






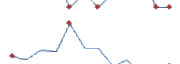
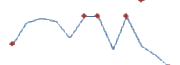







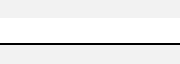


Data Insights: Jobs

Friday, June 6, 2014

Today's jobs data: what you need to know

Non-farm payrolls	Change May: +217	Revision Apr: -6	Revision Mar: unch	
Private payrolls	Change May: +216	Revision Apr: -3	Revision Mar: -2	
Employment	Change May: +145			
Unemployment	Change May: +46			
Civilian labor force	Change May: +192	4.71 million below trend	24.1% of entrants unemployed	
Unemployment rate	May: 6.30%	Change May: +0.02%		
Underemployment rate	May: 12.2%	Change May: -0.1%		
Participation rate	May: 62.8%	Change May: unch		
UE adjusted for participation	May: 12.4%	Change May: +0.02%		
Avg weeks unemployed	May: 34.5	Change May: -0.6		
% longterm unemployed	May: 34.6%	Change May: -0.7%		
Agg hours worked index	May: 100.6	Change May: +0.2%		
Agg weekly earnings	May: 117	Change May: +0.4%		
Monthly job-finding probability	May: 28.4%	Change May: -4.3%		
Monthly separation probability	May: 2.1%	Change May: +0.2%		
% involuntary part-time	May: 5.0%	Change May: -0.1%		
"Household" vs "Payroll" jobs	Change May: +342			

Source: Bureau of Labor Statistics, TrendMacro calculations

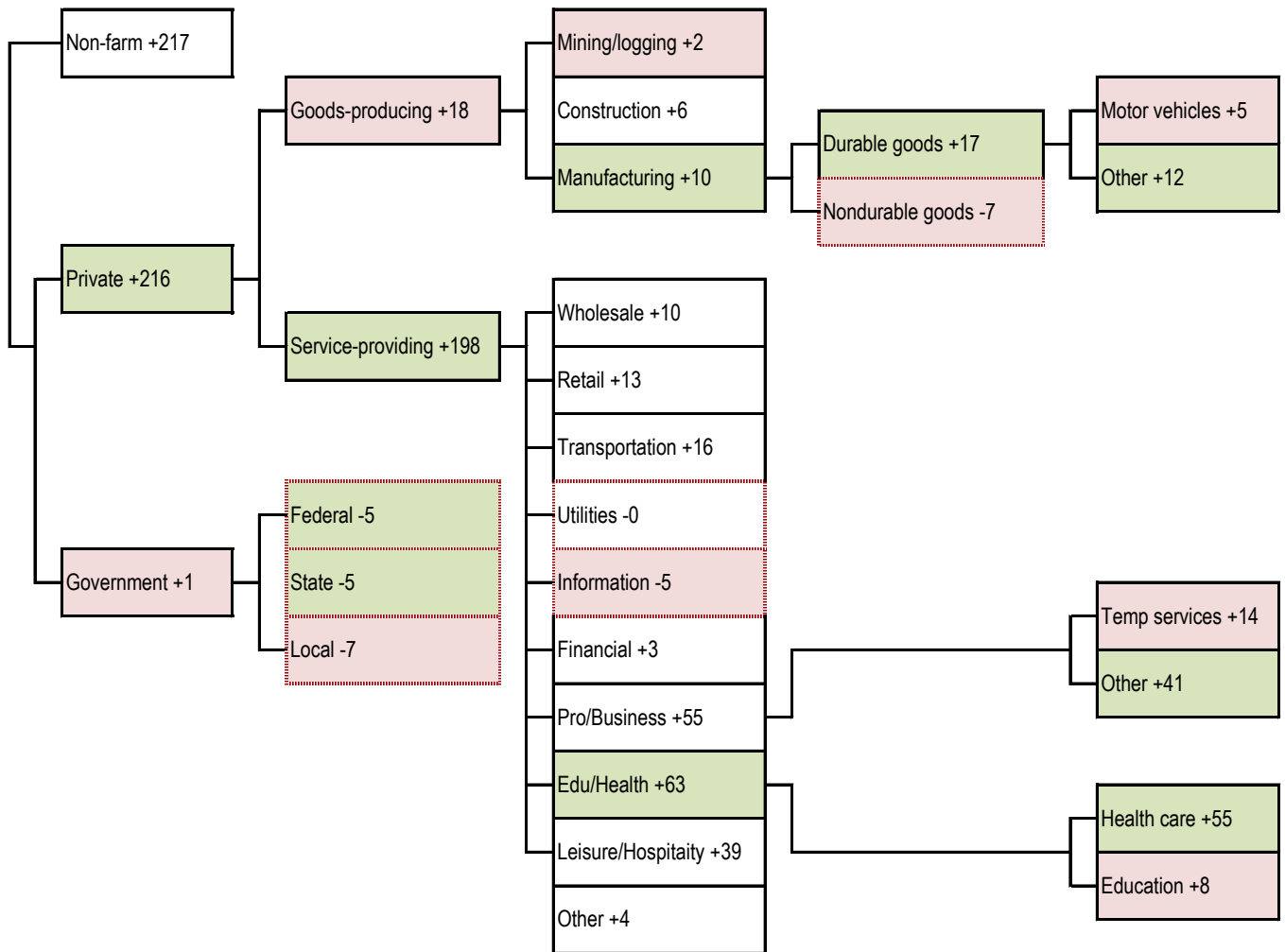
For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com

Thomas Demas: 704 552 3625 tdemas@trendmacro.com

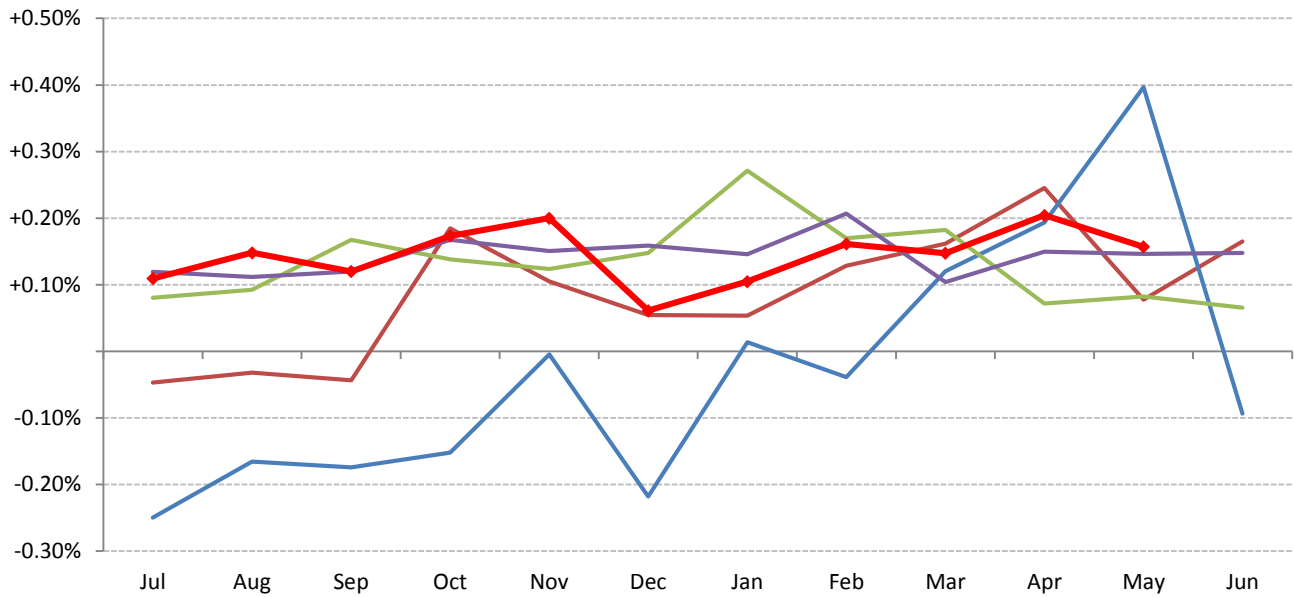
Today's payroll data: what you need to know -- where did the jobs come from?

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



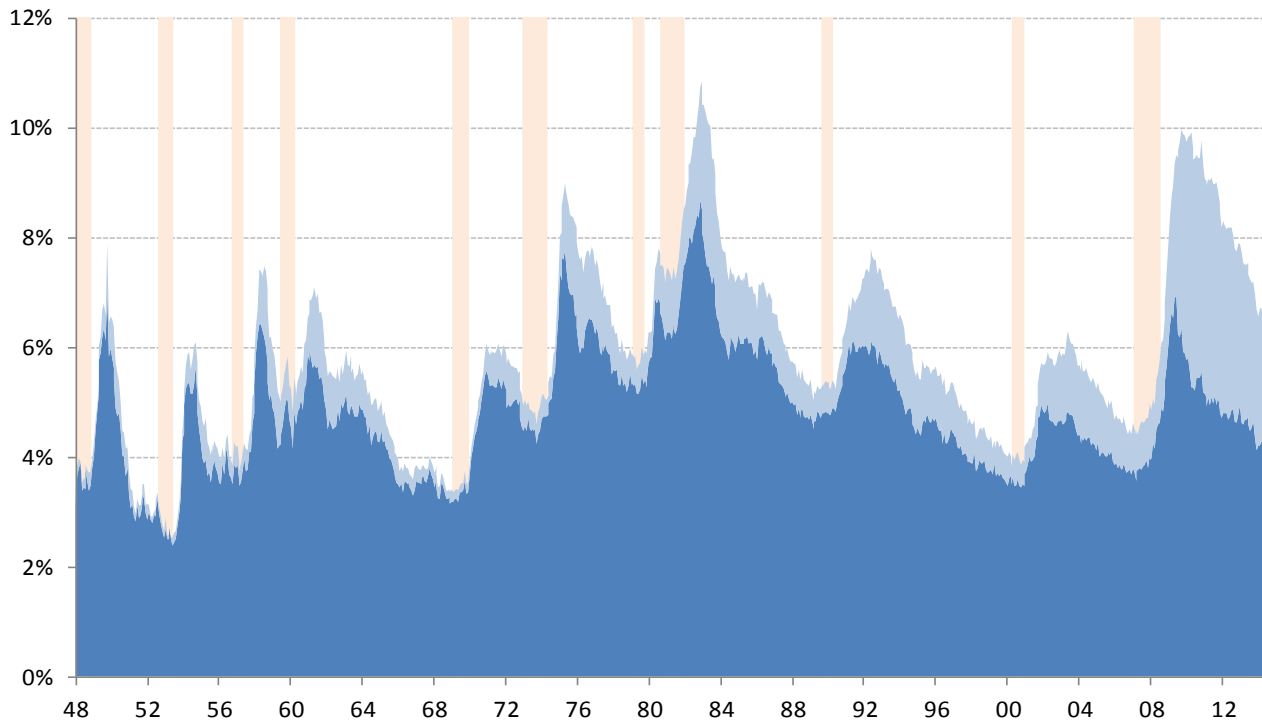
The payroll cycle in the Not So Great Expansion following the Great Recession

Payroll growth MOM, starting July — 2009-10 — 2010-11 — 2011-12 — 2012-13 — 2013-14



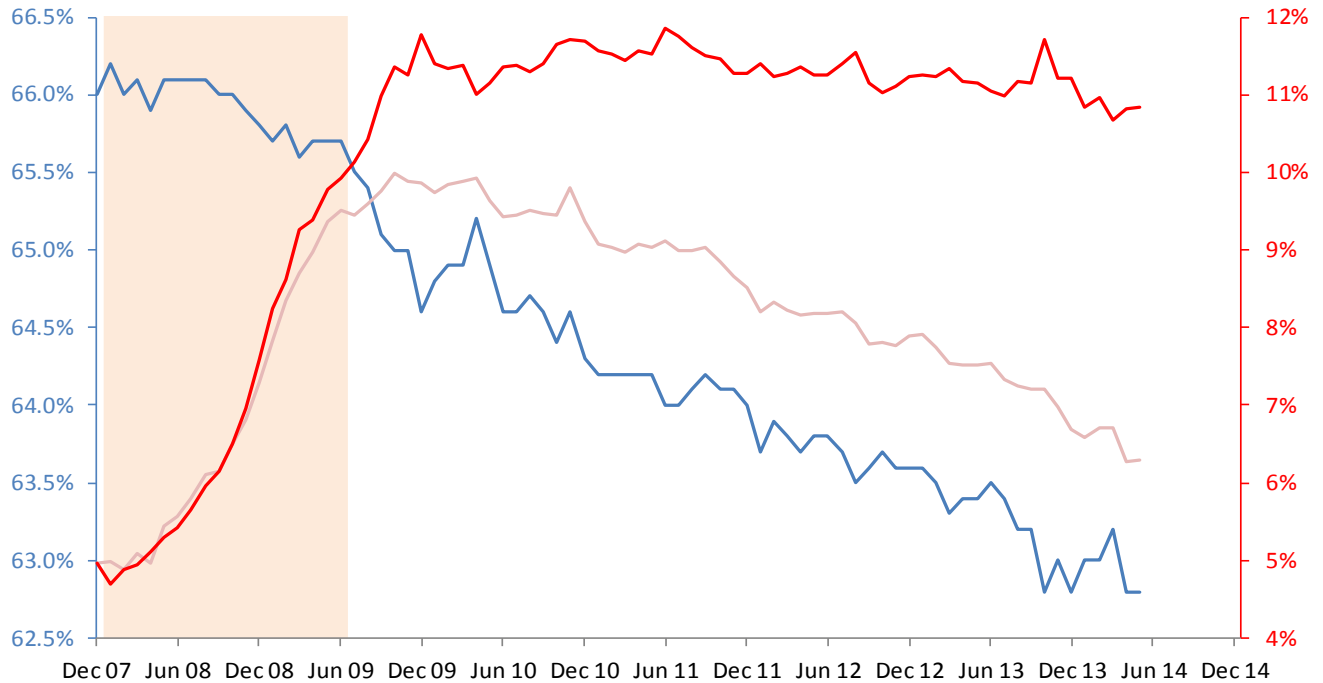
The ultimate jobless recovery

■ Short-term unemployment rate (<27 weeks) ■ Long-term unemployment rate (>27 weeks) ■ Recession



Unemployment rate normalized for participation rate December 2007

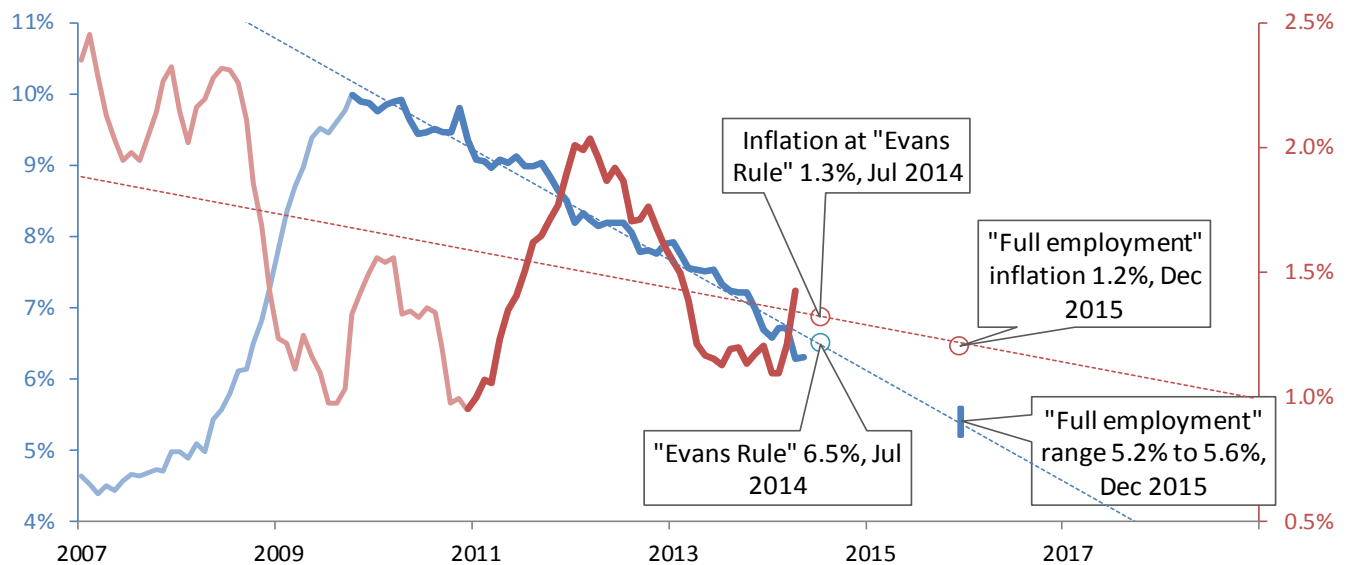
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

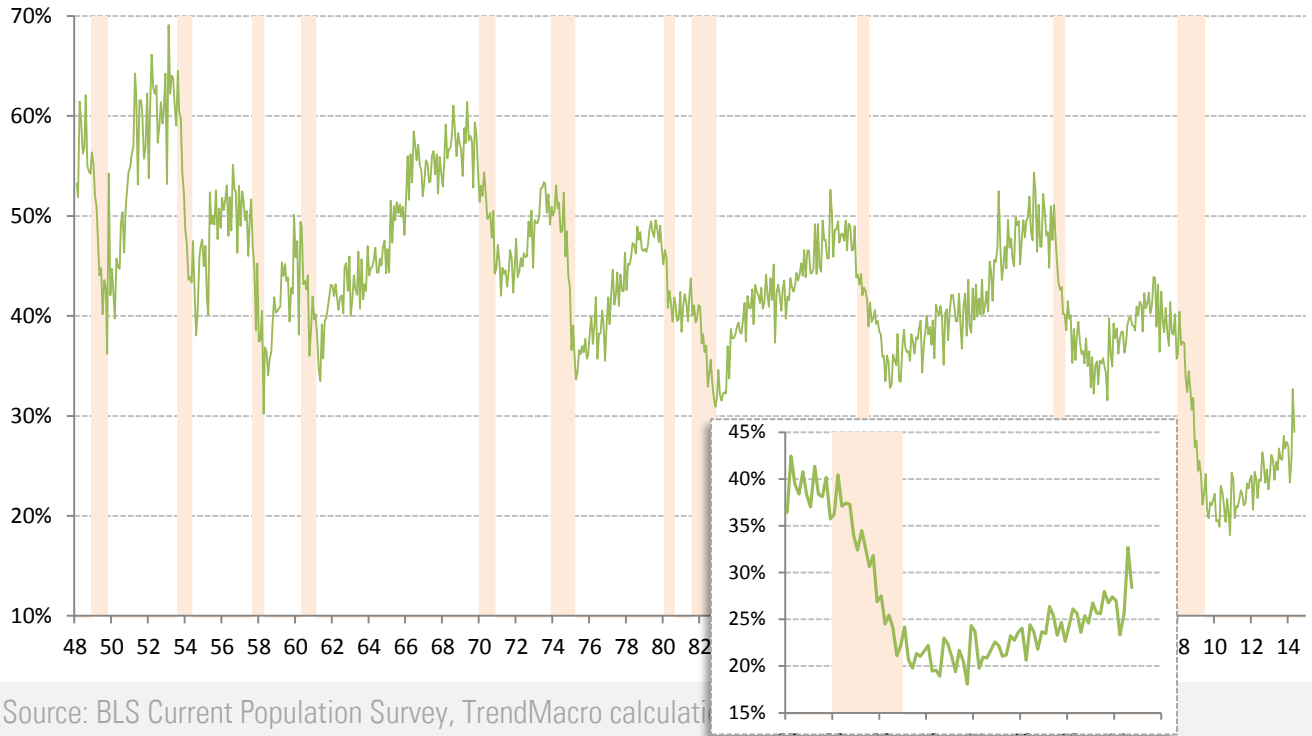
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

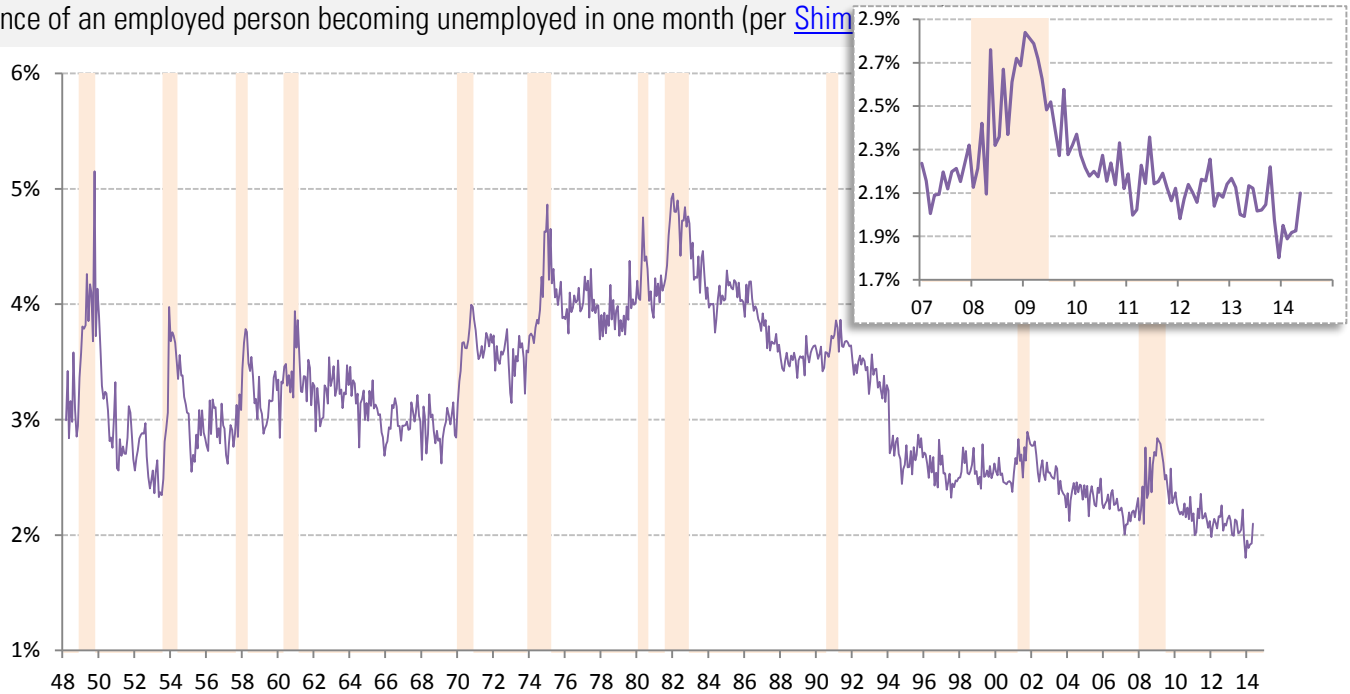
Monthly job-finding probability (the outflow rate from unemployment)

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



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

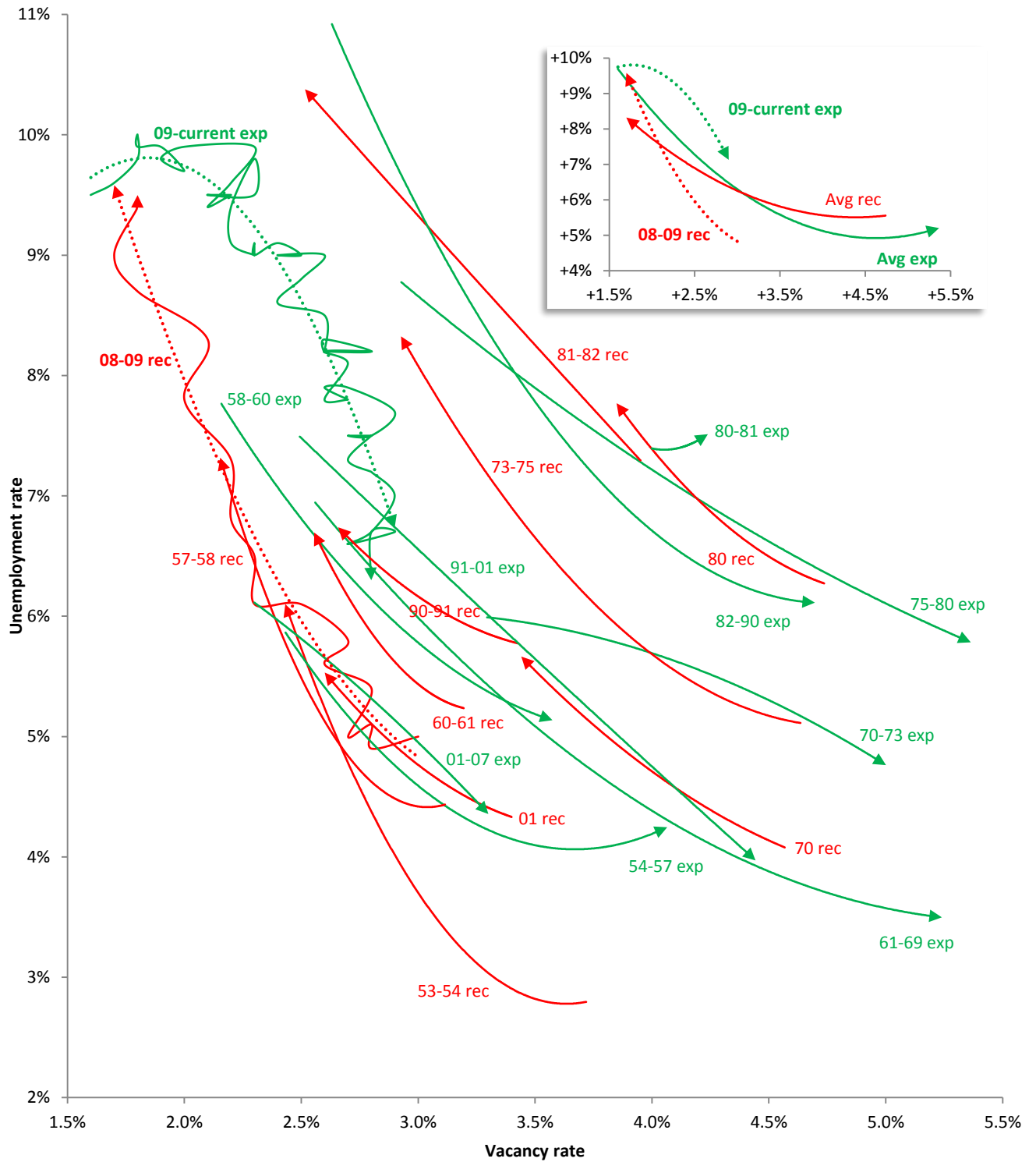
Chance of an employed person becoming unemployed in one month (per [Shim](#)



The Beveridge Curve

Cycle relationship between unemployment and job openings

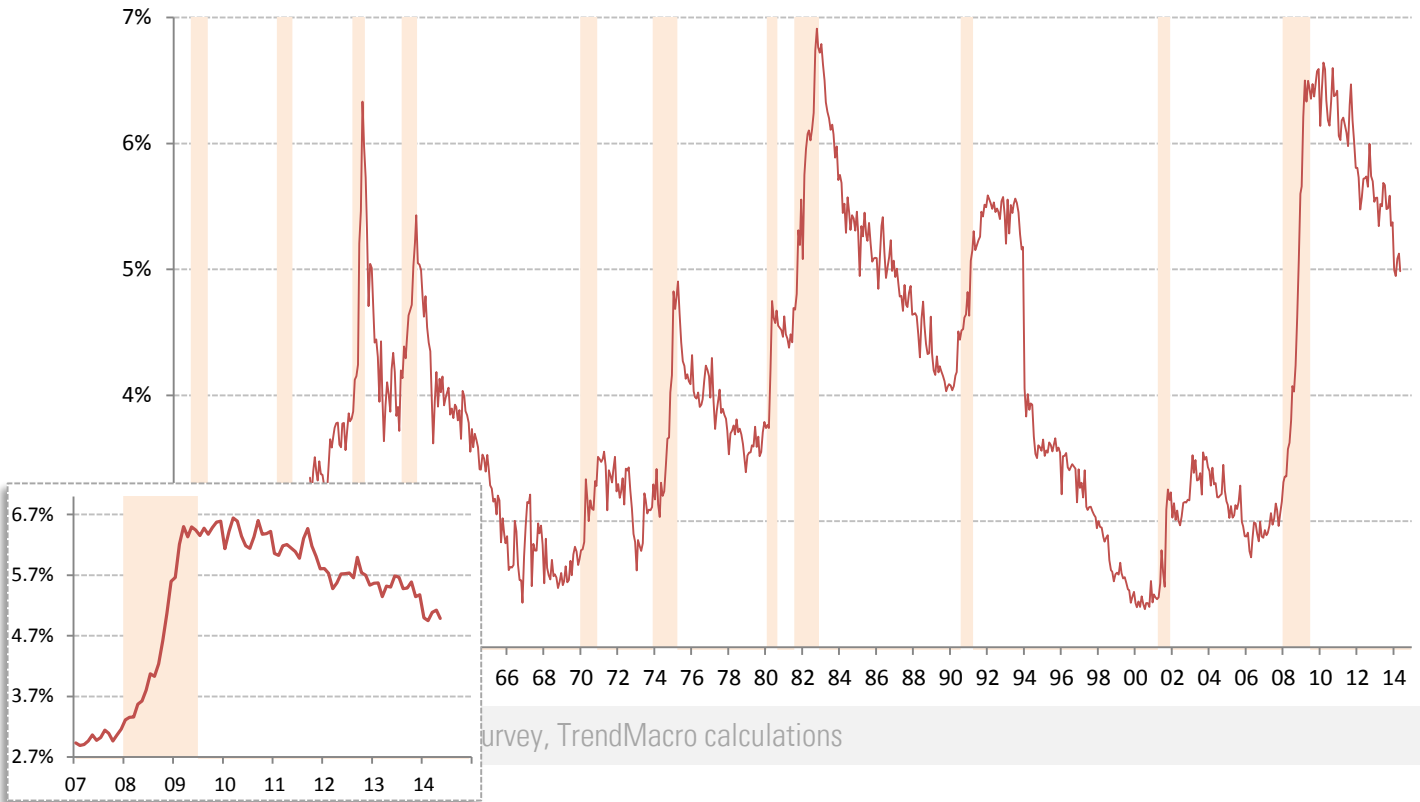
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

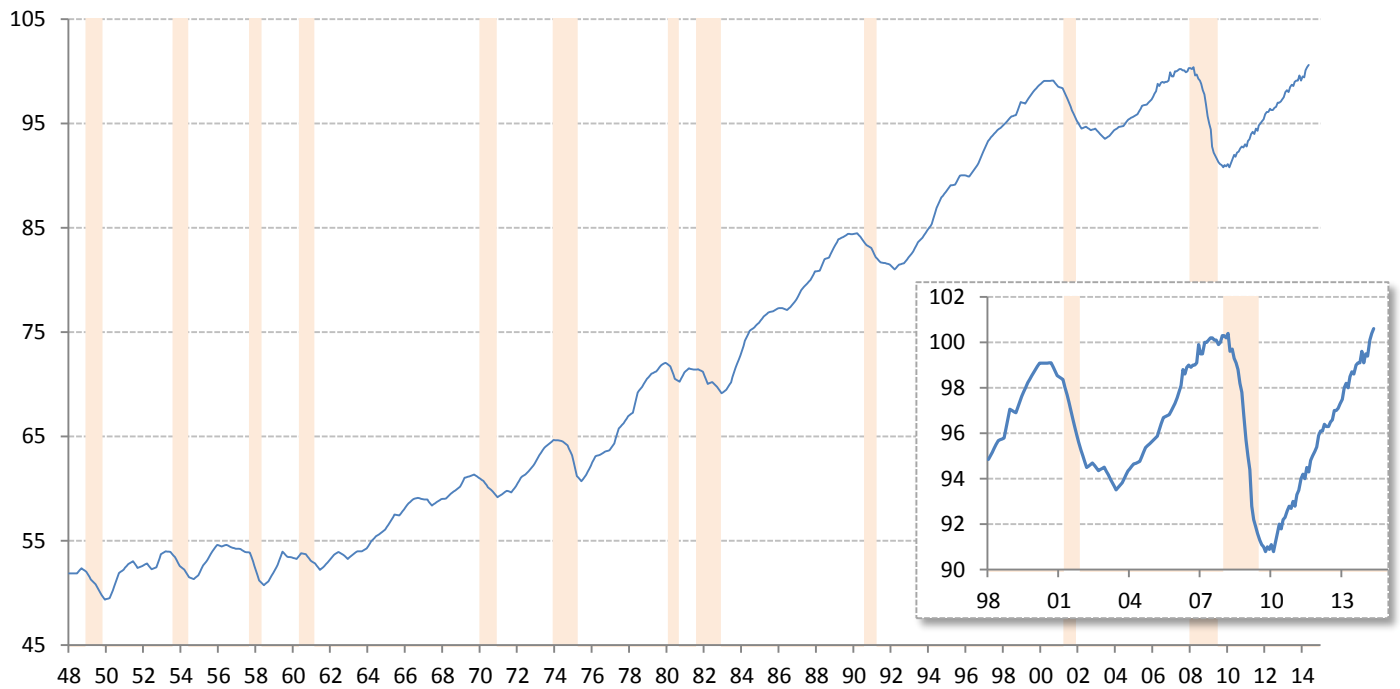
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



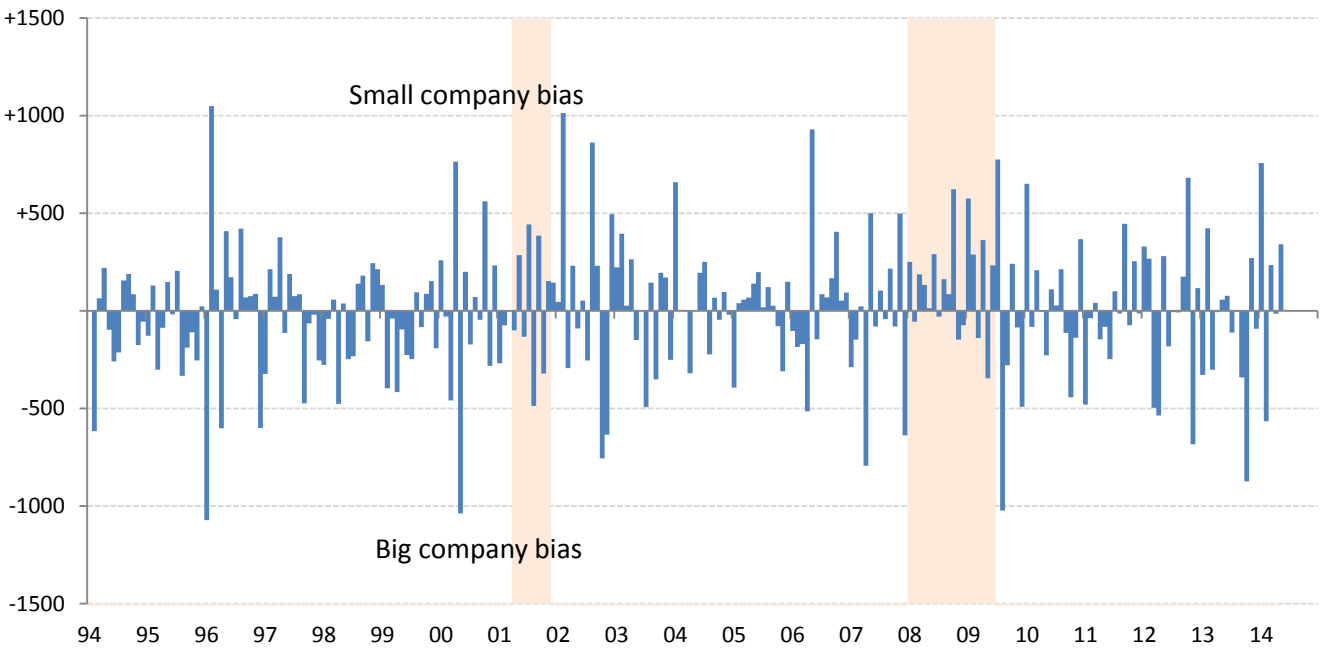
Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



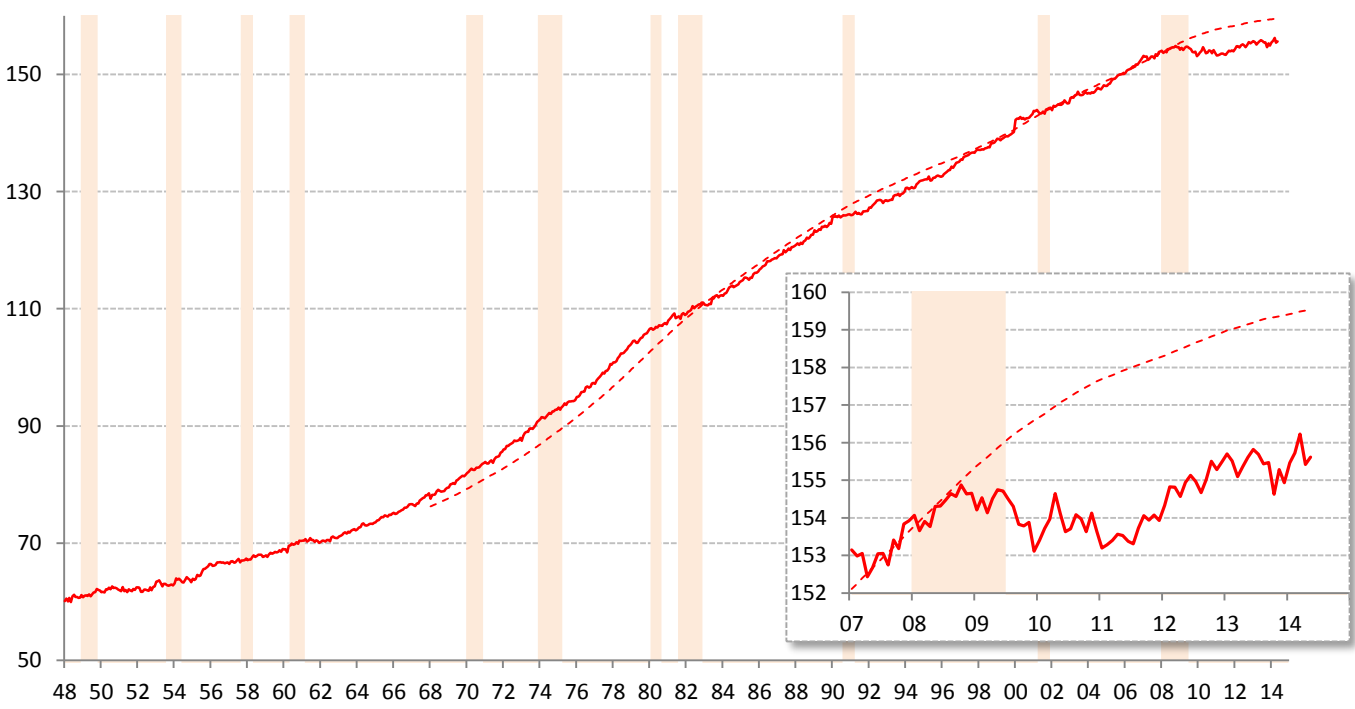
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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