
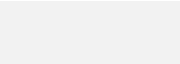


Data Insights: Jobs

Friday, November 1, 2019

Today's jobs data: what you need to know

Non-farm payrolls	Change Oct: +128	Revision Sep: +44	Revision Aug: +51	
Private payrolls	Change Oct: +131	Revision Sep: +53	Revision Aug: +41	
Employment	Change Oct: +241			
Unemployment	Change Oct: +86			
Long-term unemployment	Change Oct: -62			
Civilian labor force	Change Oct: +325	1.54 million above trend	26.3% of entrants unemployed	
Unemployment rate	Oct: 3.56%	Change Oct: +0.05%		
Underemployment rate	Oct: 7.0%	Change Oct: +0.1%		
Participation rate	Oct: 63.3%	Change Oct: +0.1%		
UE adjusted for participation	Oct: 7.5%	Change Oct: -0.10%		
Average weeks unemployed	Oct: 21.8	Change Oct: -0.2		
% longterm unemployed	Oct: 21.5%	Change Oct: -1.2%		
Aggregate hours worked index	Oct: 111.6	Change Oct: +0.1%	Revision Sep: unch	
Average hourly earnings	Oct: +0.21%	Change Oct: +0.18%	Revision Sep: +0.07%	
Aggregate weekly earnings	Oct: 150.4	Change Oct: +0.3%	Revision Sep: +0.1	
Monthly job-finding probability	Oct: 32.6%	Change Oct: -2.8%		
Monthly separation probability	Oct: 1.5%	Change Oct: +0.1%		
% involuntary part-time	Oct: 2.8%	Change Oct: +0.1%		
"Household" vs "Payroll" jobs	Change Oct: -266			

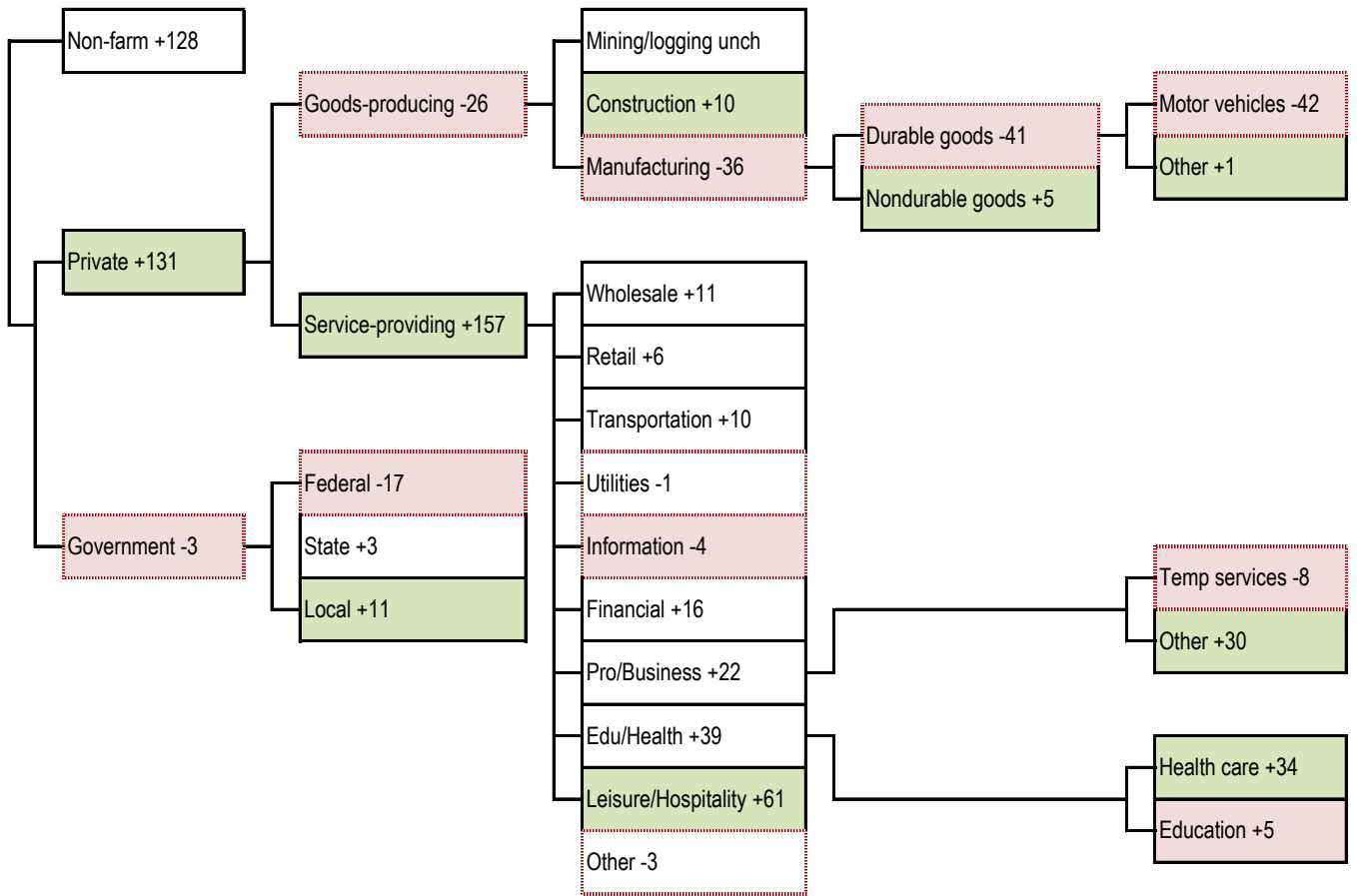
Source: Bureau of Labor Statistics, TrendMacro calculations

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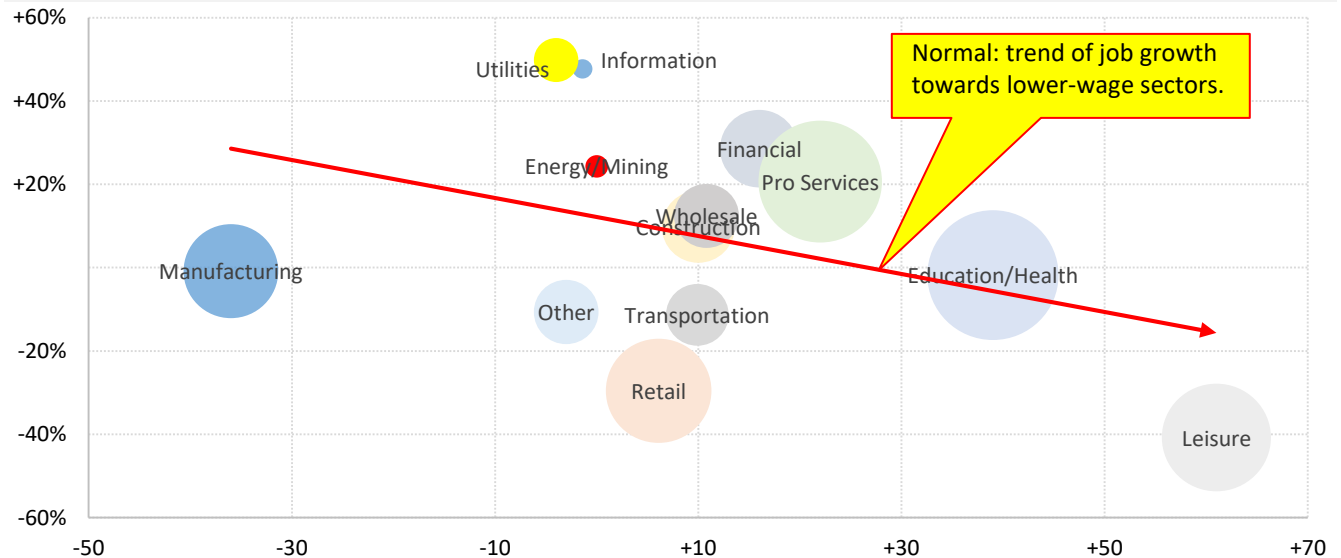
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

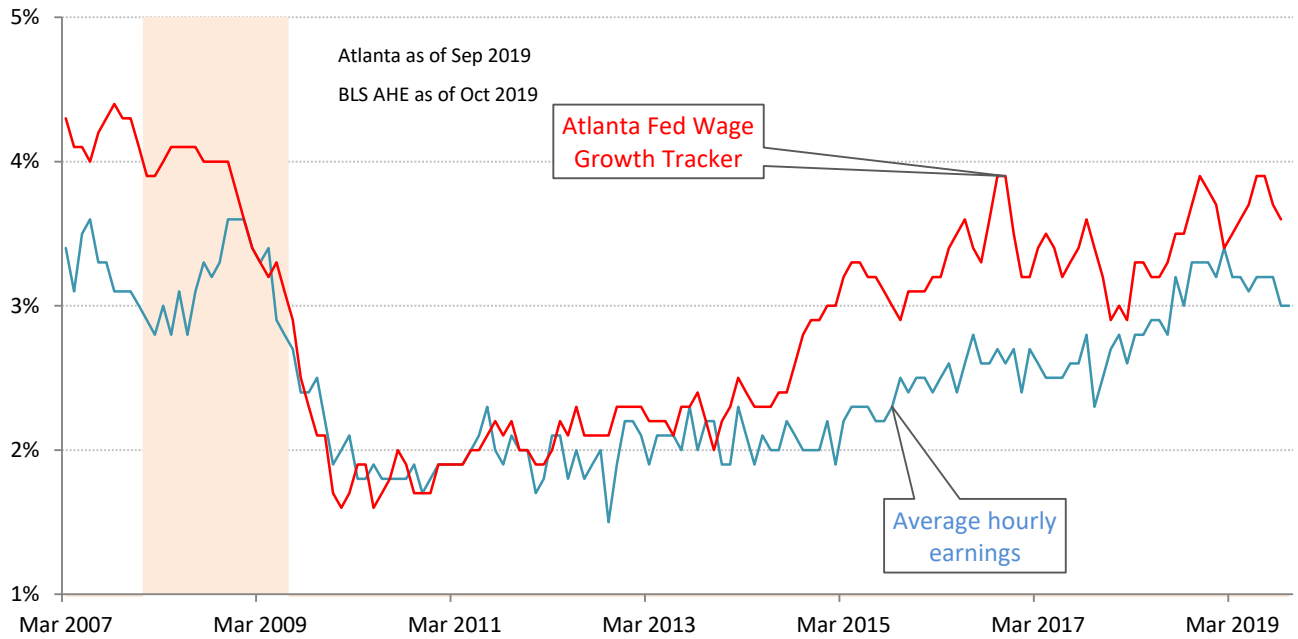
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

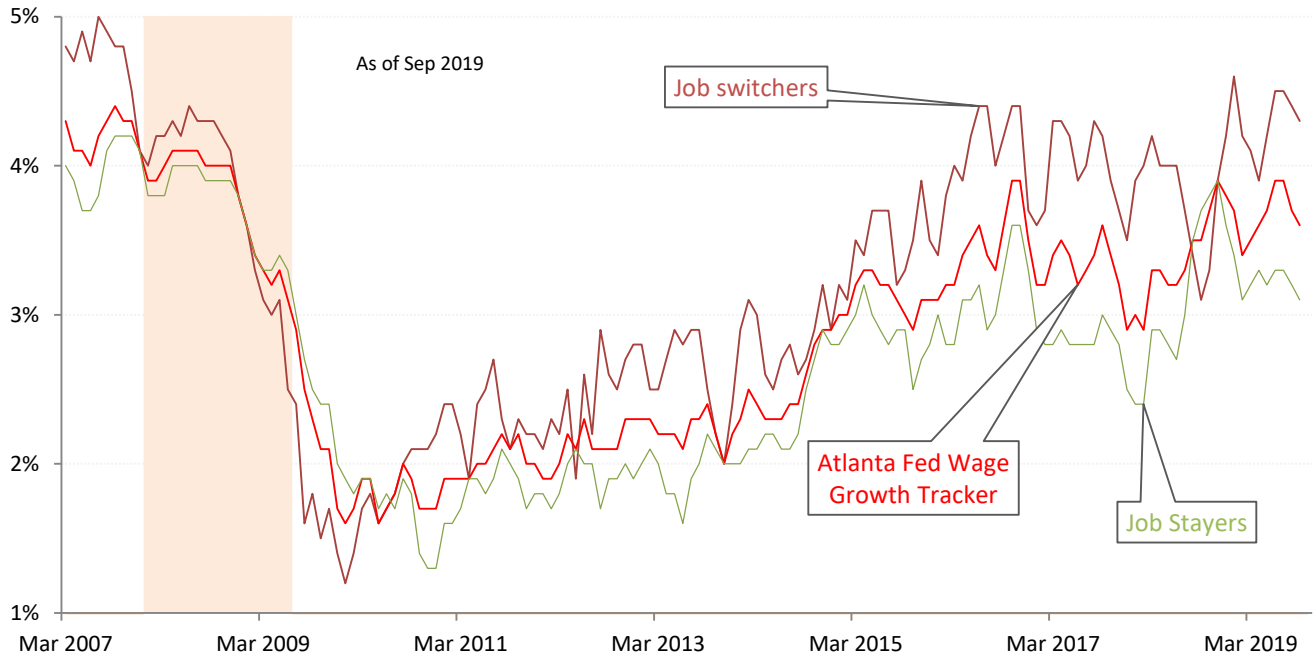
YOY average hourly earnings growth Atlanta Fed Wage Growth Index Recession



Source: BLS Current Employment Statistics, Atlanta Federal Reserve Bank, TrendMacro calculations

The wages of dynamism

YOY wage growth for steady employees, versus those who change jobs Recession

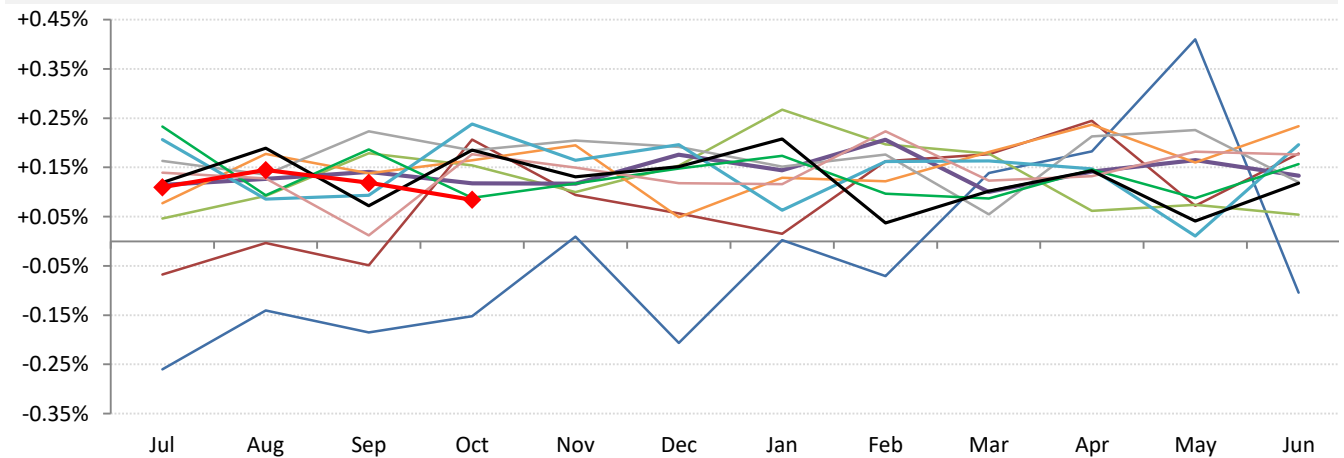


Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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 — 15-16 — 16-17 — 17-18 — 18-19 ◆ 2019-2020

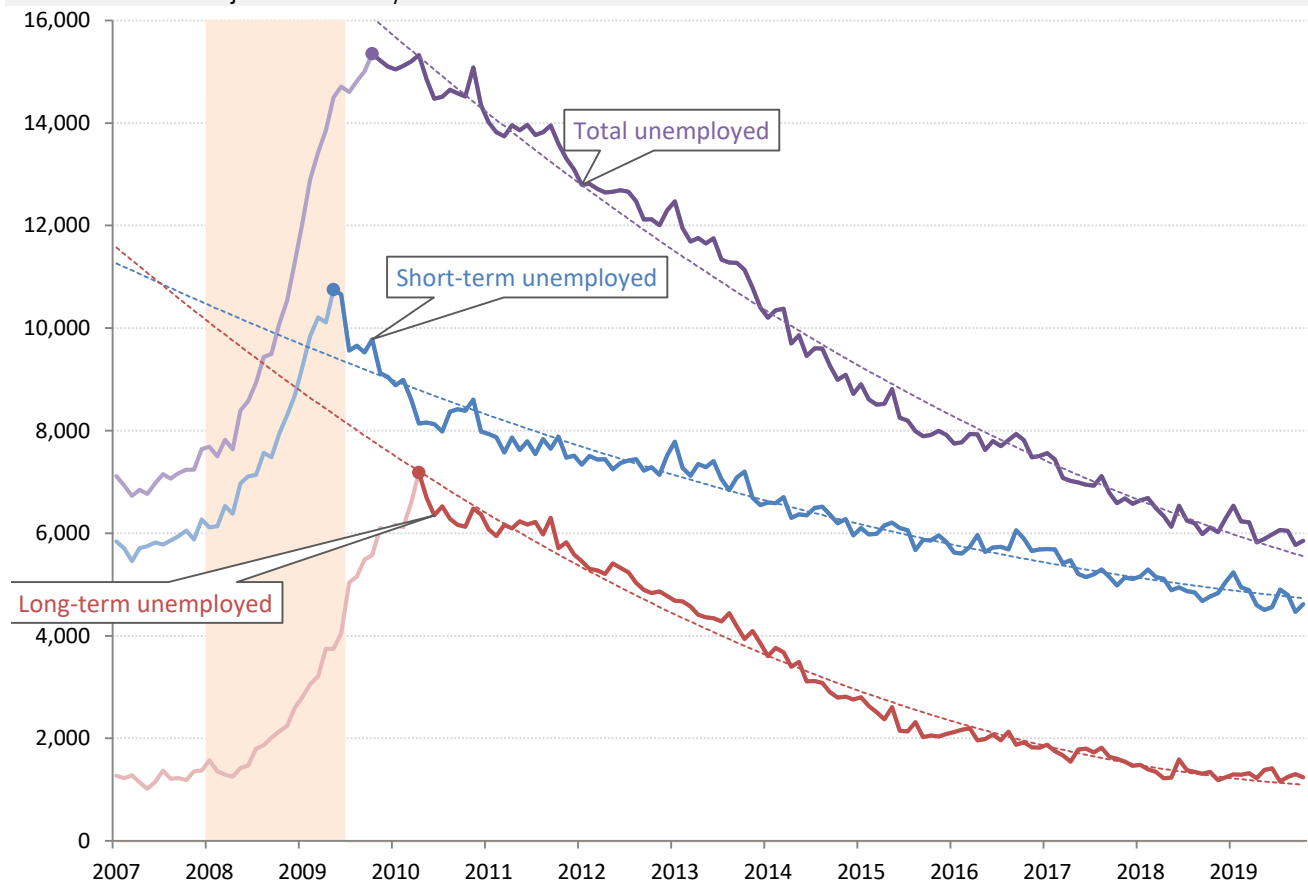


Source: BLS Current Population Survey, TrendMacro calculations

How the ultimate jobless recovery became jobful

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

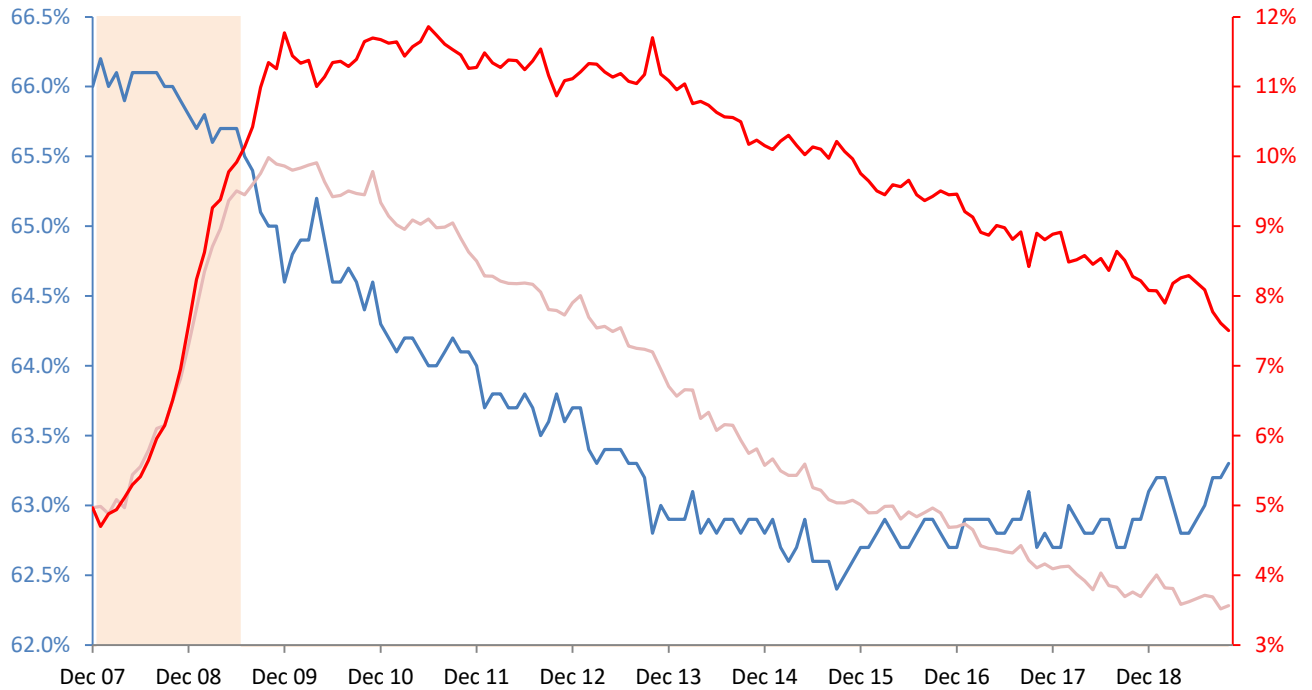
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

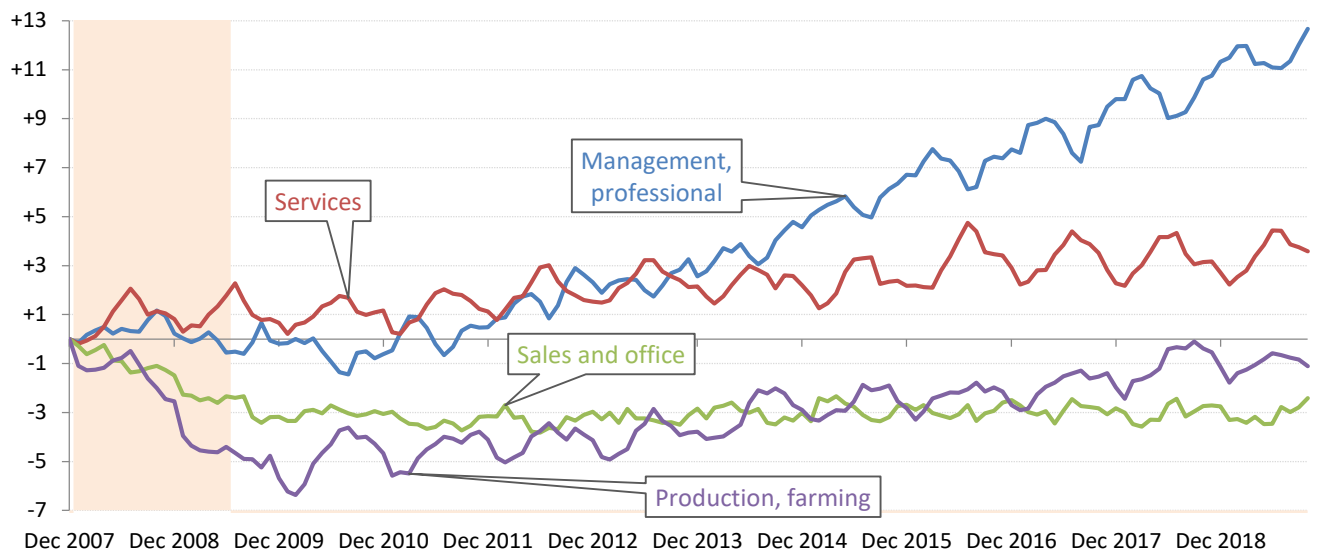
— Participation rate — Headline unemployment rate — Recession



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



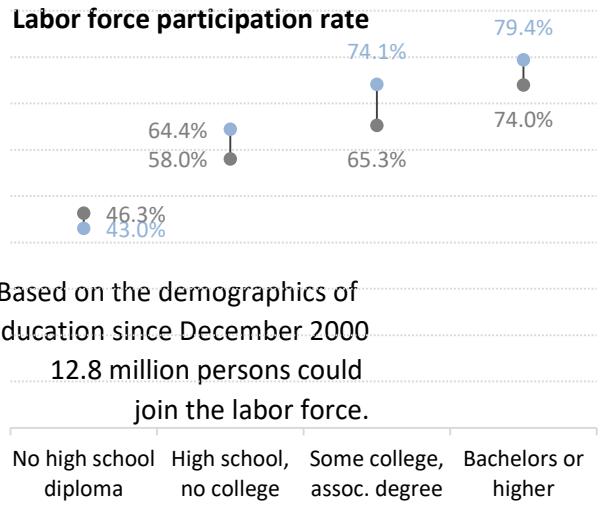
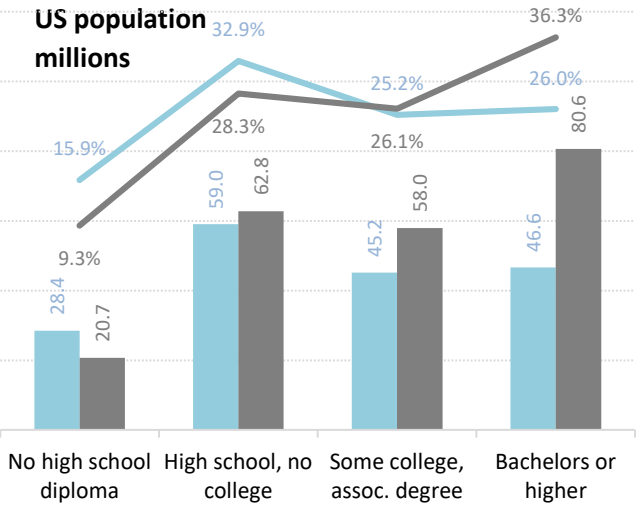
Source: BLS, NBER, TrendMacro calculations

US labor force demographics: fading baby boom and its well-educated echo

By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Based on demographics of aging since December 2000 there are 1.7 million too many persons in the total labor force. 1.1 million could join the prime-age labor force.

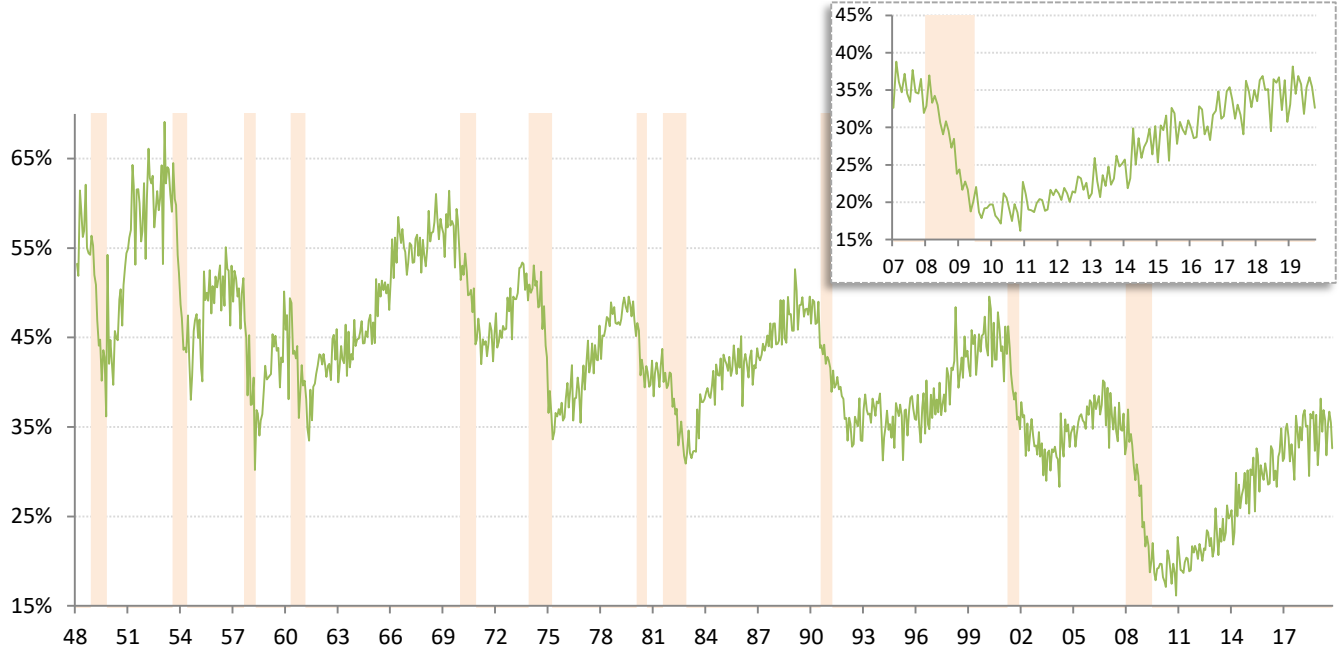


Based on the demographics of education since December 2000 12.8 million persons could join the labor force.

Source: BLS Current Population Survey, TrendMacro calculations

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

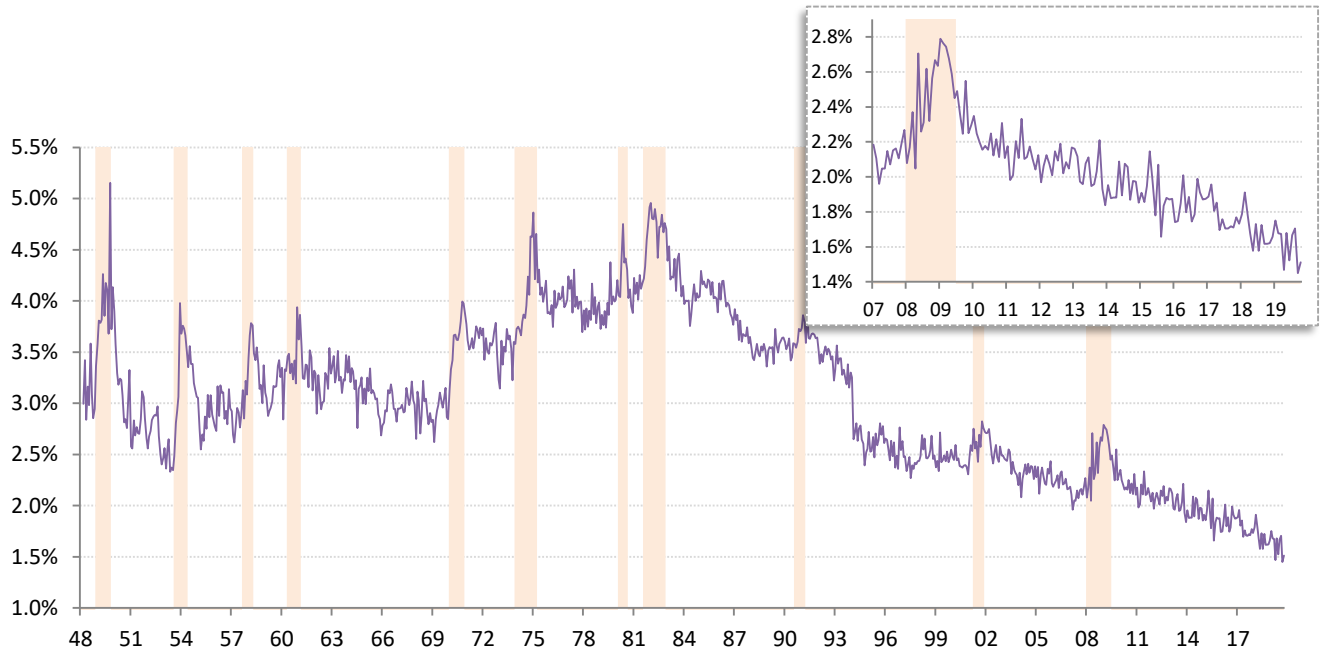
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

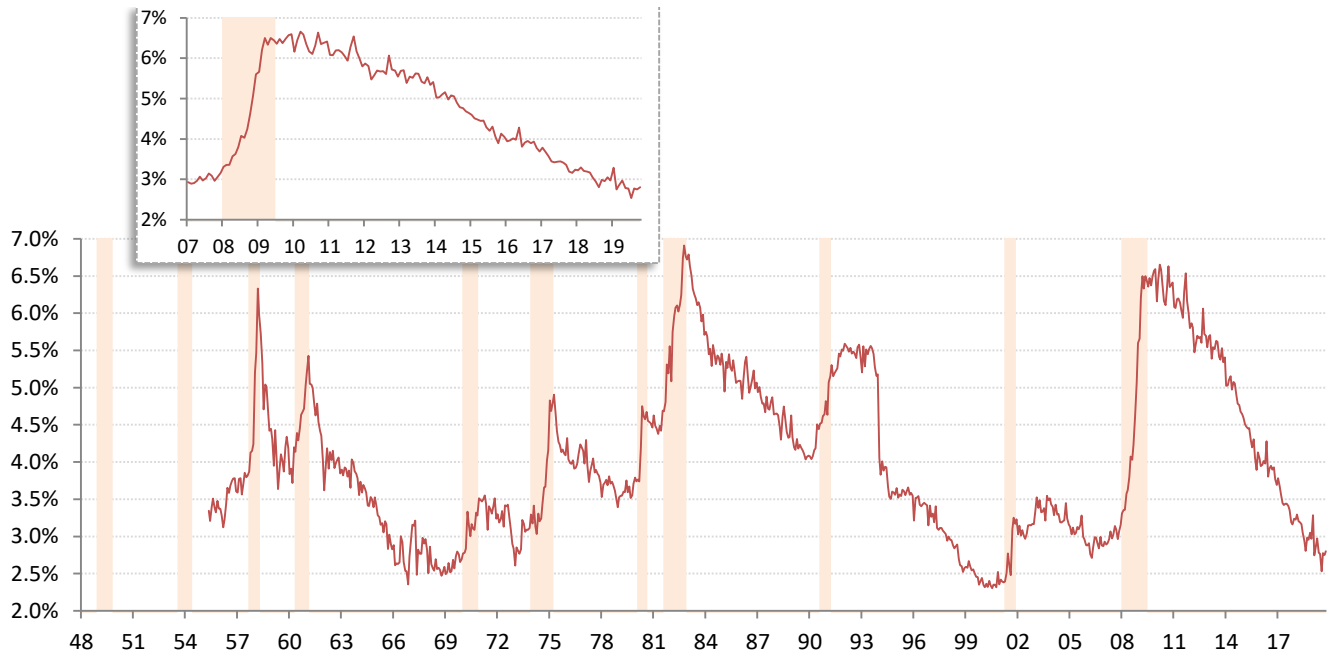
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

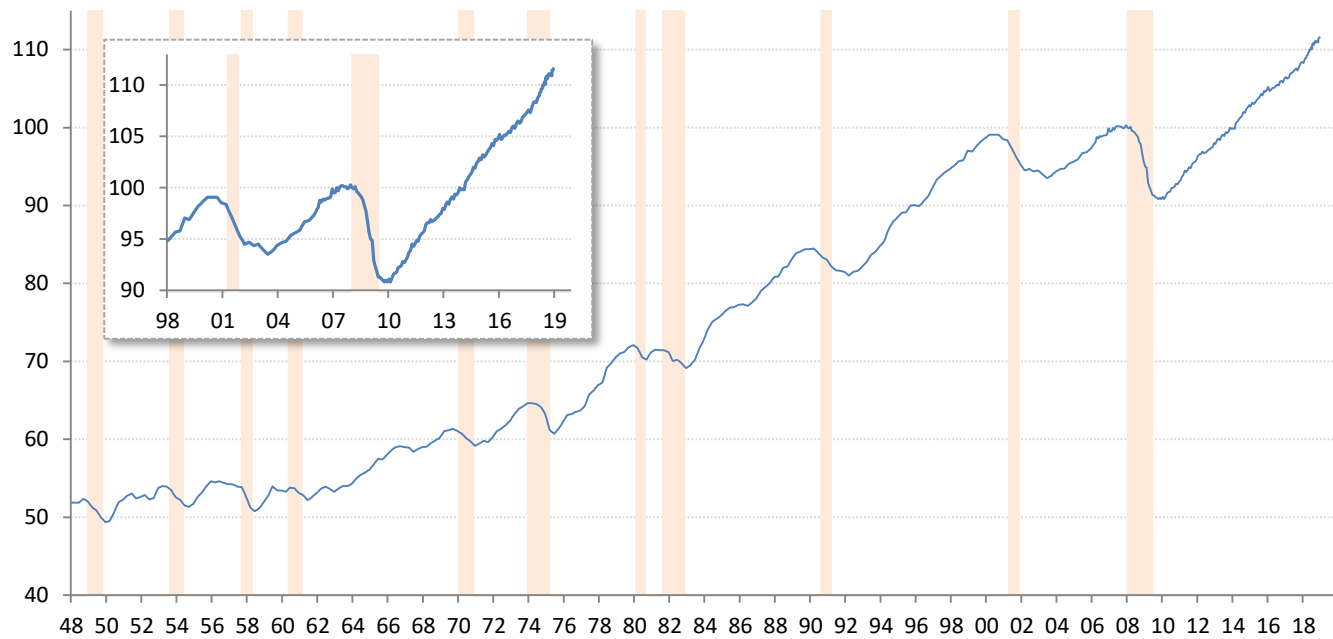
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



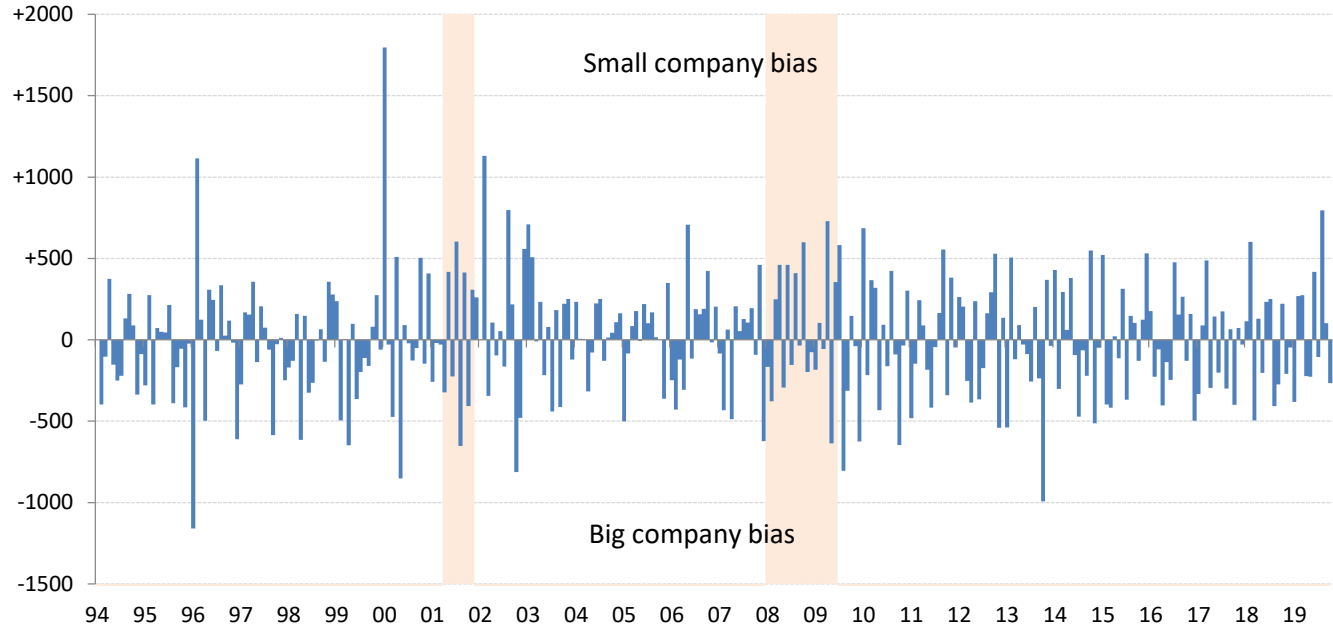
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



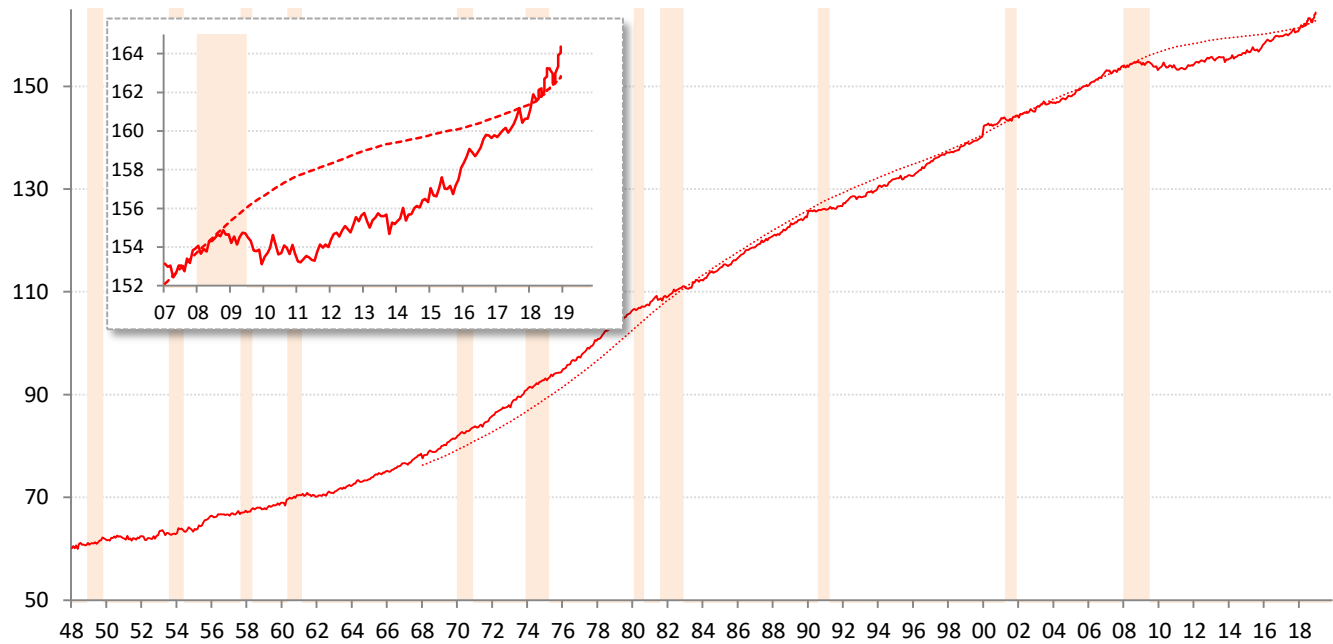
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



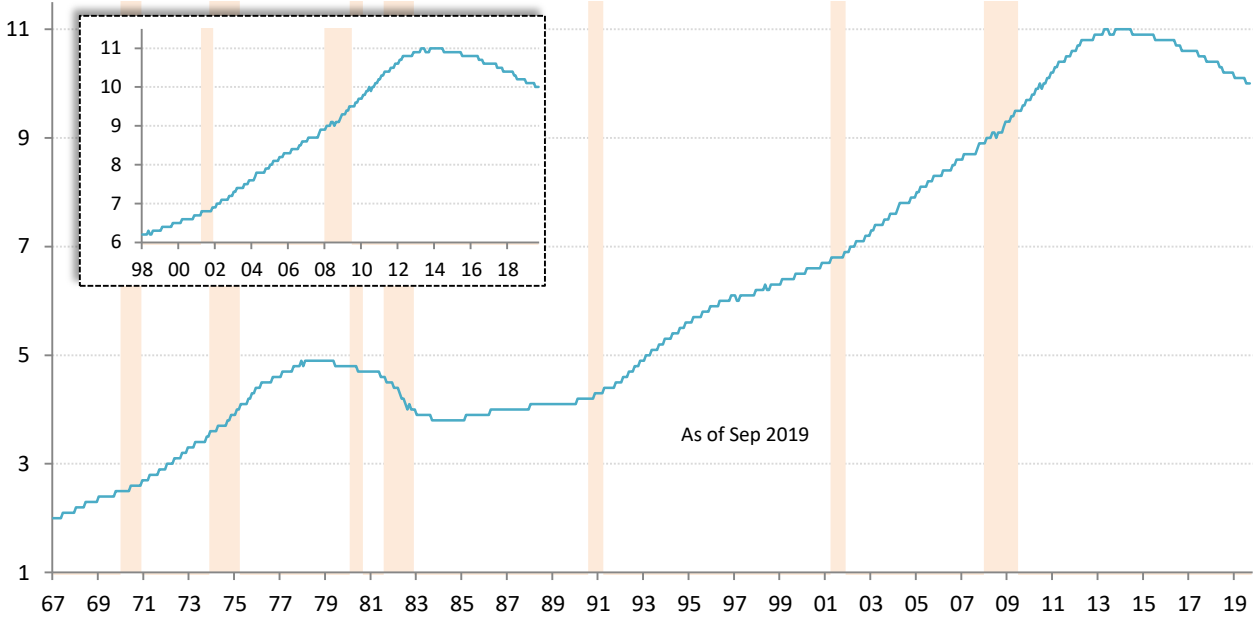
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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

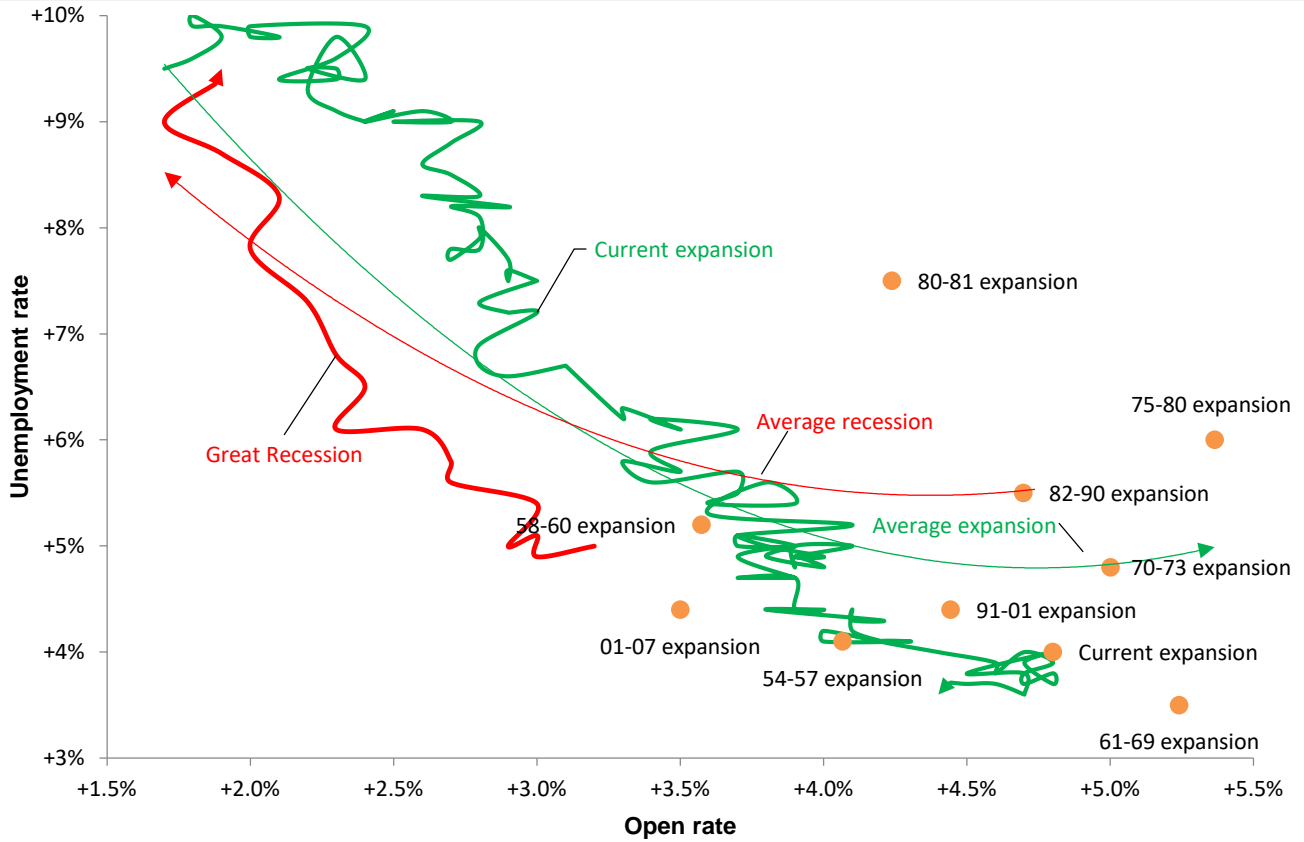


Source: BLS Current Population Survey, TrendMacro calculations

Can the disabled come back to the labor force? Social Security disability recipients, millions



Running out of workers? The Beveridge Curve Cycle relationship between unemployment and job openings



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