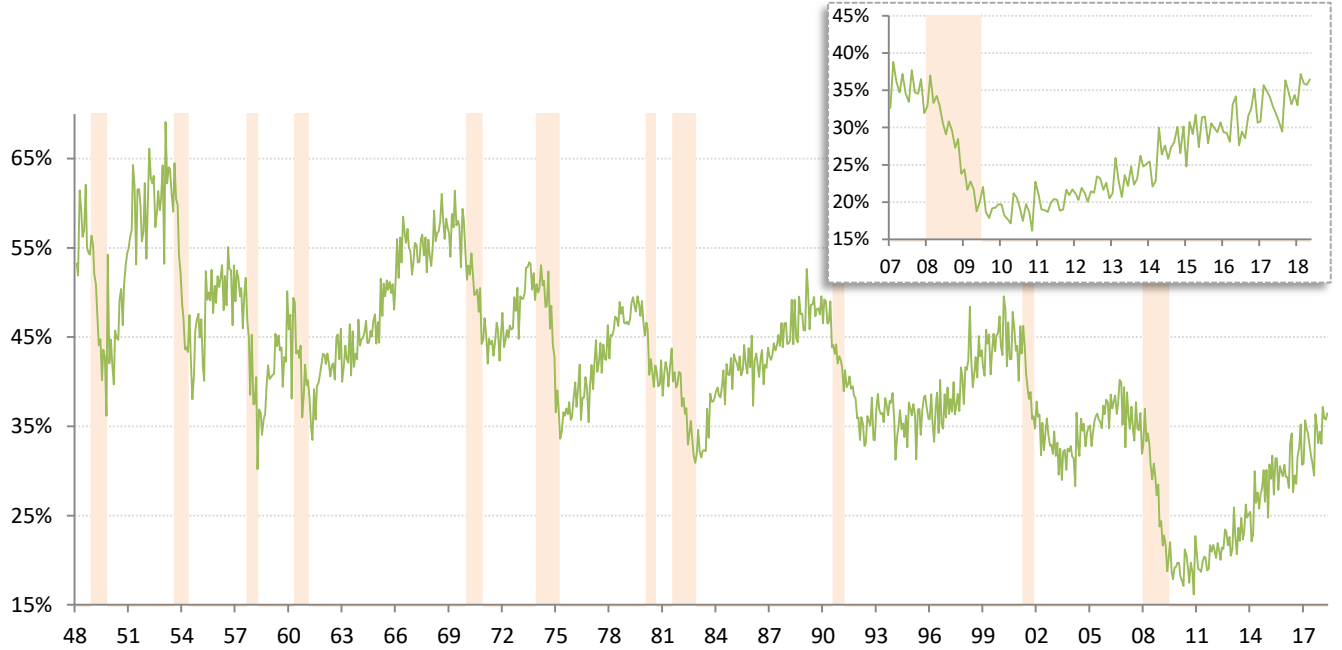
By age bracket: ■ December 2000, peak in the labor force participation rate ■ Latest □ Prime working age



Source: BLS Current Population Survey, TrendMacro calculations

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

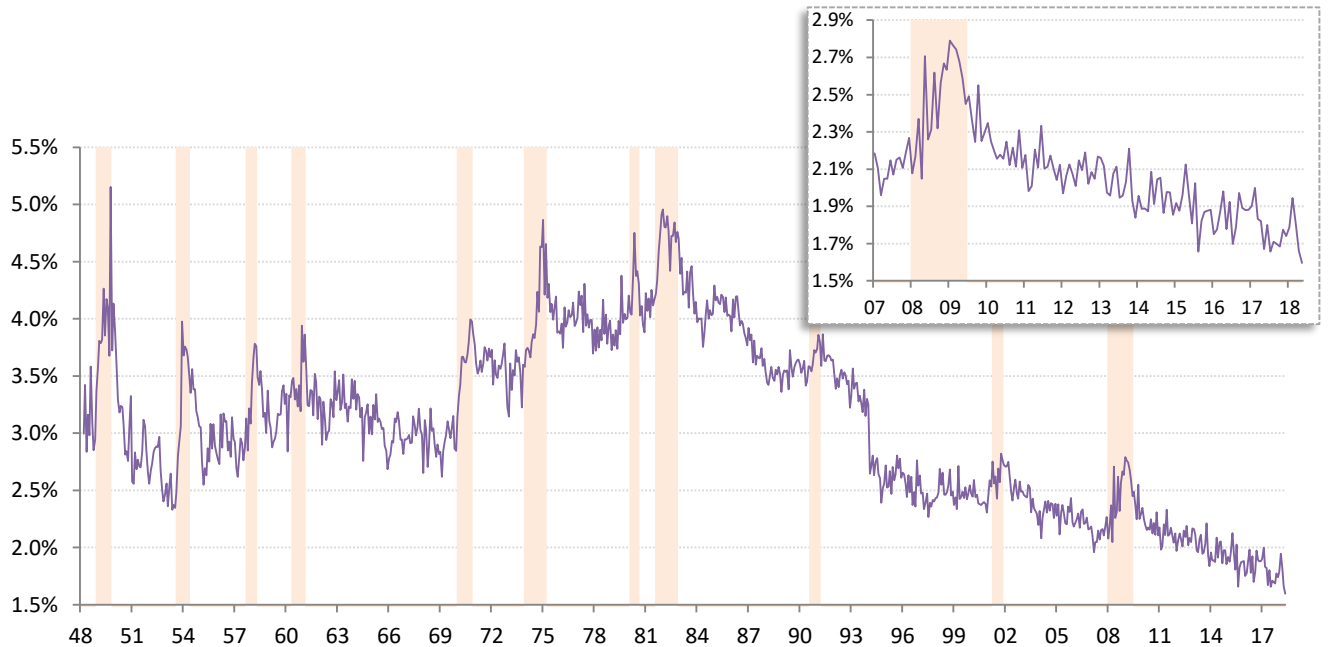
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

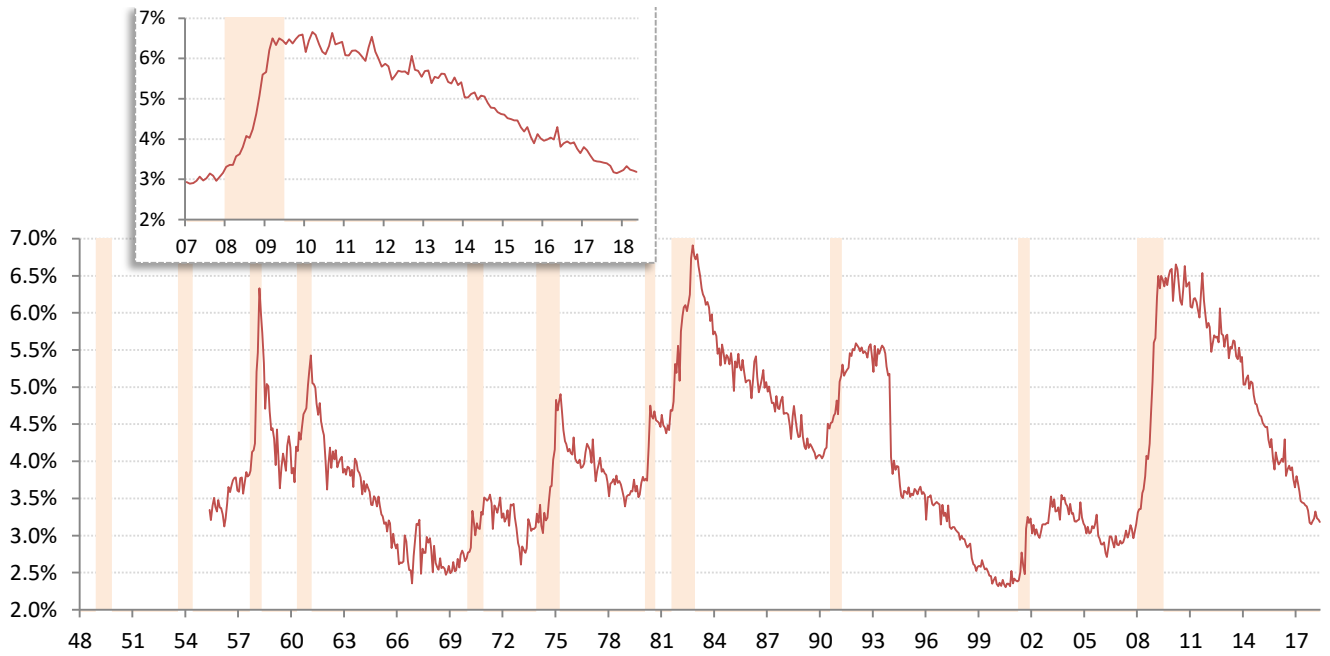
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

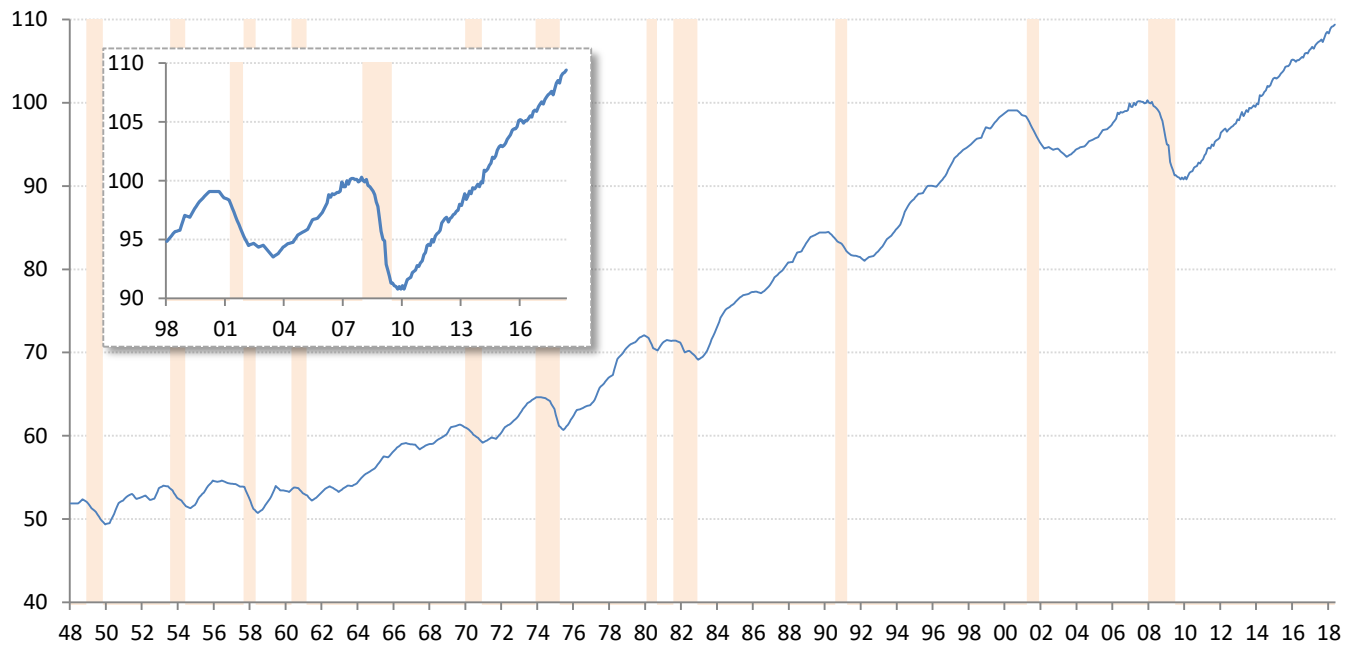
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



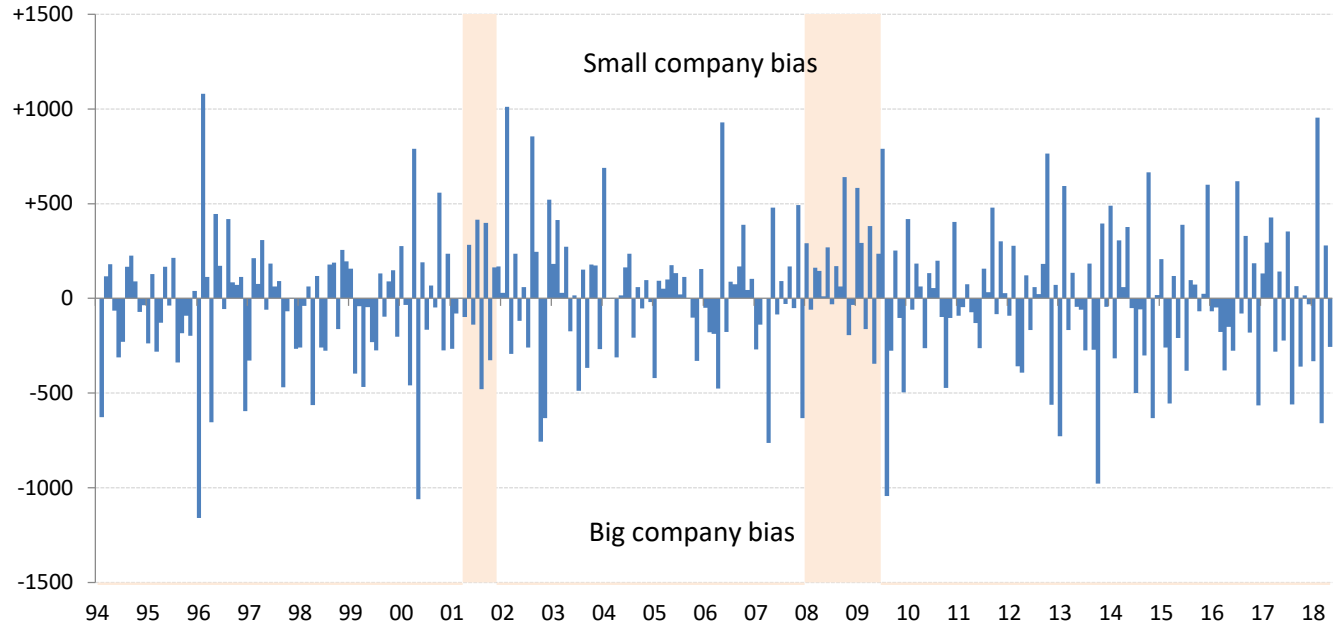
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



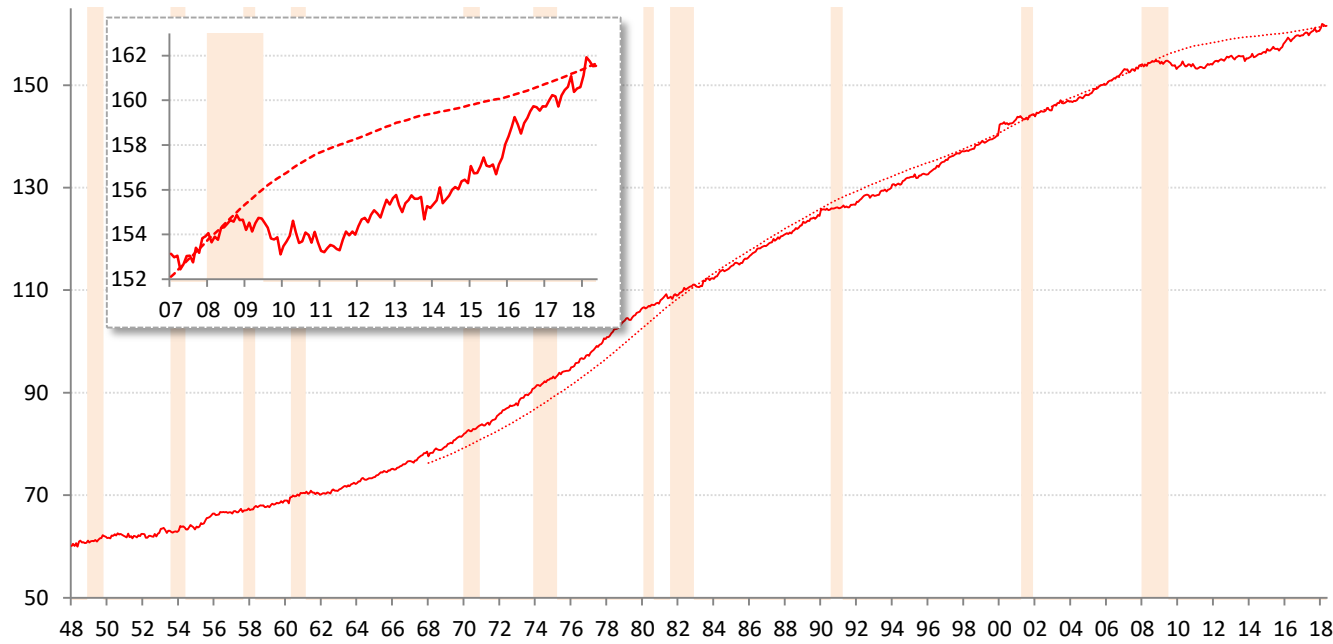
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



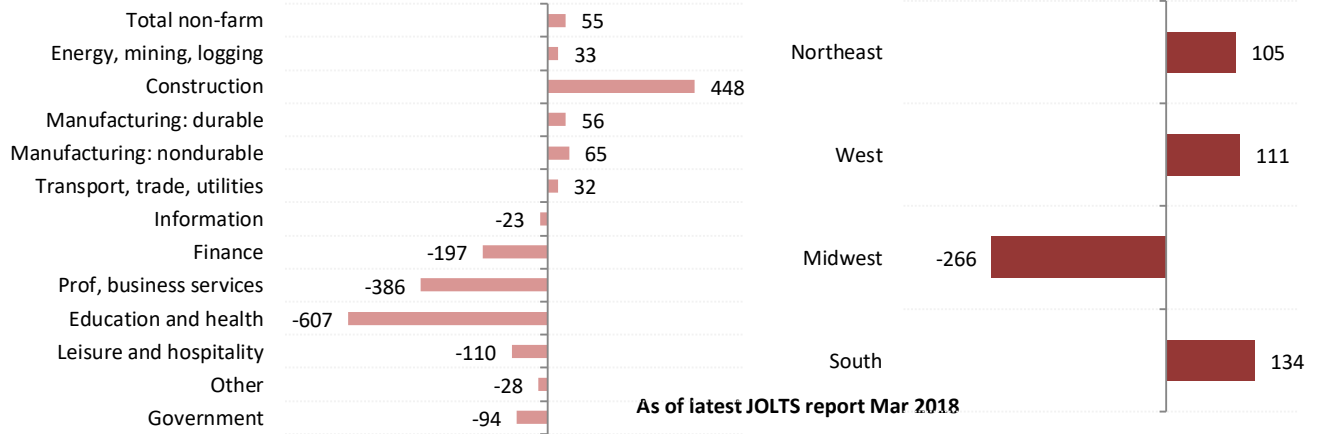
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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



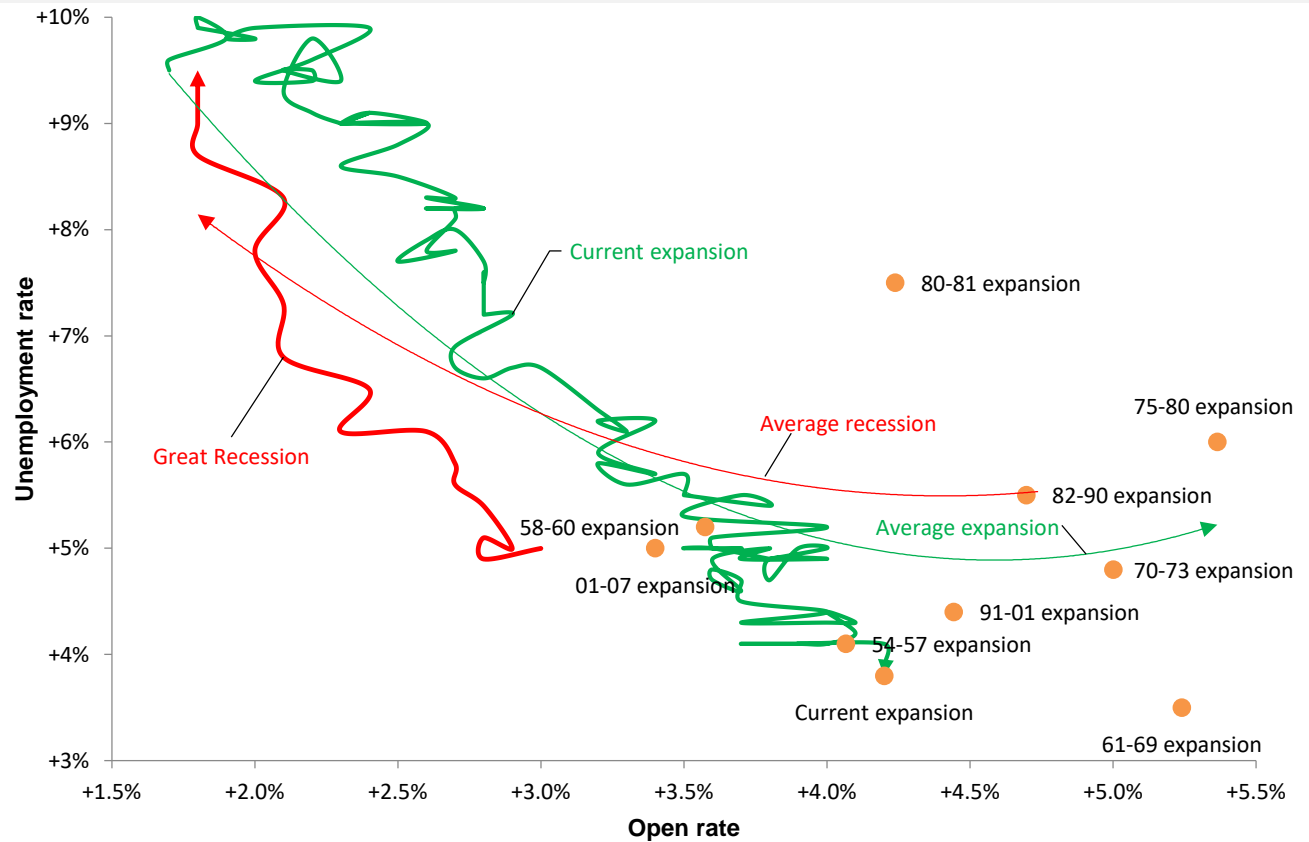
Source: BLS Current Population Survey, TrendMacro calculations

Running out of workers? Excess of unemployed versus open jobs, by industry and region



The Beveridge Curve Cycle relationship between unemployment and job openings

— Expansion — Recession ● Expansion extreme, from 1954 to present



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