












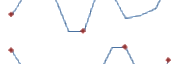


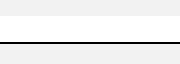


Data Insights: Jobs

Friday, November 8, 2013

Today's jobs data: what you need to know

Non-farm payrolls	Change Oct: +204	Revision Sep: +15	Revision Aug: +45	
Private payrolls	Change Oct: +212	Revision Sep: +24	Revision Aug: +46	
Employment	Change Oct: -735			
Unemployment	Change Oct: +17			
Civilian labor force	Change Oct: -720	4.50 million below trend	More than all leavers employed	
Unemployment rate	Oct: 7.28%	Change Oct: +0.04%		
Underemployment rate	Oct: 13.8%	Change Oct: +0.2%		
Participation rate	Oct: 62.8%	Change Oct: -0.4%		
UE adjusted for participation	Oct: 0.0%	Change Oct: -12.76%		
Avg weeks unemployed	Oct: 36.1	Change Oct: -0.8		
% longterm unemployed	Oct: 36.1%	Change Oct: -0.8%		
Agg hours worked index	Oct: 98.8	Change Oct: +0.2%		
Agg weekly earnings	Oct: 113.6	Change Oct: +0.3%		
Monthly job-finding probability	Oct: 26.8%	Change Oct: +1.1%		
Monthly separation probability	Oct: 2.2%	Change Oct: +0.1%		
% involuntary part-time	Oct: 5.6%	Change Oct: +0.1%		
"Household" vs "Payroll" jobs	Change Oct: -1004			

Source: Bureau of Labor Statistics, TrendMacro calculations

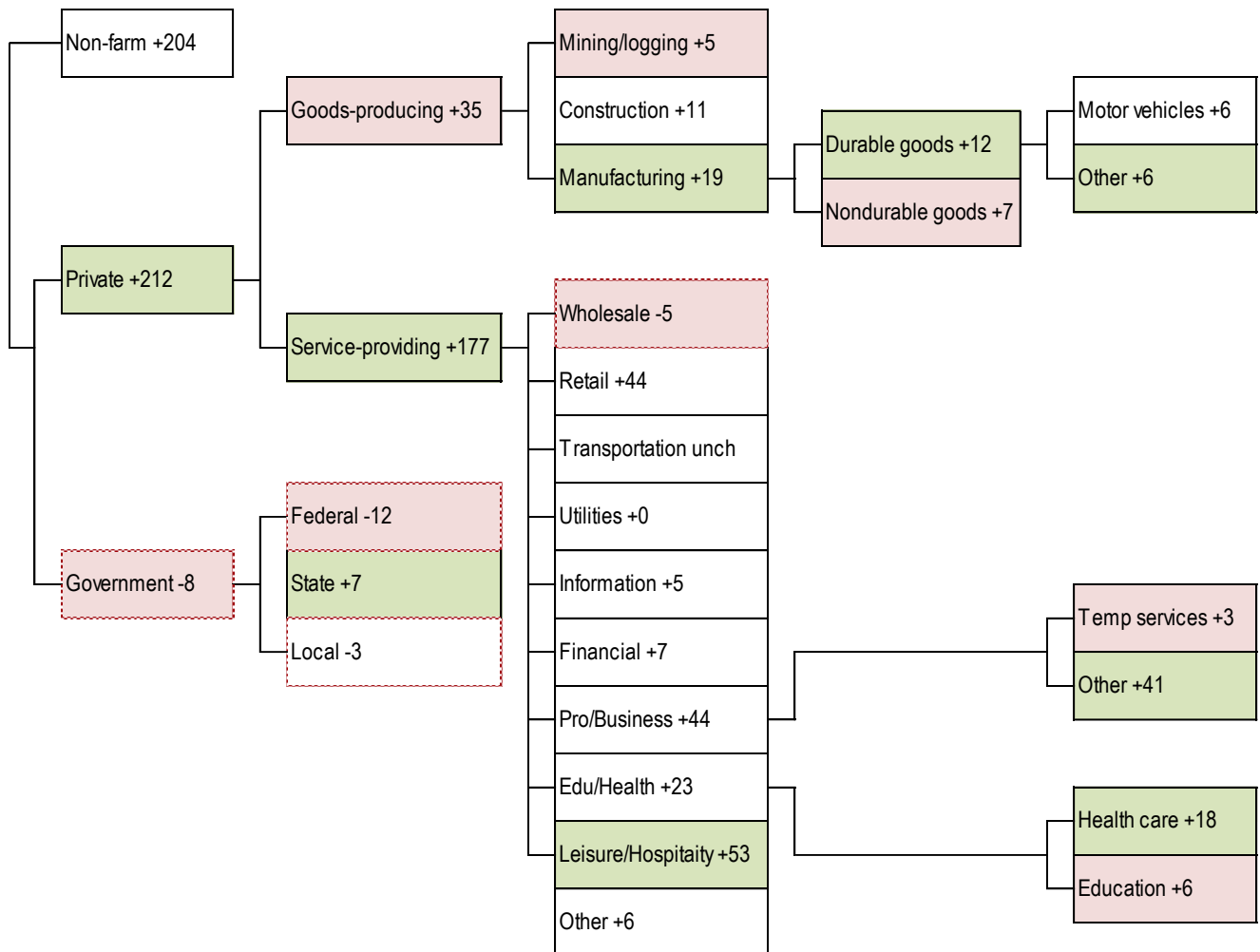
For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com

Thomas Demas: 704 552 3625 tdemas@trendmacro.com

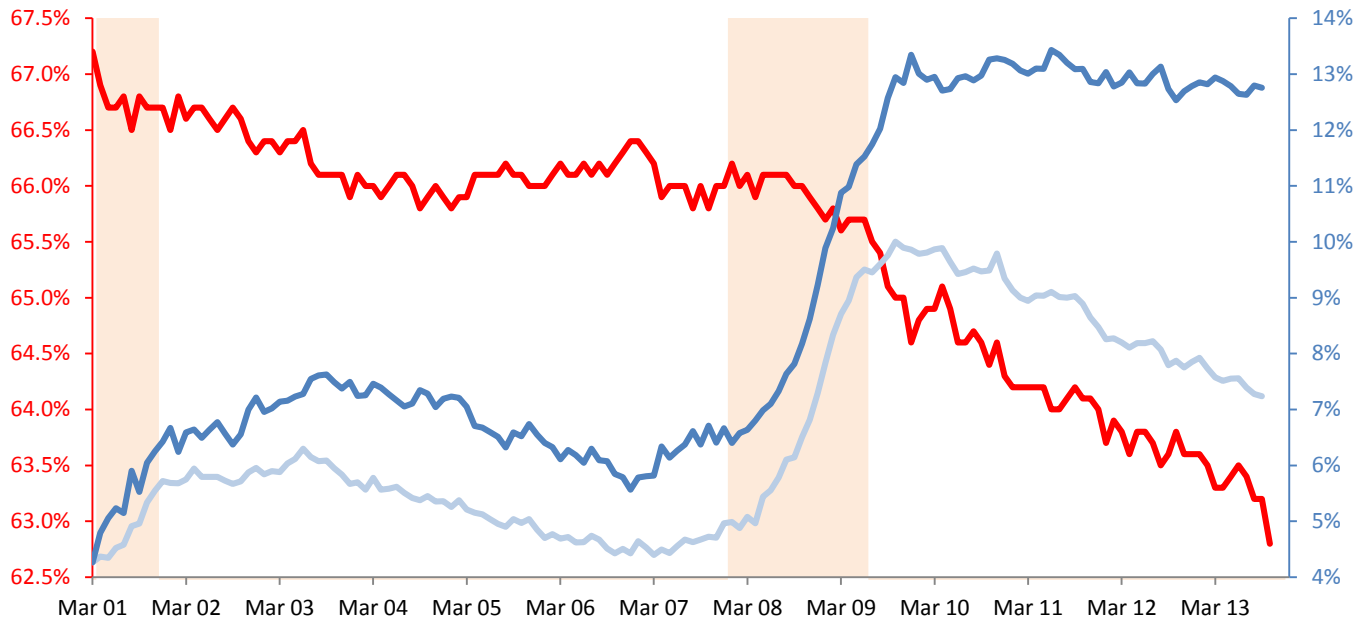
Today's payroll data: what you need to know -- where did the jobs come from?

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



Unemployment rate normalized for peak participation rate March 2001

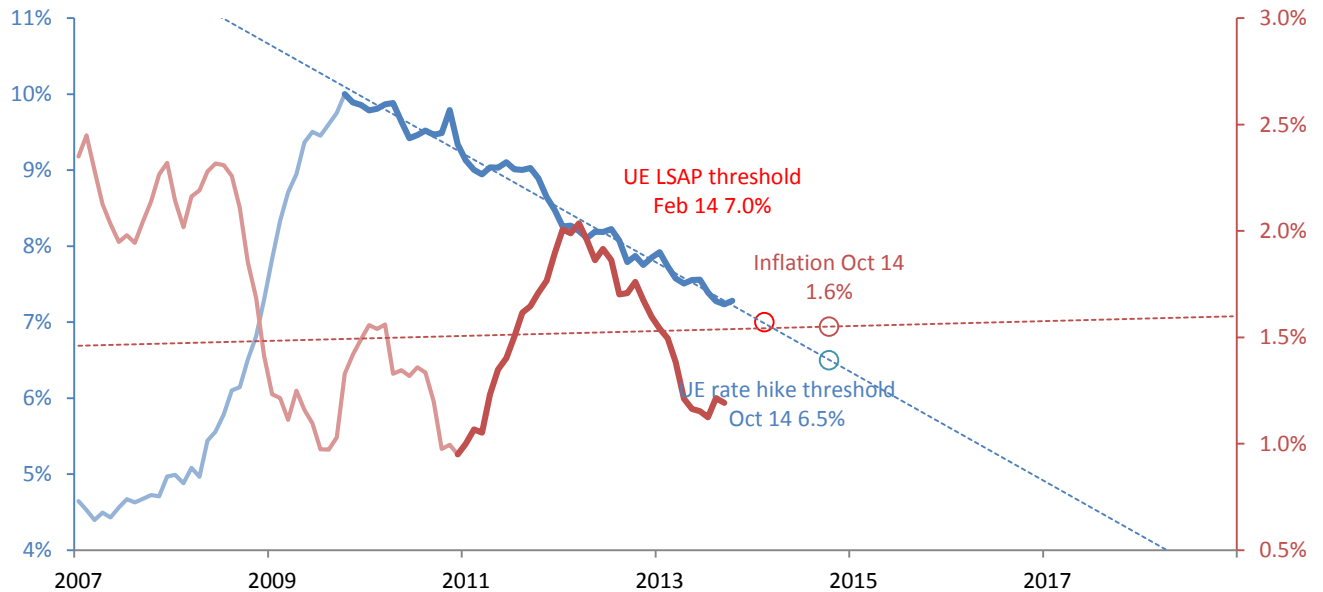
— Participation rate — Headline unemployment rate — Unemployment rate normalized for peak participation rate March 2001 — Recession



Source: BLS Current Population Survey, TrendMacro calculations

When will the Fed start tightening under the "Evans Rule?"

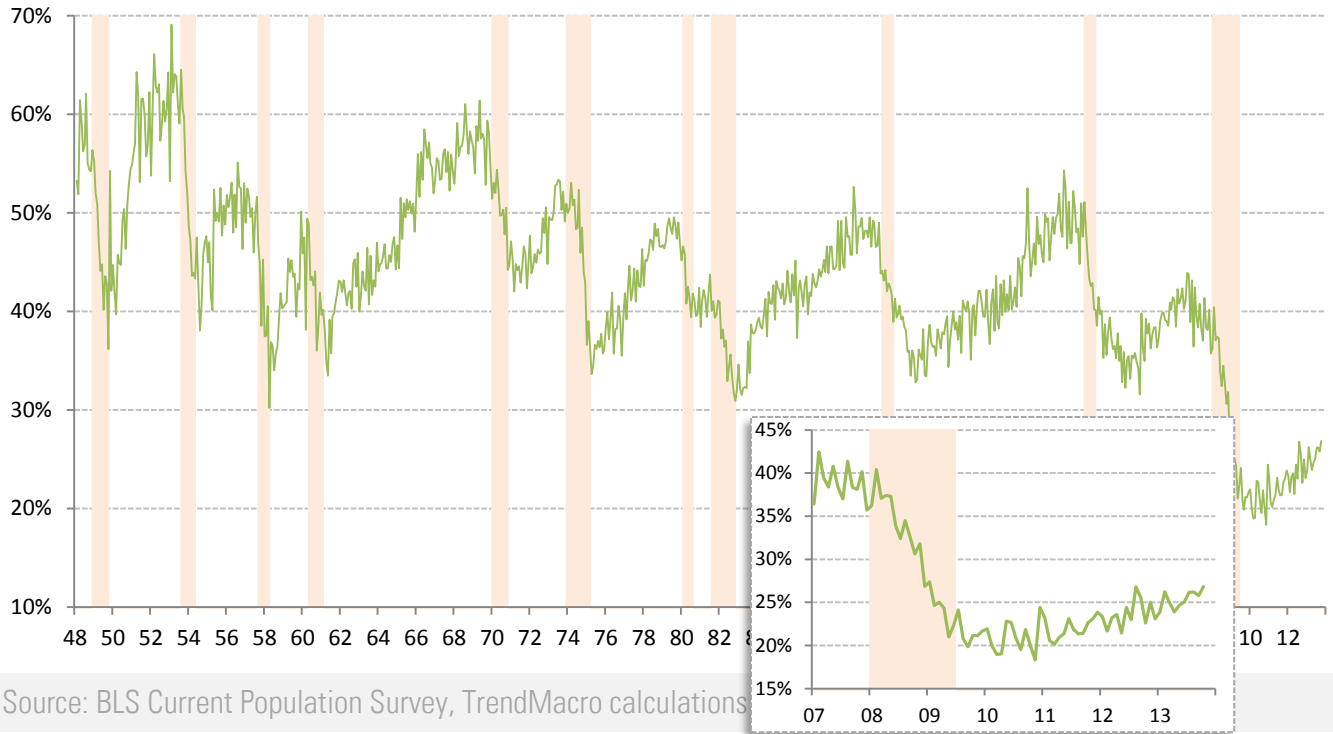
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

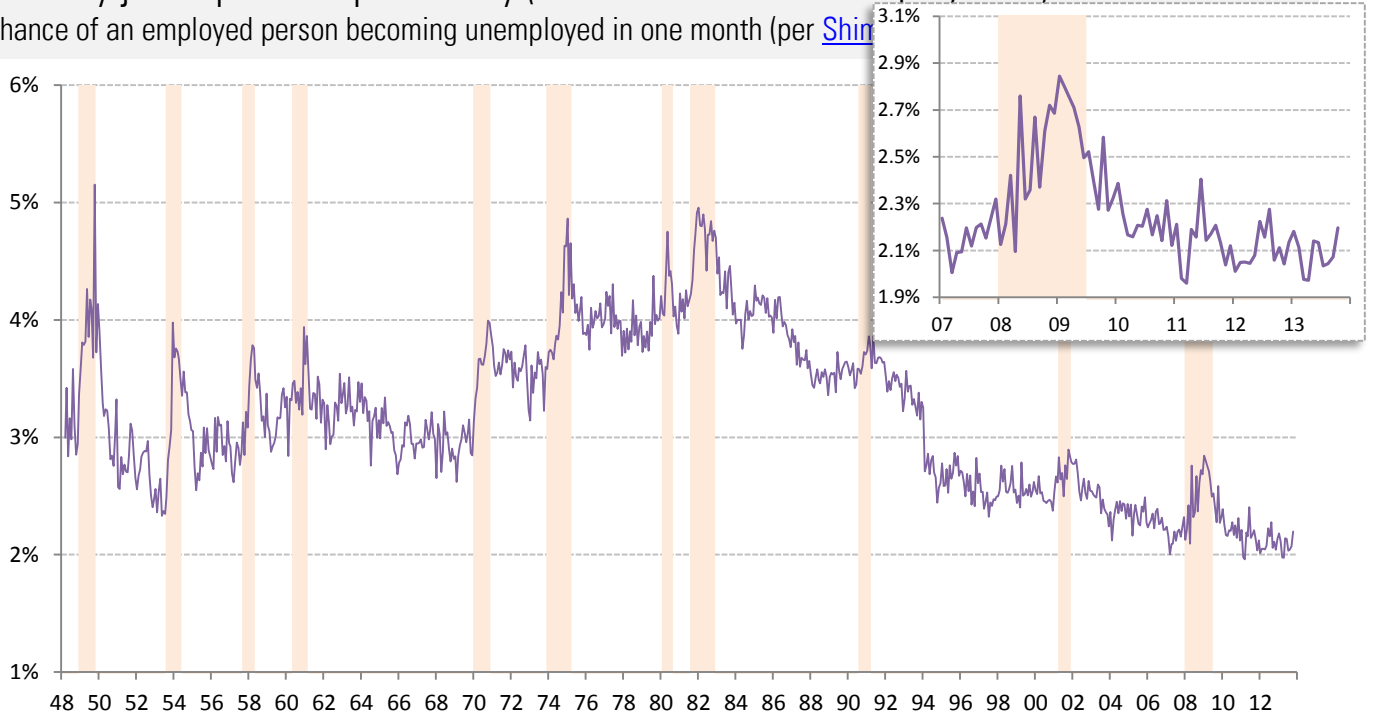
Monthly job-finding probability (the outflow rate from unemployment)

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



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

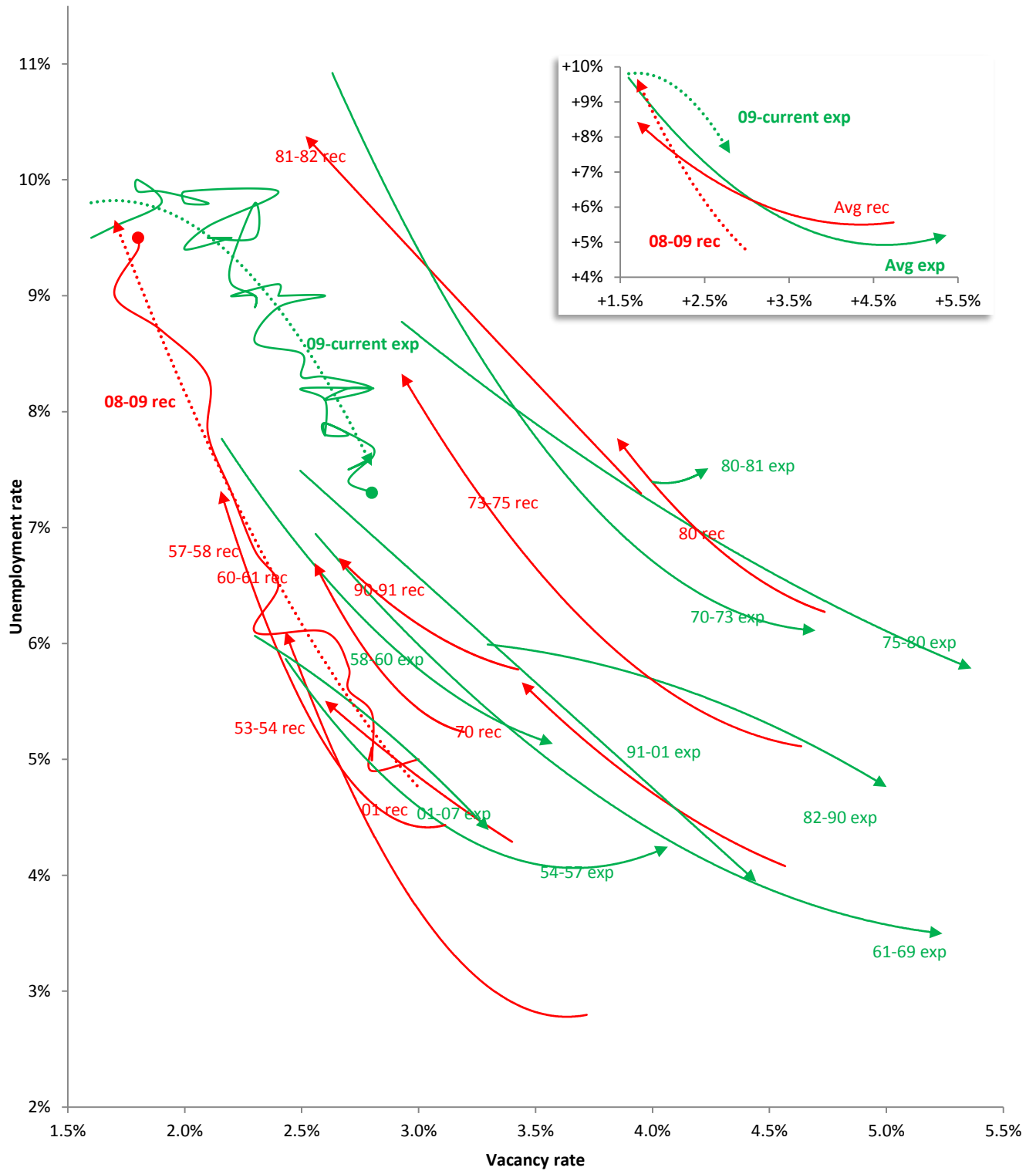
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#))



The Beveridge Curve

Cycle relationship between unemployment and job openings

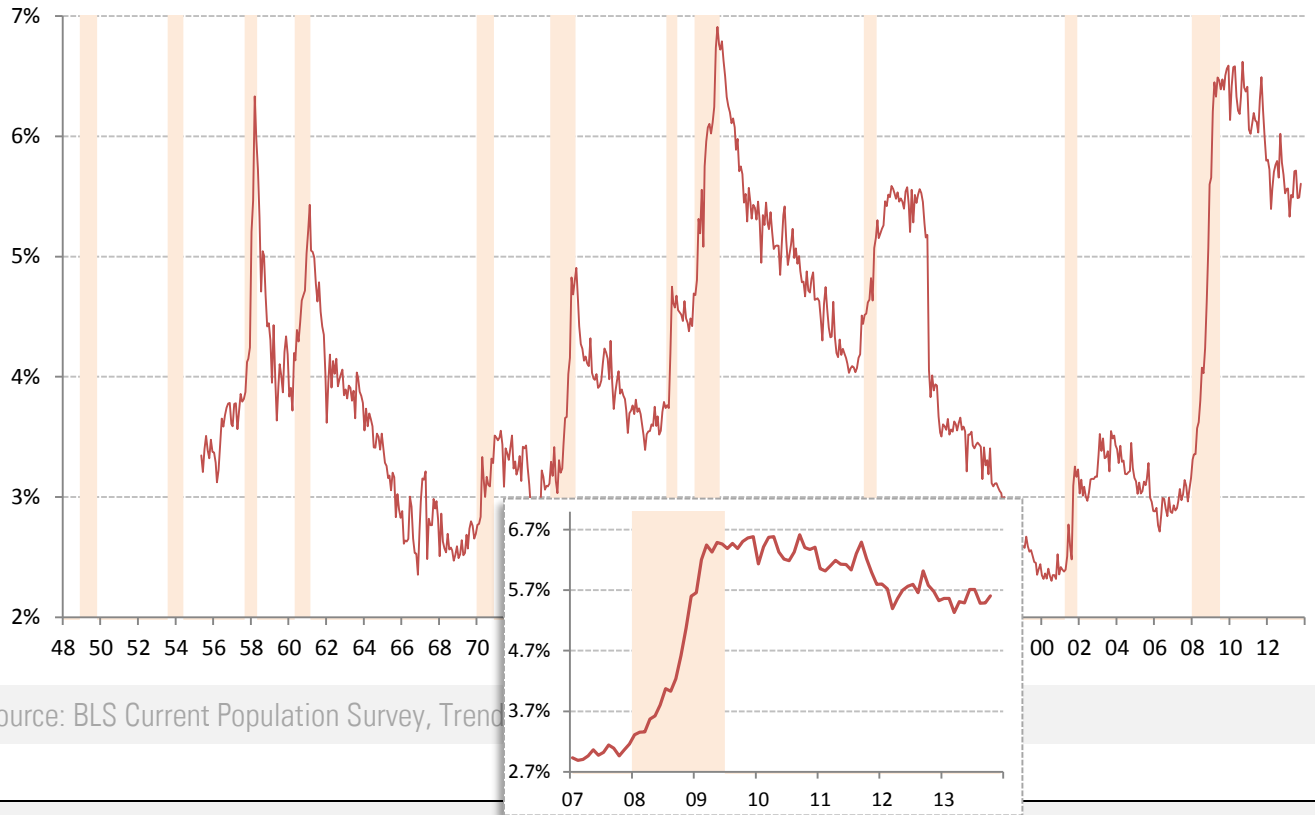
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

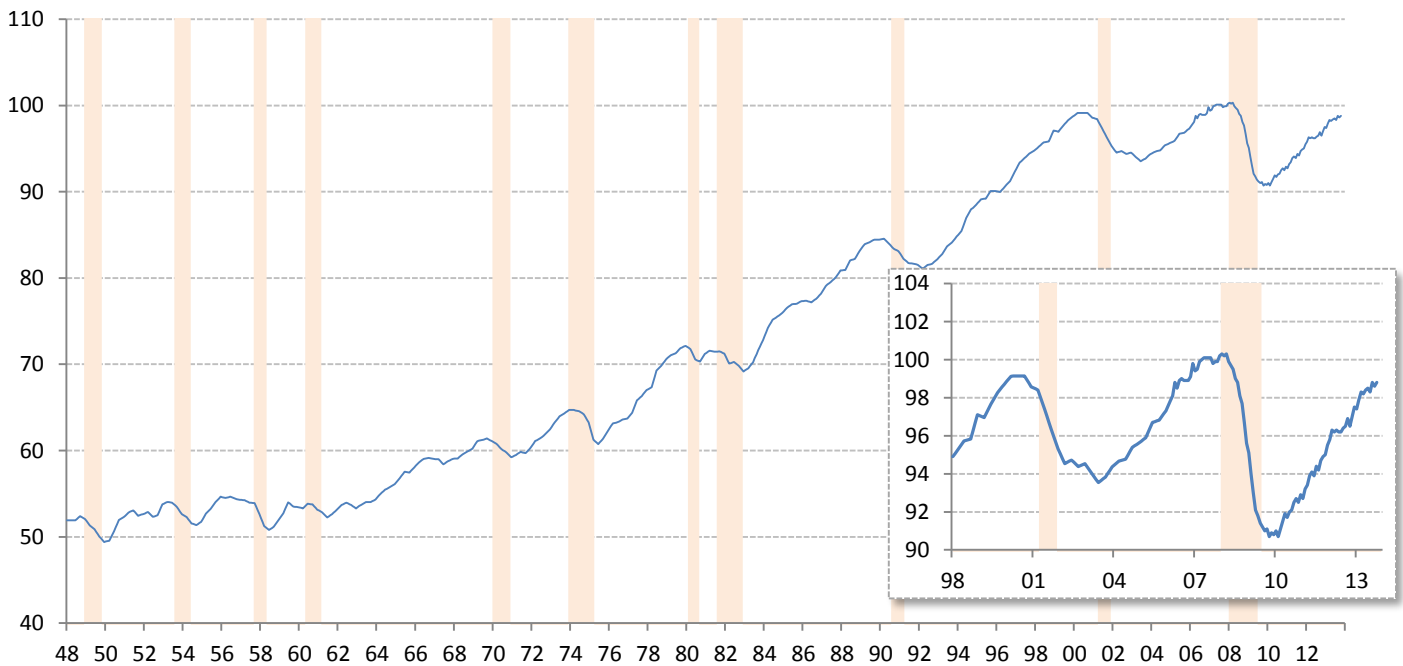
Persons available for full-time work ■ Recession



Source: BLS Current Population Survey, Trend

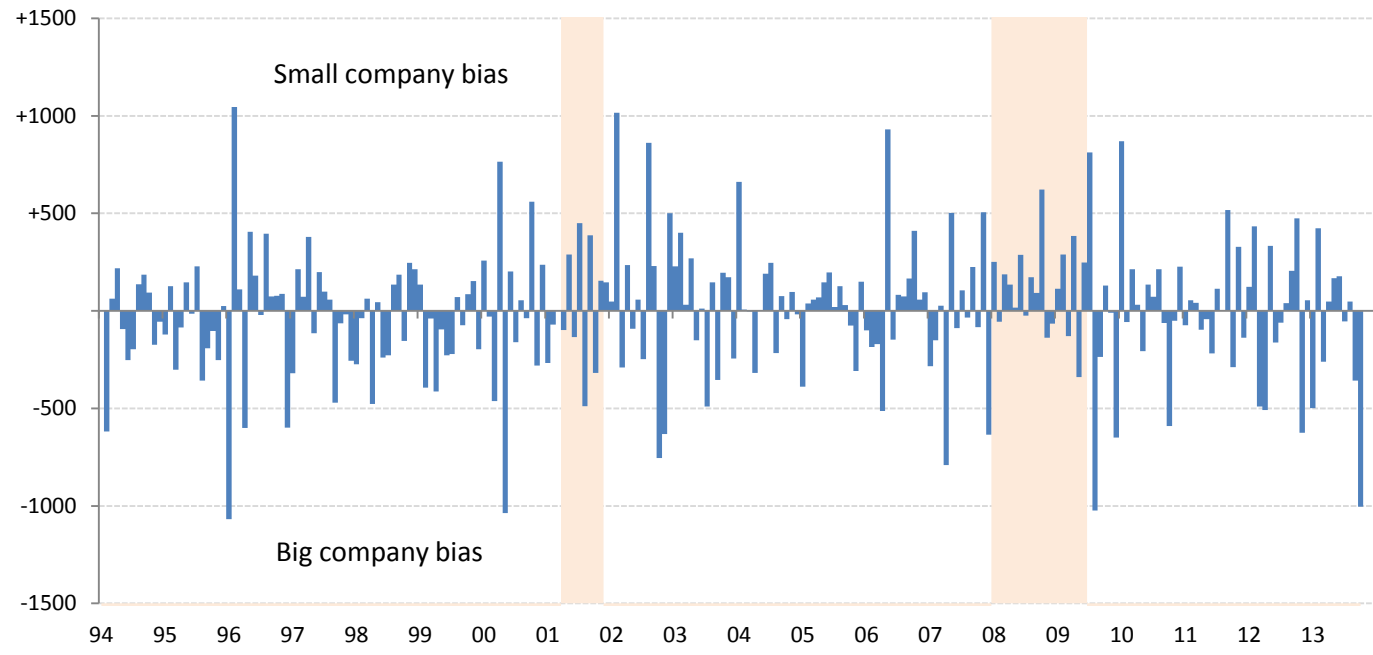
Aggregate weekly private hours-worked index

■ Recession



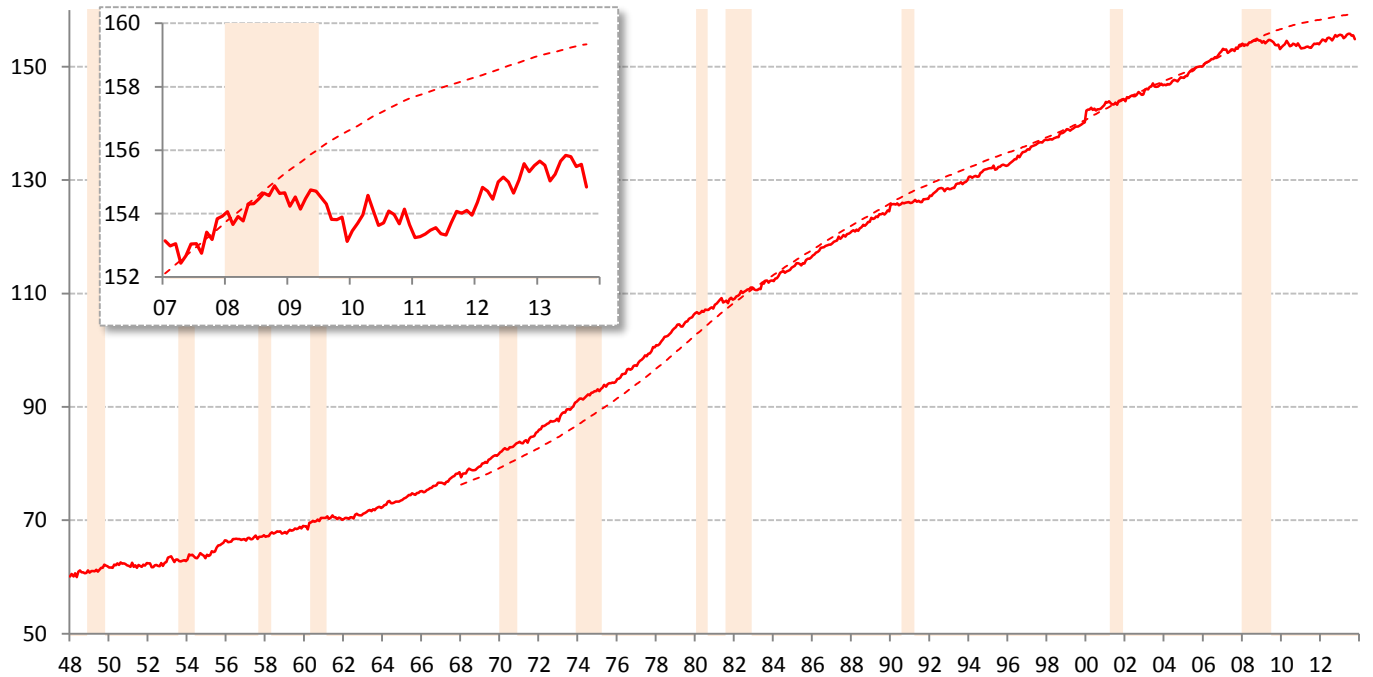
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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 ■ Recession



Source: BLS Current Population Survey, TrendMacro calculations