

## Data Insights: Jobs

Thursday, July 3, 2014

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

<b>Non-farm payrolls</b>	Change Jun: +288	Revision May: +7	Revision Apr: +22	
<b>Private payrolls</b>	Change Jun: +262	Revision May: +8	Revision Apr: +8	
<b>Employment</b>	Change Jun: +407			
<b>Unemployment</b>	Change Jun: -325			
<b>Civilian labor force</b>	Change Jun: +81	4.71 million below trend	More than all entrants employed	
<b>Unemployment rate</b>	Jun: 6.09%	Change Jun: -0.21%		
<b>Underemployment rate</b>	Jun: 12.1%	Change Jun: -0.1%		
<b>Participation rate</b>	Jun: 62.8%	Change Jun: unch		
<b>UE adjusted for participation</b>	Jun: 12.2%	Change Jun: -0.20%		
<b>Avg weeks unemployed</b>	Jun: 33.5	Change Jun: -1.0		
<b>% longterm unemployed</b>	Jun: 32.8%	Change Jun: -1.8%		
<b>Agg hours worked index</b>	Jun: 100.8	Change Jun: +0.2%		
<b>Agg weekly earnings</b>	Jun: 117.6	Change Jun: +0.4%		
<b>Monthly job-finding probability</b>	Jun: 30.4%	Change Jun: +2.0%		
<b>Monthly separation probability</b>	Jun: 1.9%	Change Jun: -0.2%		
<b>% involuntary part-time</b>	Jun: 5.2%	Change Jun: +0.2%		
<b>"Household" vs "Payroll" jobs</b>	Change Jun: +85			

Source: Bureau of Labor Statistics, TrendMacro calculations

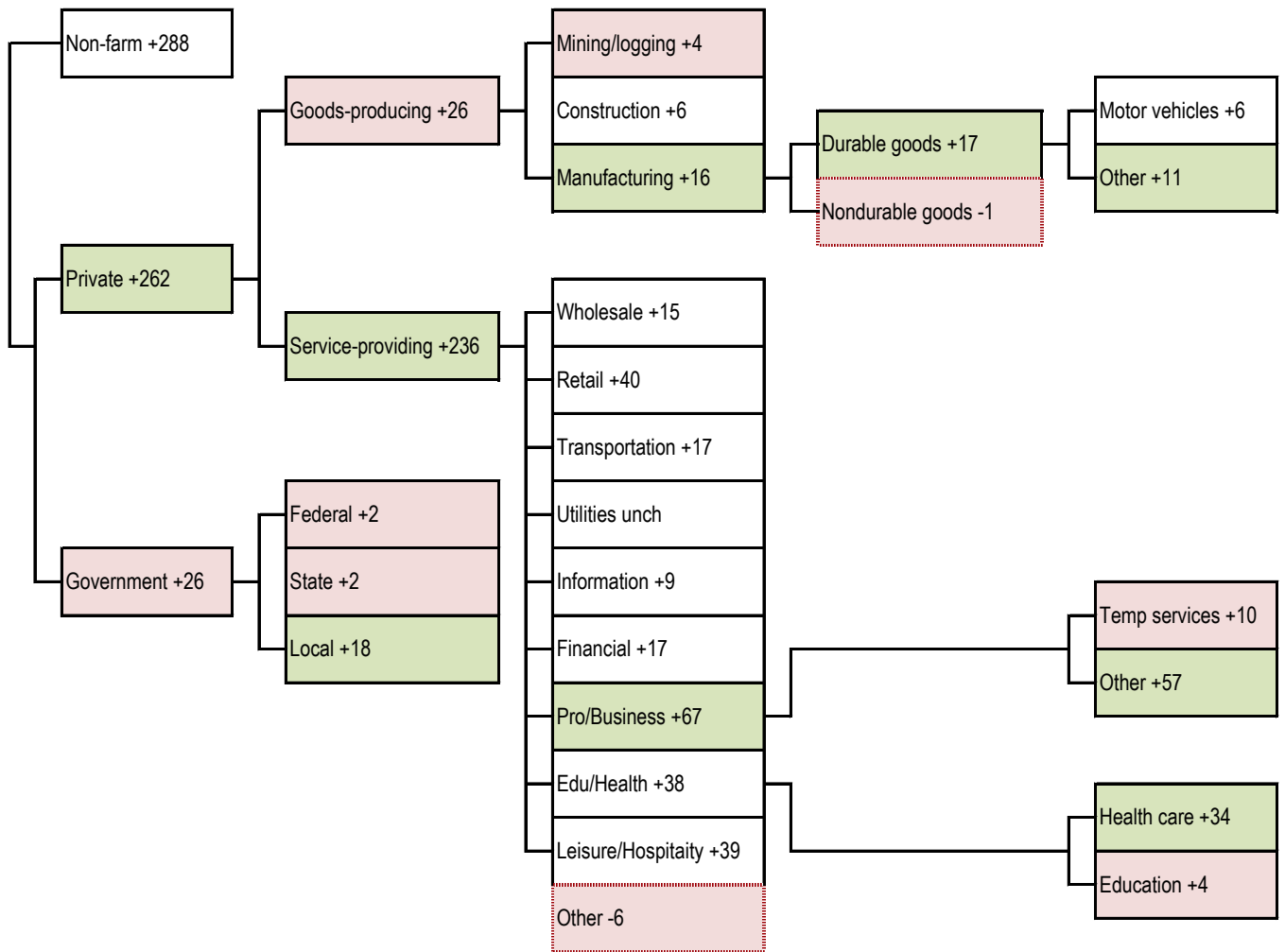
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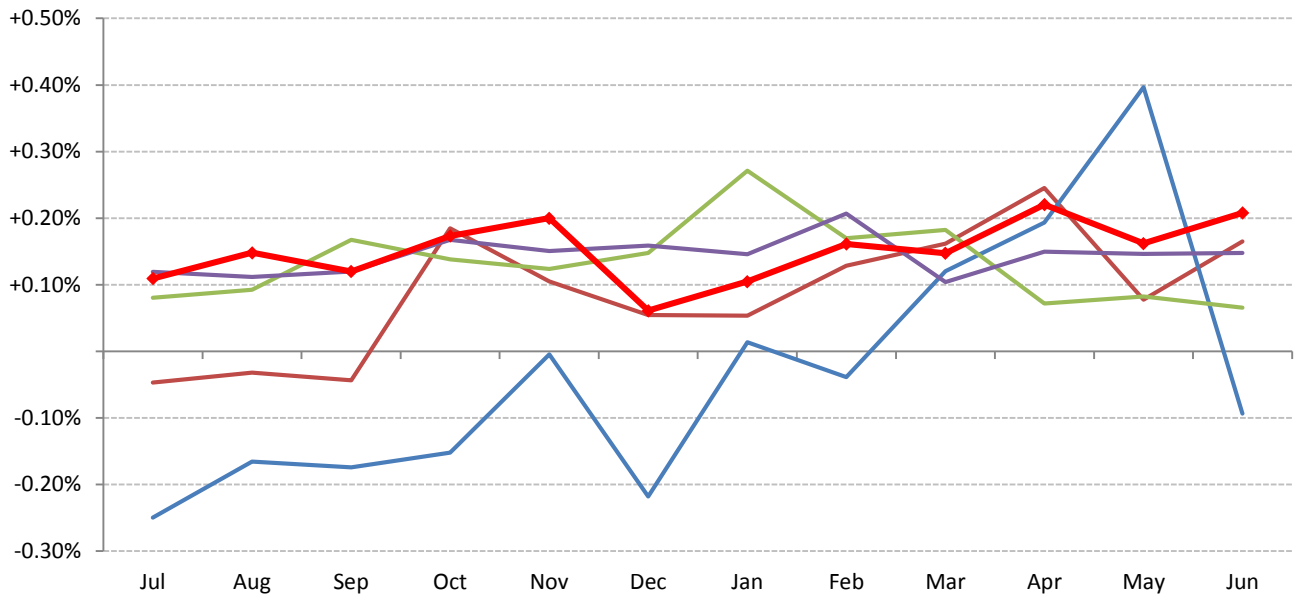
# Today's payroll data: what you need to know -- where did the jobs come from?

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



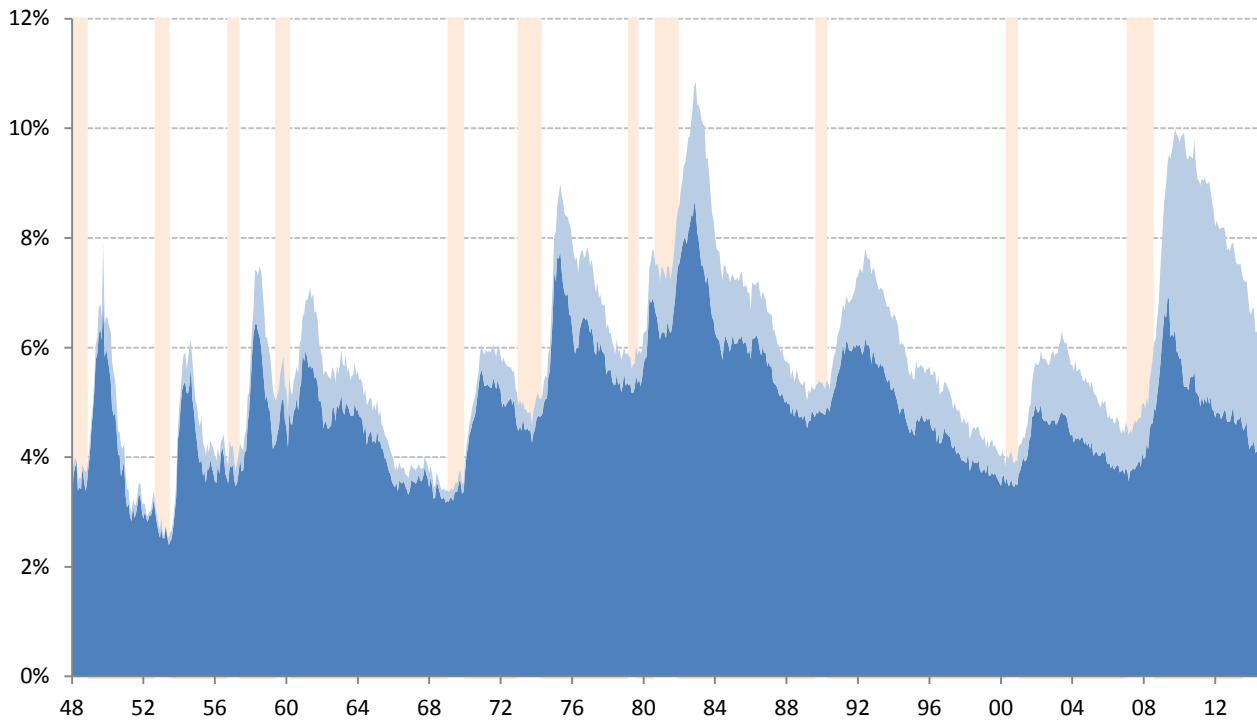
## The payroll cycle in the Not So Great Expansion following the Great Recession

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



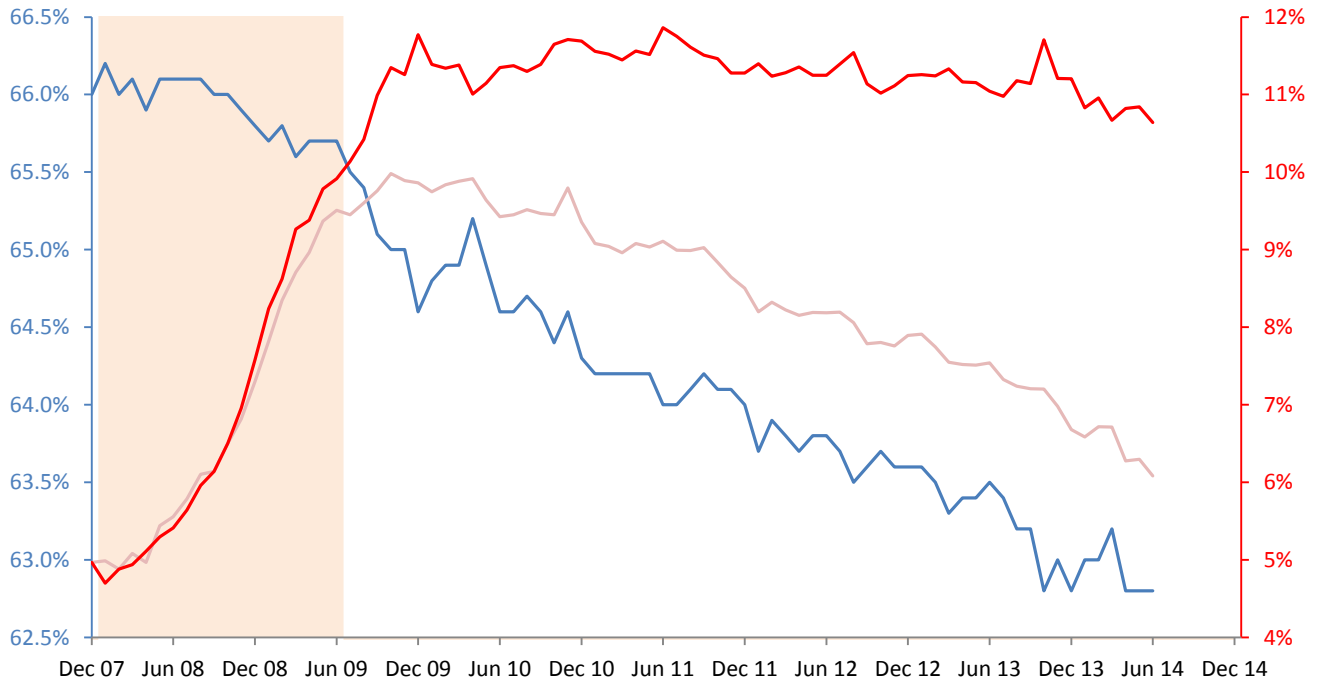
## The ultimate jobless recovery

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



## Unemployment rate normalized for participation rate December 2007

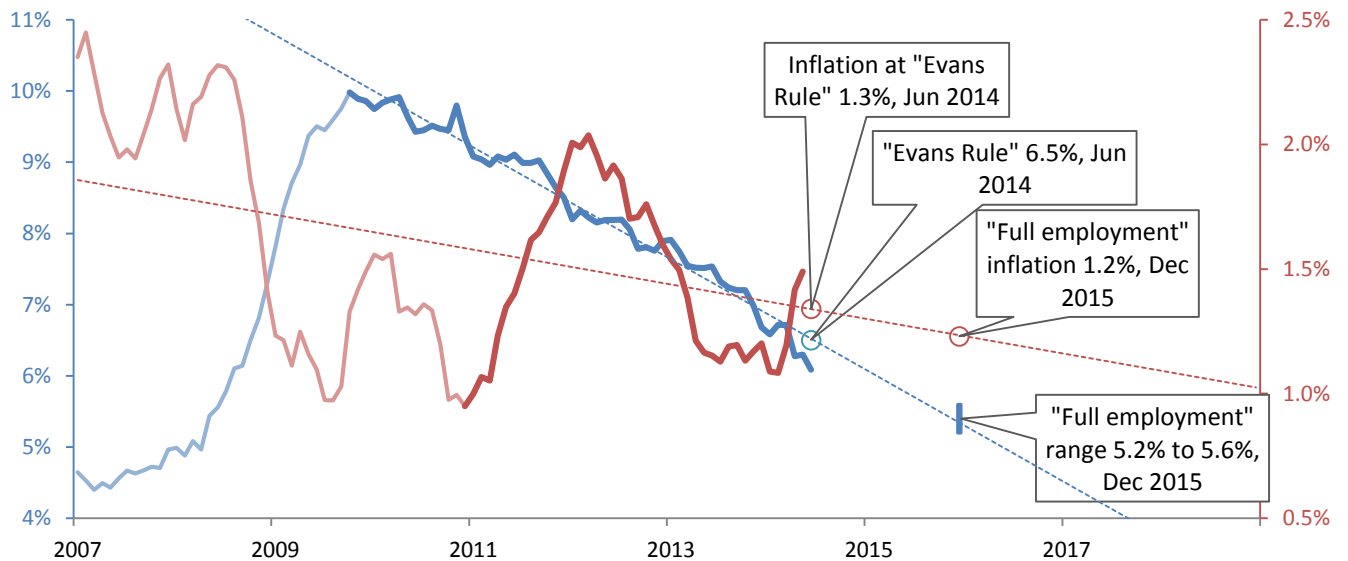
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

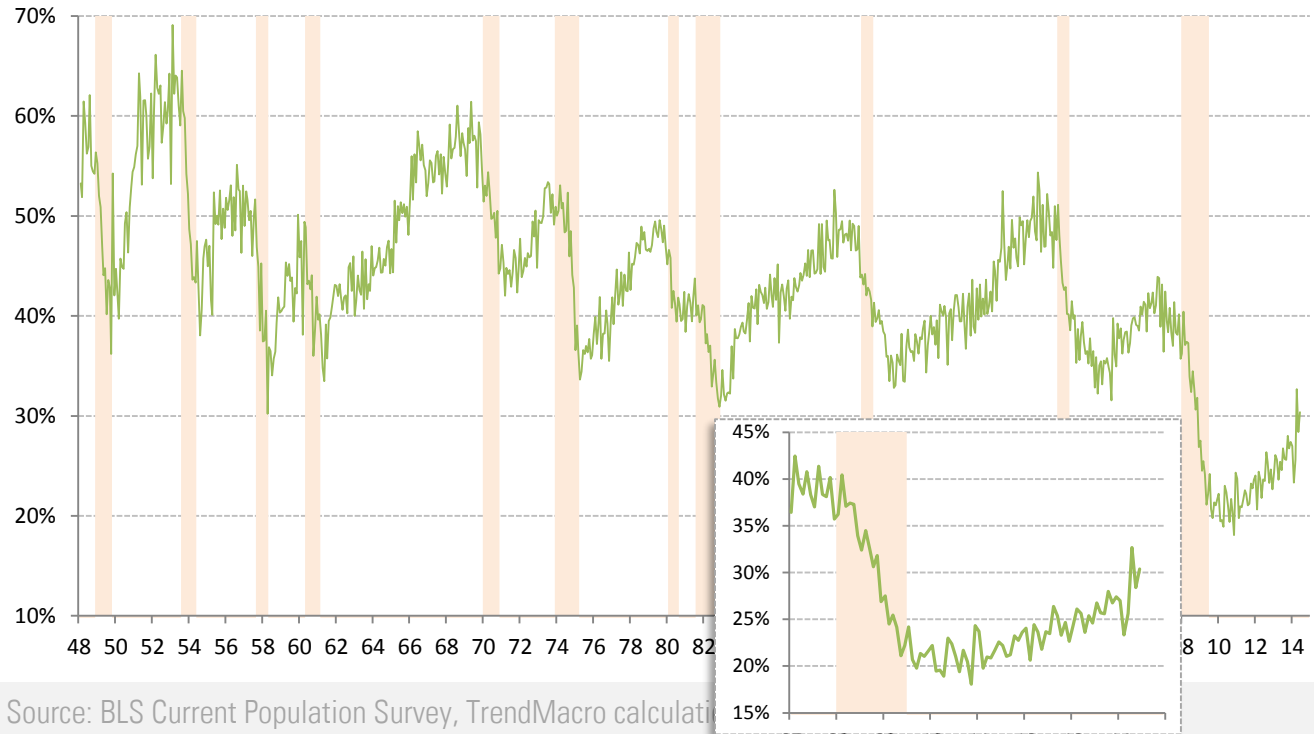
— Unemployment rate — Trend from peak — Core PCE inflation YOY — Trend from trough



Source: BLS, BEA, TrendMacro calculations

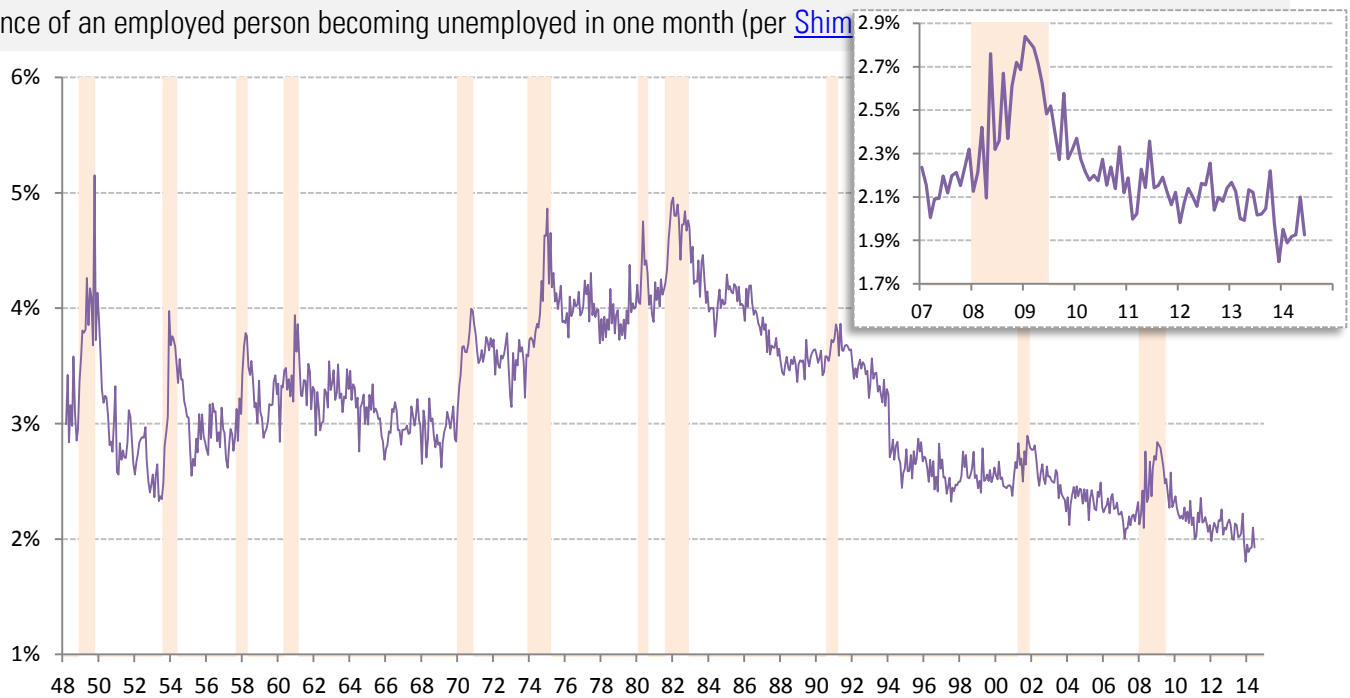
## Monthly job-finding probability (the outflow rate from unemployment)

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



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

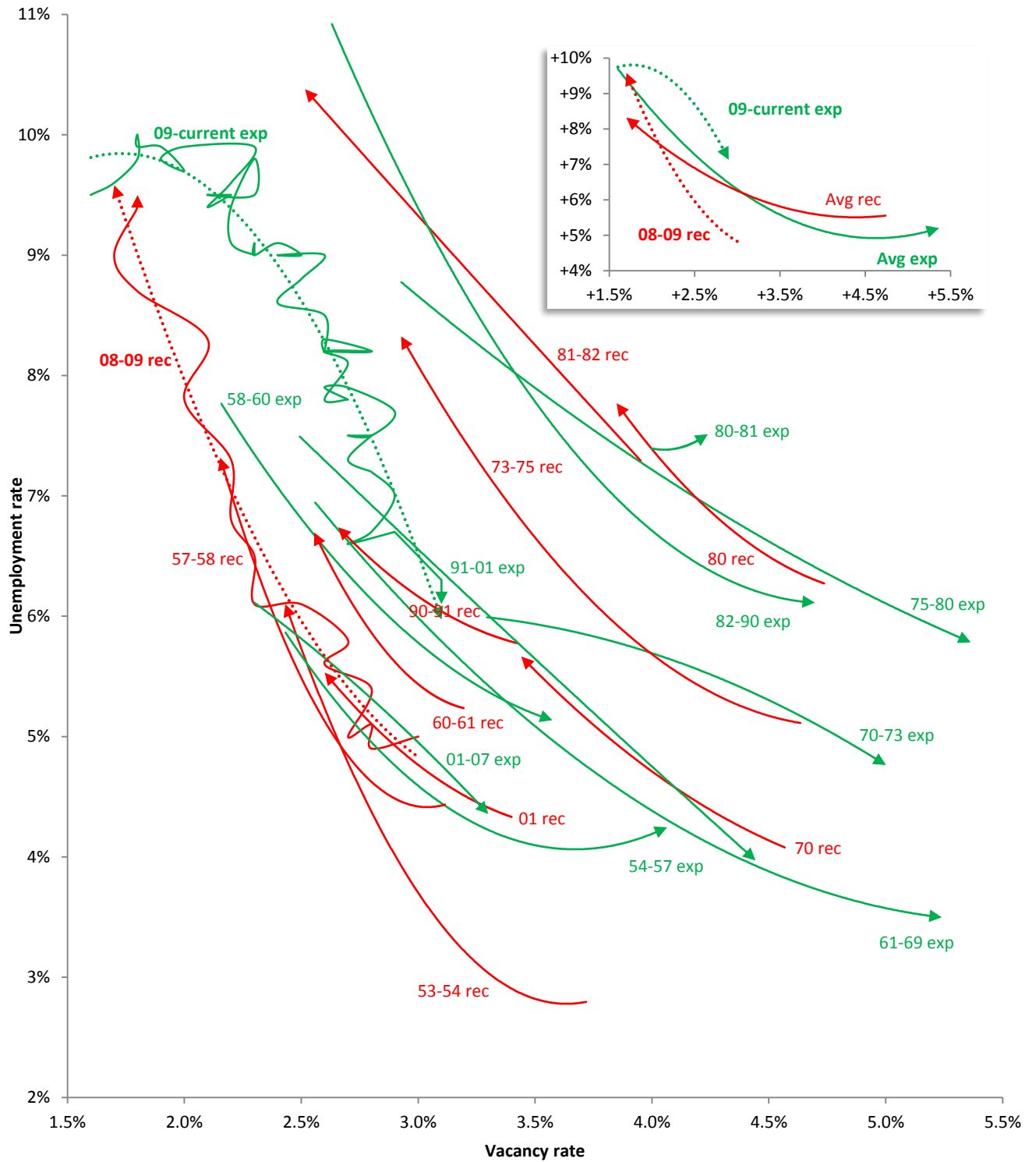
Chance of an employed person becoming unemployed in one month (per [Shim](#)



# The Beveridge Curve

Cycle relationship between unemployment and job openings

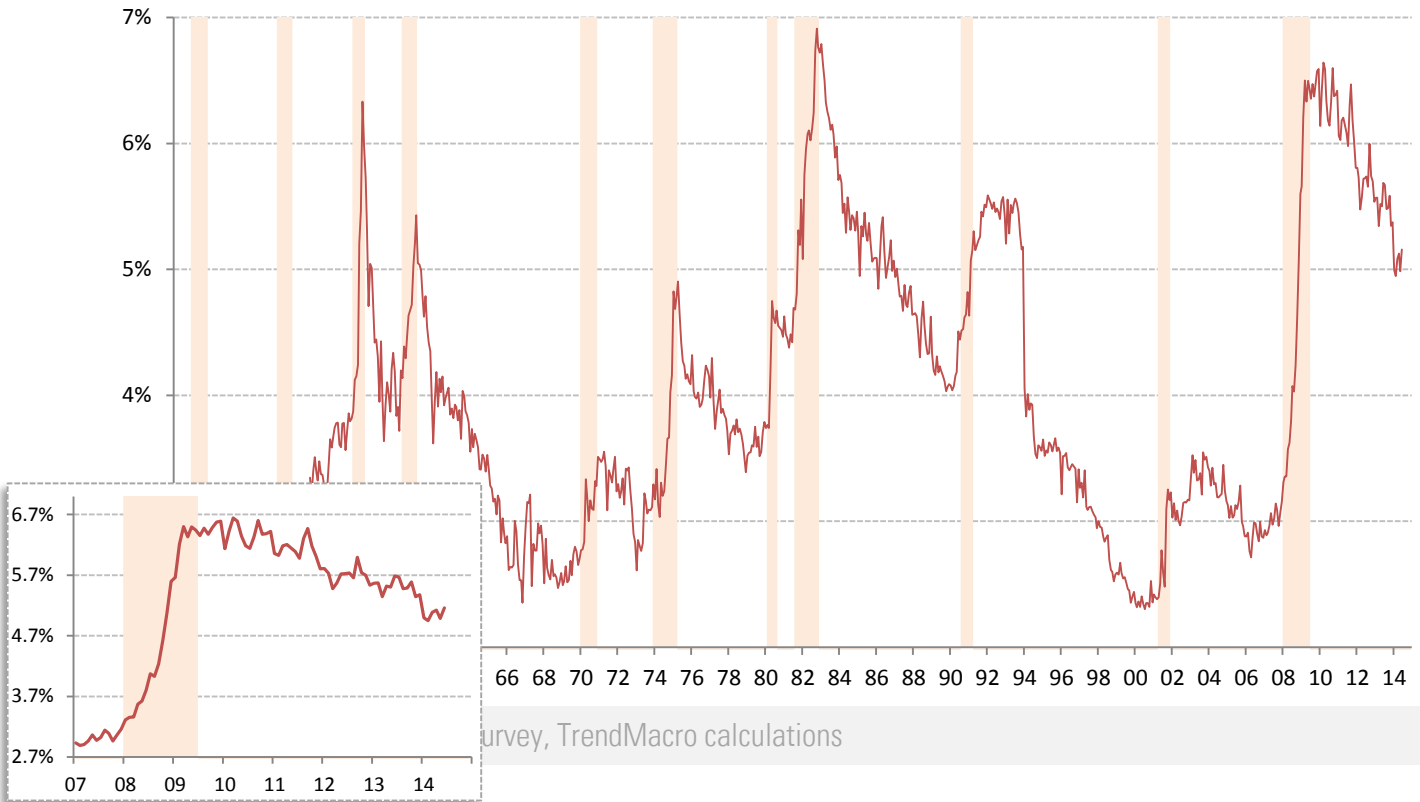
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

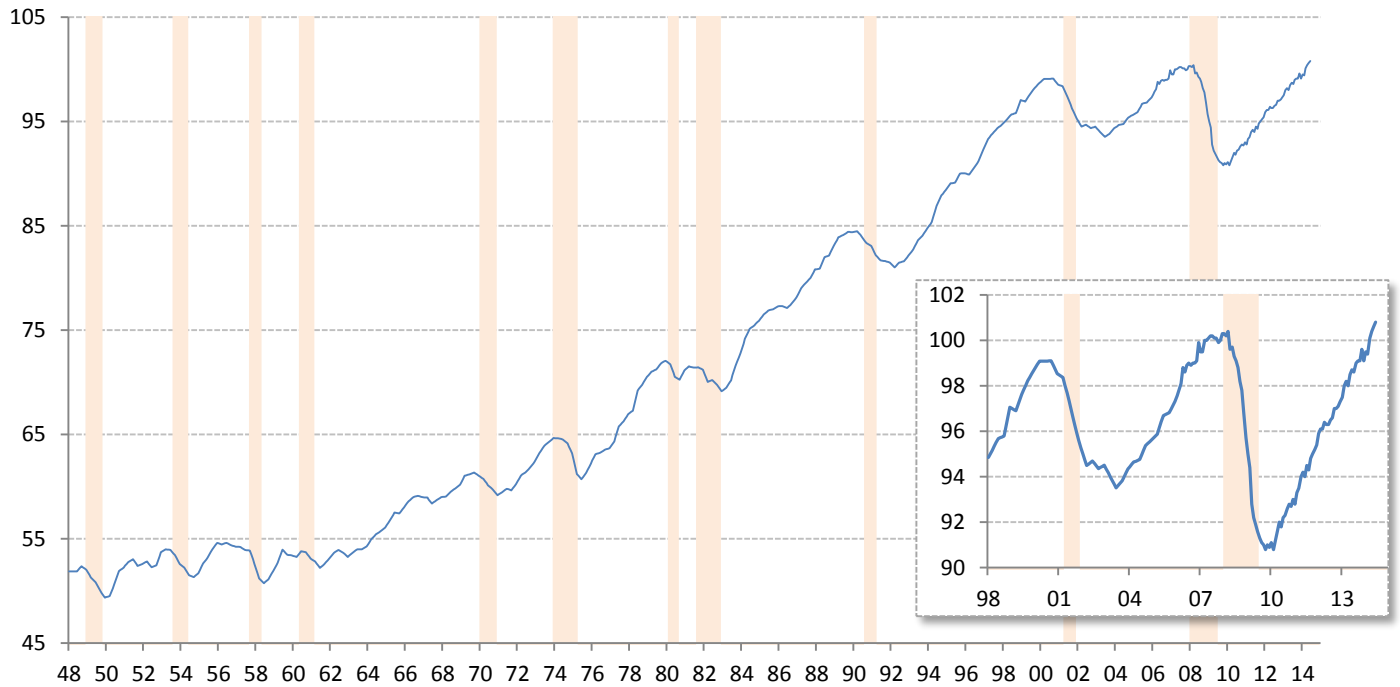
Persons available for full-time work ■ Recession



Survey, TrendMacro calculations

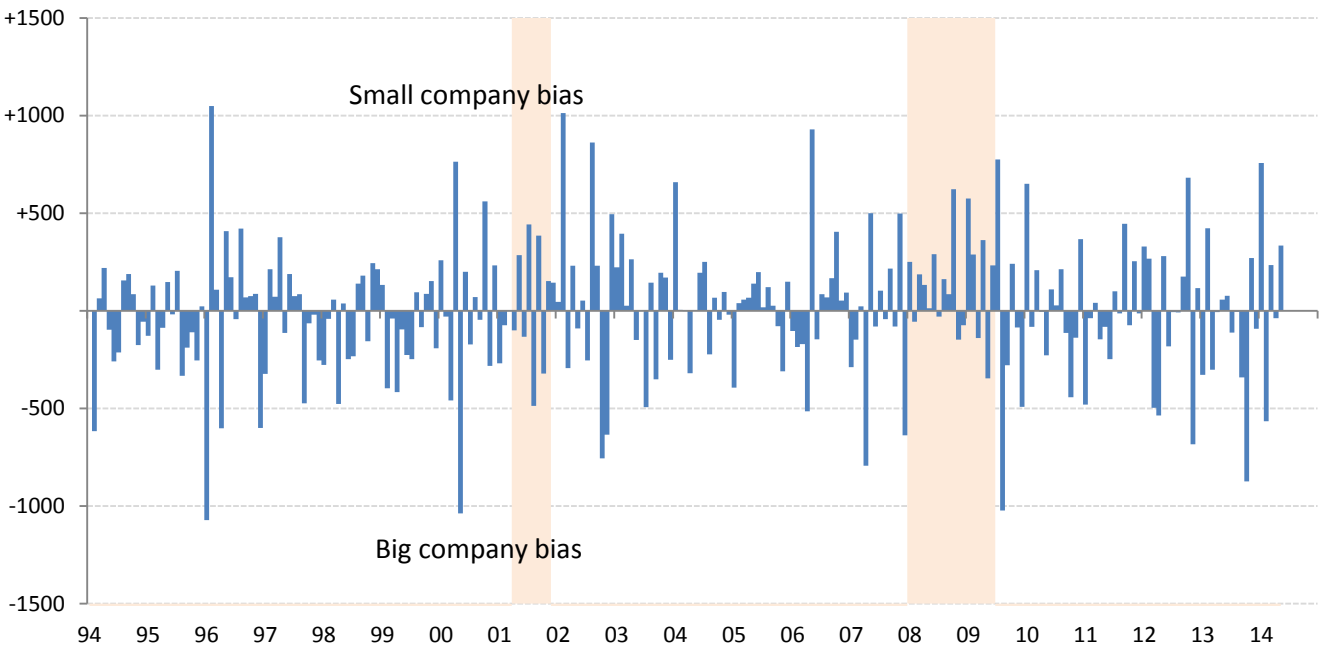
## Aggregate weekly private hours-worked index

■ Recession



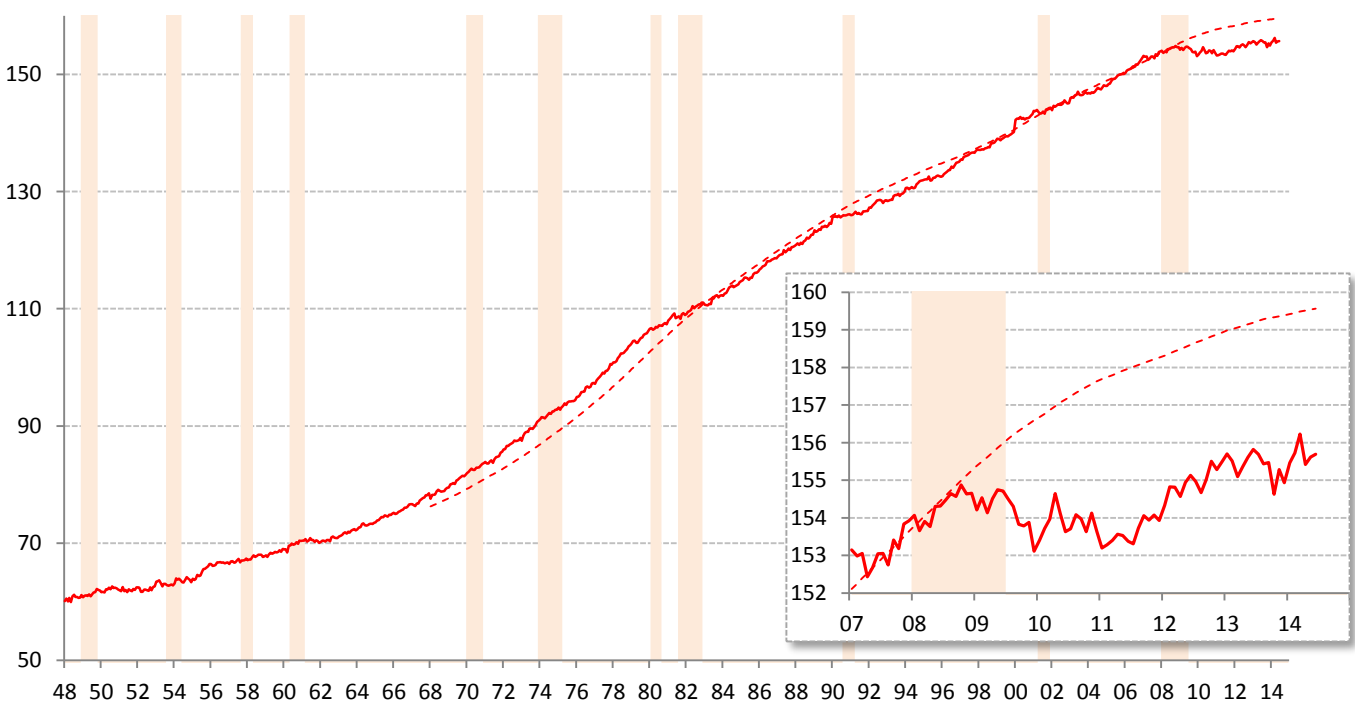
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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