










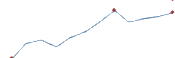
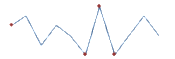



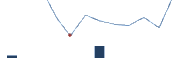

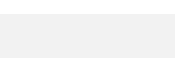


Data Insights: Jobs

Friday, June 3, 2016

Today's jobs data: what you need to know

| | | | | |
|--|------------------|--------------------------|----------------------------------|---|
| Non-farm payrolls | Change May: +38 | Revision Apr: -37 | Revision Mar: -22 |  |
| Private payrolls | Change May: +25 | Revision Apr: -41 | Revision Mar: -17 |  |
| Employment | Change May: +26 | | |  |
| Unemployment | Change May: -484 | | |  |
| Long-term unemployment | Change Apr: -231 | | |  |
| Civilian labor force | Change May: -458 | 4.72 million below trend | More than all leavers unemployed |  |
| Unemployment rate | May: 4.69% | Change May: -0.29% | |  |
| Underemployment rate | May: 9.7% | Change May: unch | |  |
| Participation rate | May: 62.6% | Change May: -0.2% | |  |
| UE adjusted for participation | May: 9.6% | Change May: +0.01% | |  |
| Average weeks unemployed | May: 26.7 | Change May: -1.0 | |  |
| % longterm unemployed | May: 25.1% | Change May: -0.6% | |  |
| Aggregate hours worked index | May: 105.2 | Change May: +0.1% | Revision Apr: -0 |  |
| Average hourly earnings | May: +0.2% | Change May: -0.2% | Revision Apr: +0.1% |  |
| Aggregate weekly earnings | May: 128.6 | Change May: +0.2% | Revision Apr: -0.4 |  |
| Monthly job-finding probability | May: 34.0% | Change May: +1.5% | |  |
| Monthly separation probability | May: 1.7% | Change May: -0.2% | |  |
| % involuntary part-time | May: 4.3% | Change May: +0.3% | |  |
| "Household" vs "Payroll" jobs | Change May: -143 | | |  |

Source: Bureau of Labor Statistics, TrendMacro calculations

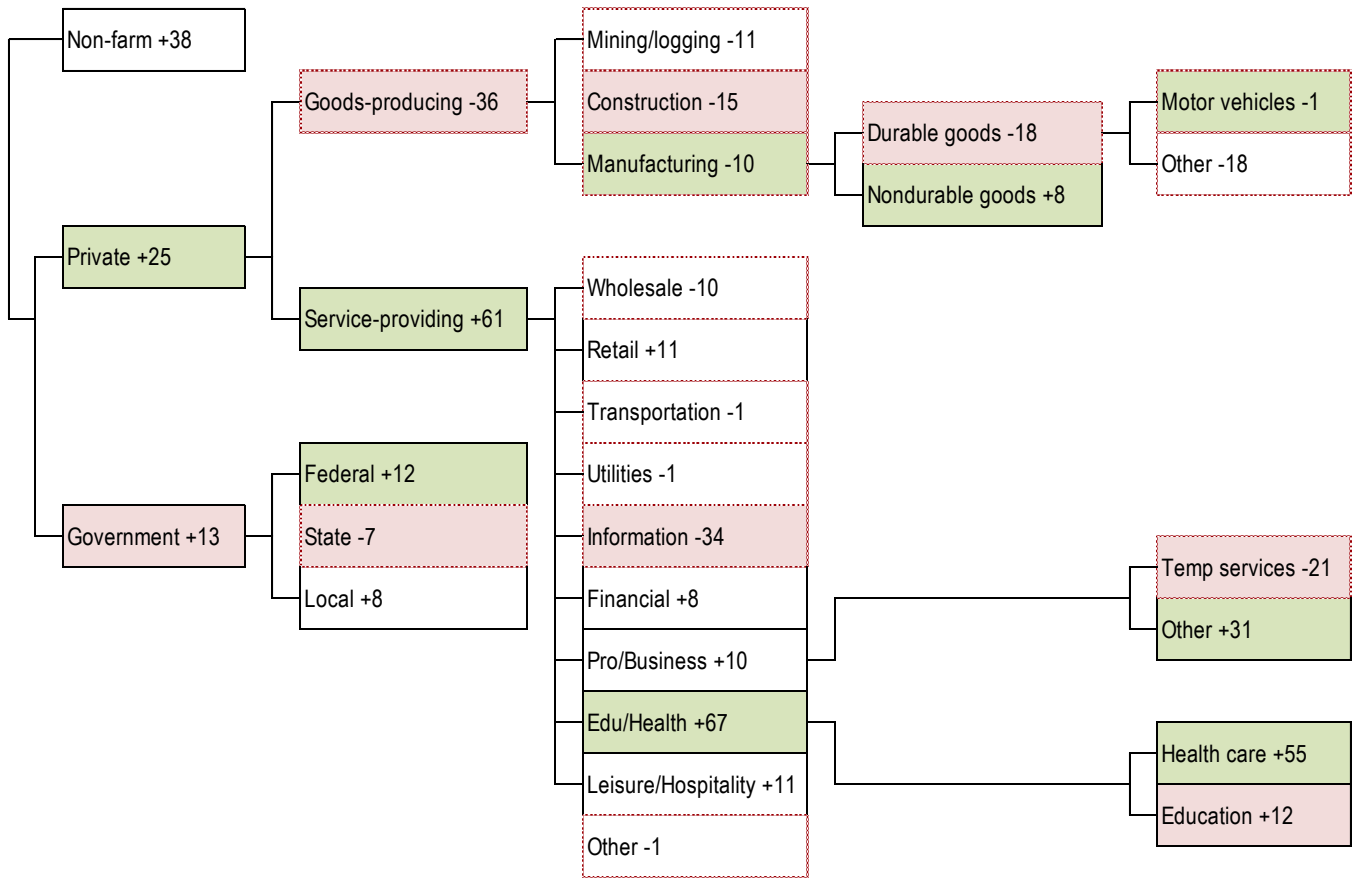
For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com

Thomas Demas: 704 552 3625 tdemas@trendmacro.com

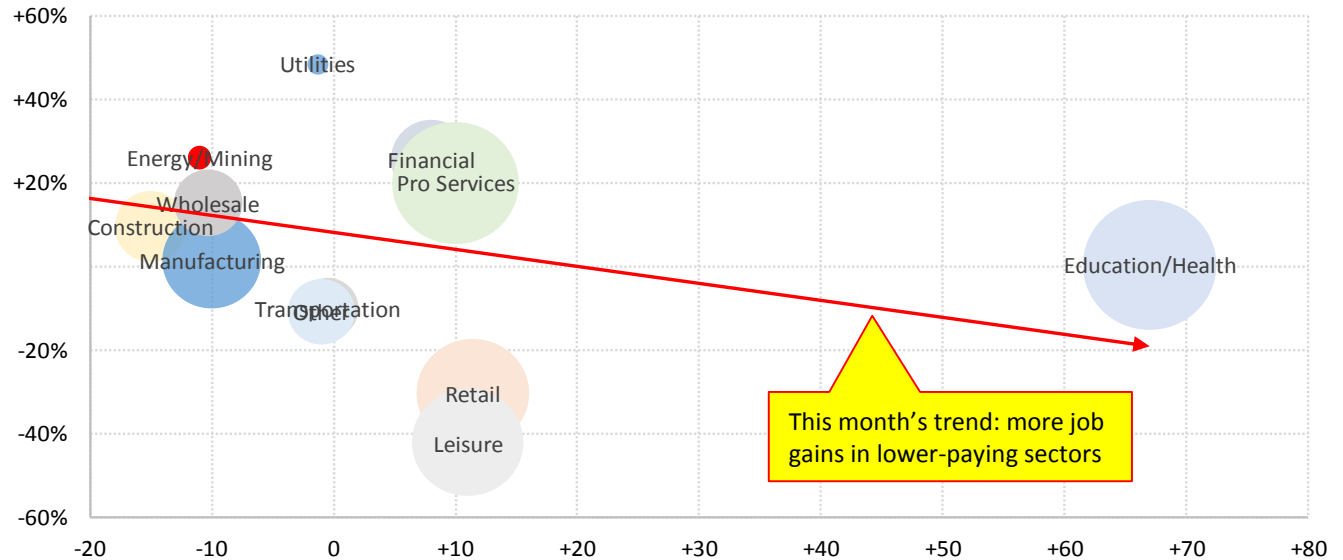
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

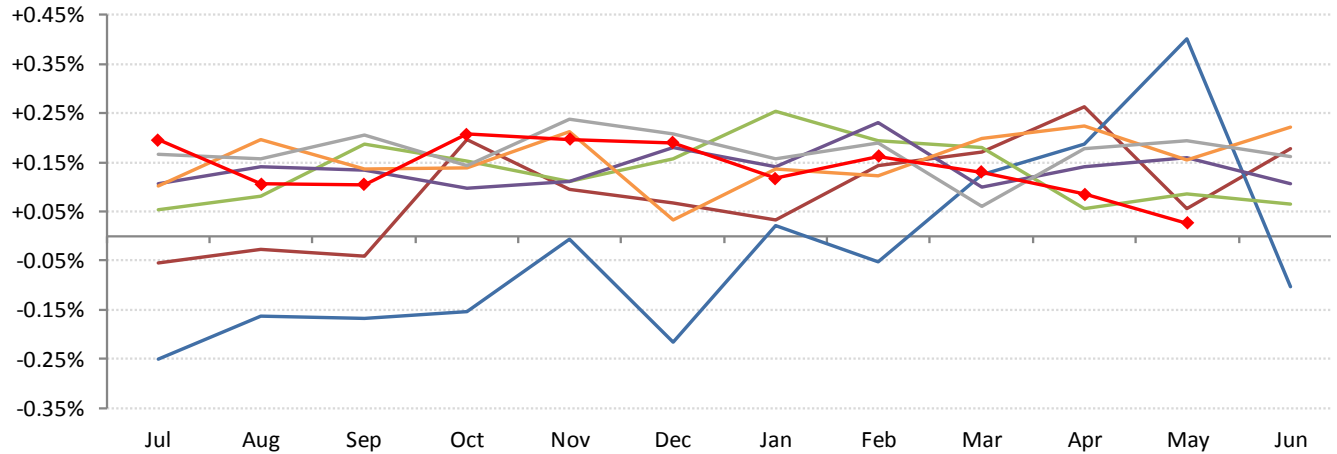
Left: Hourly wages vs average Right: Payrolls gains/losses this month Size of circle: Portion of all employment



Source: BLS, TrendMacro calculations

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

Payroll growth MOM from July — 09-10 — 10-11 — 11-12 — 12-13 — 13-14 — 14-15 — 2015-16

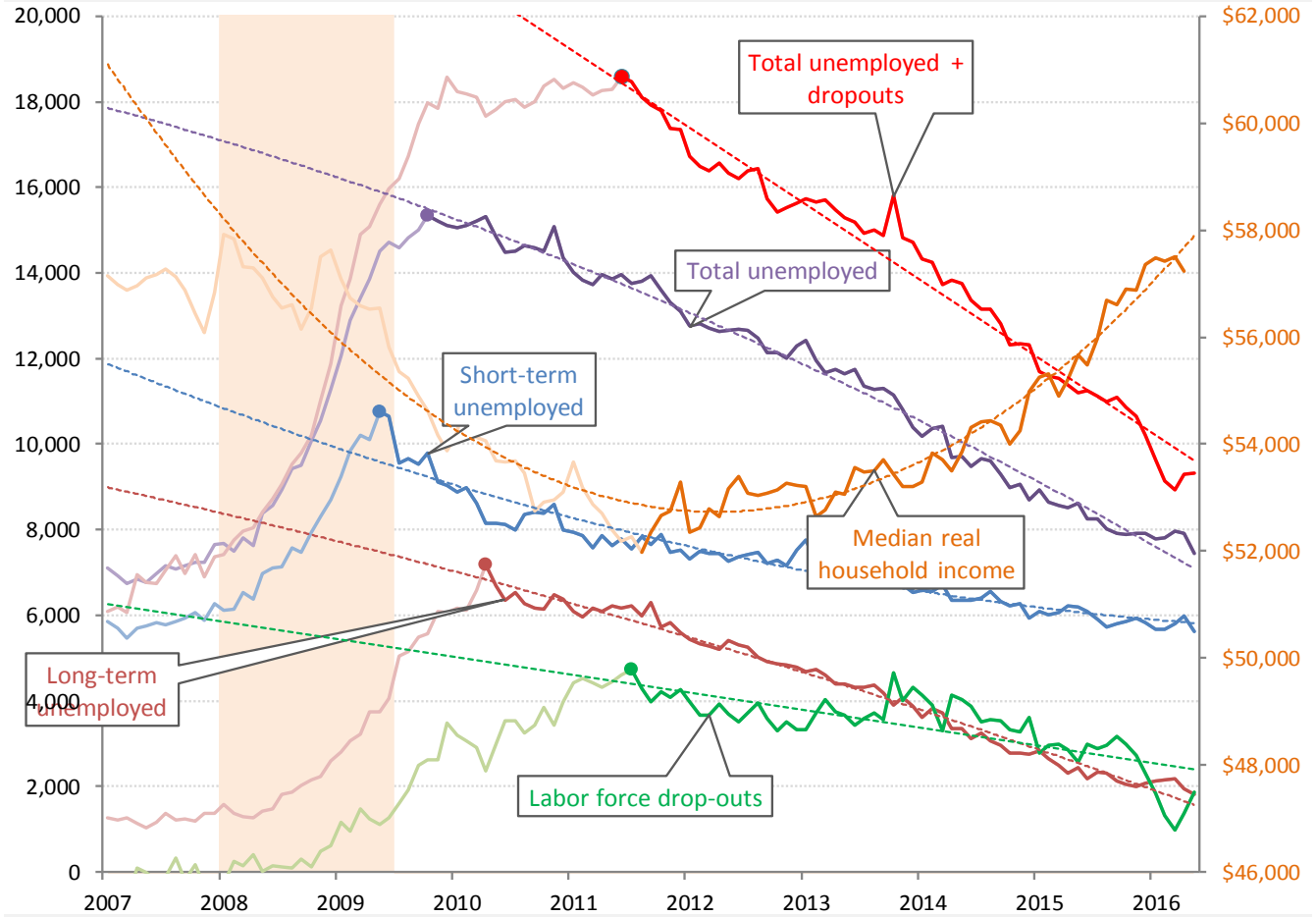


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

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

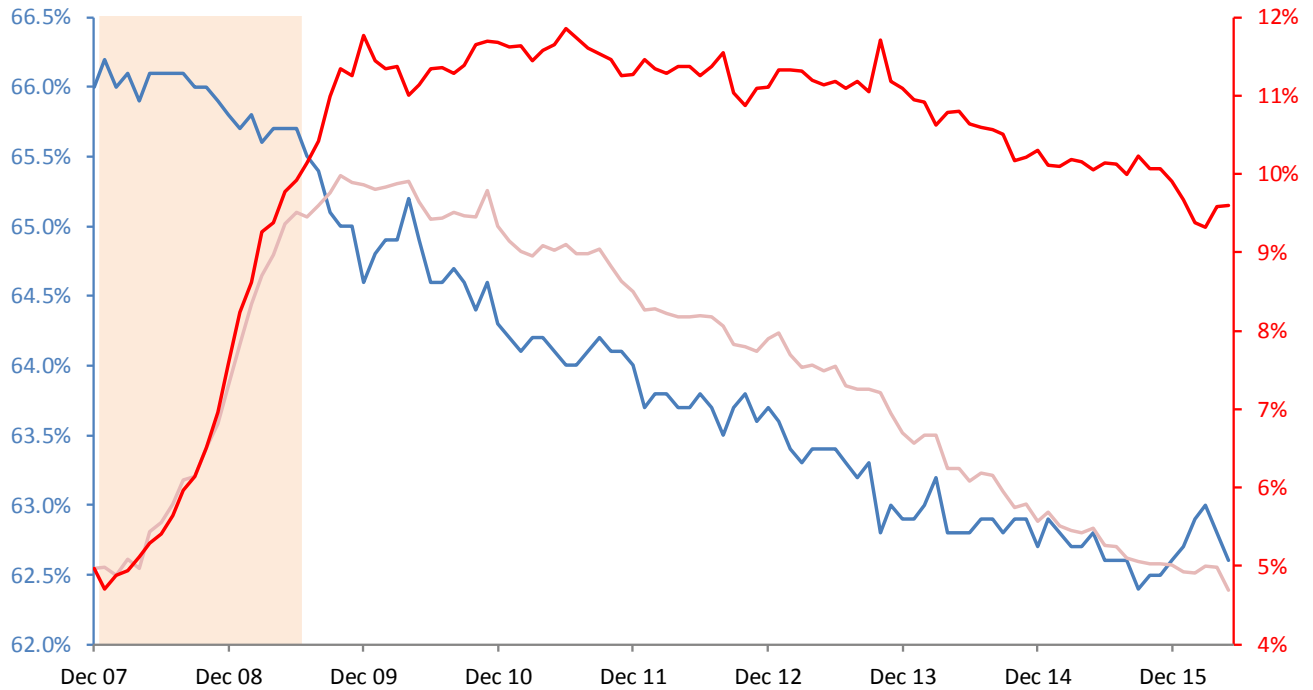
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

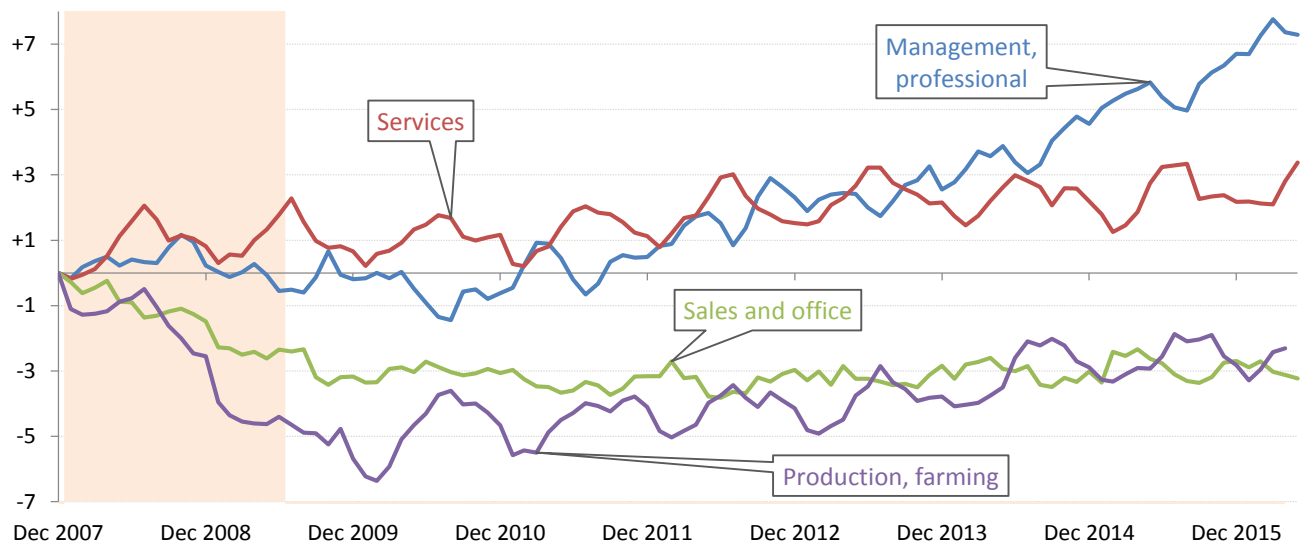
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

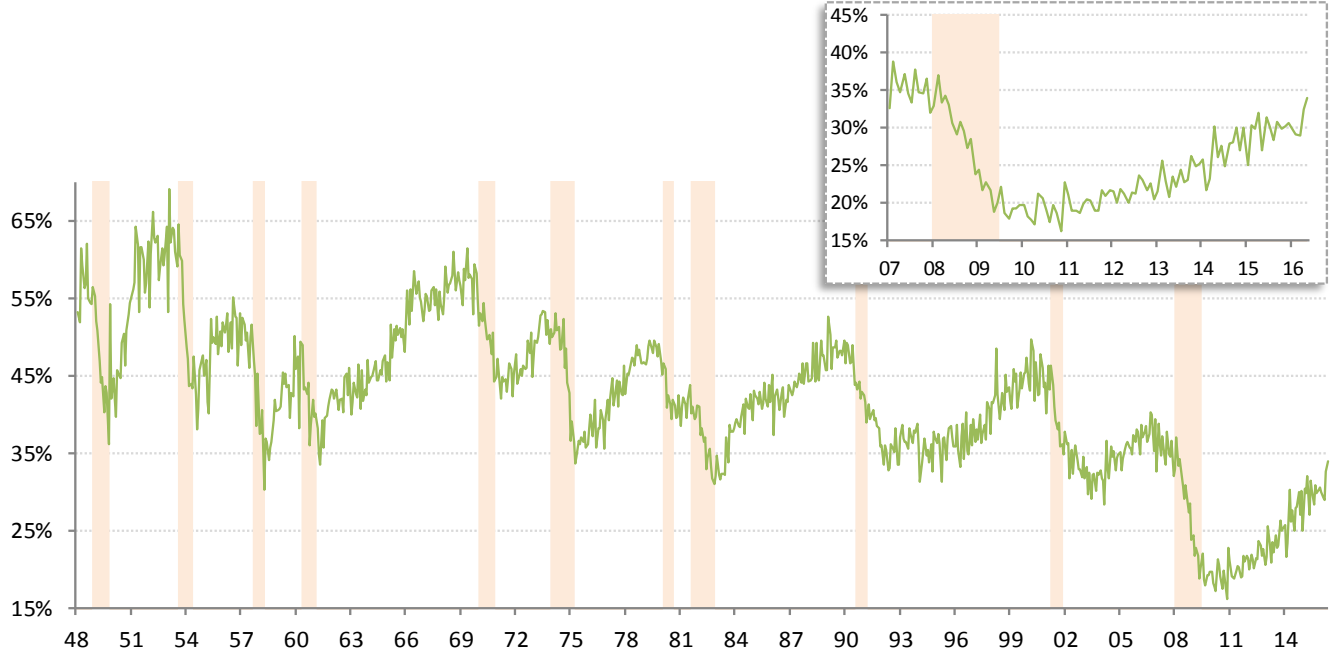
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

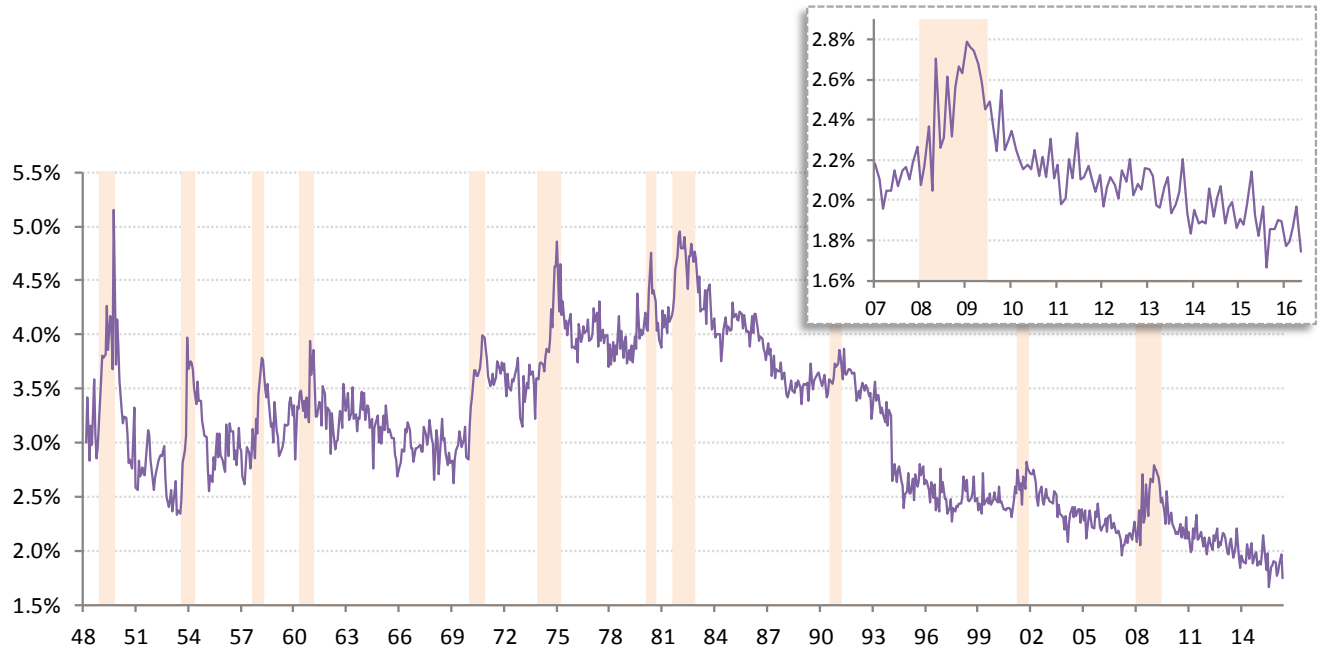
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

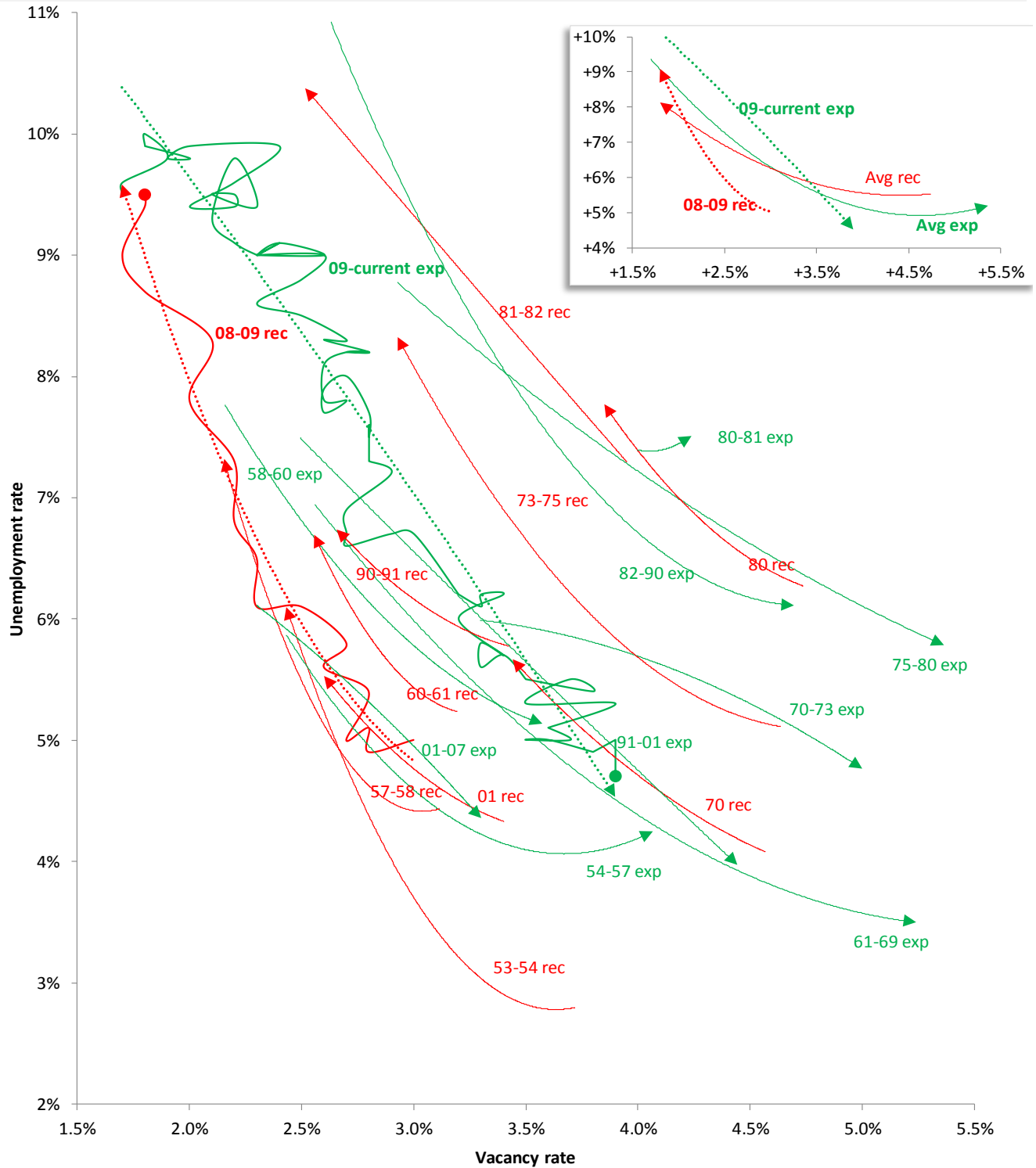
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

The Beveridge Curve Cycle relationship between unemployment and job openings

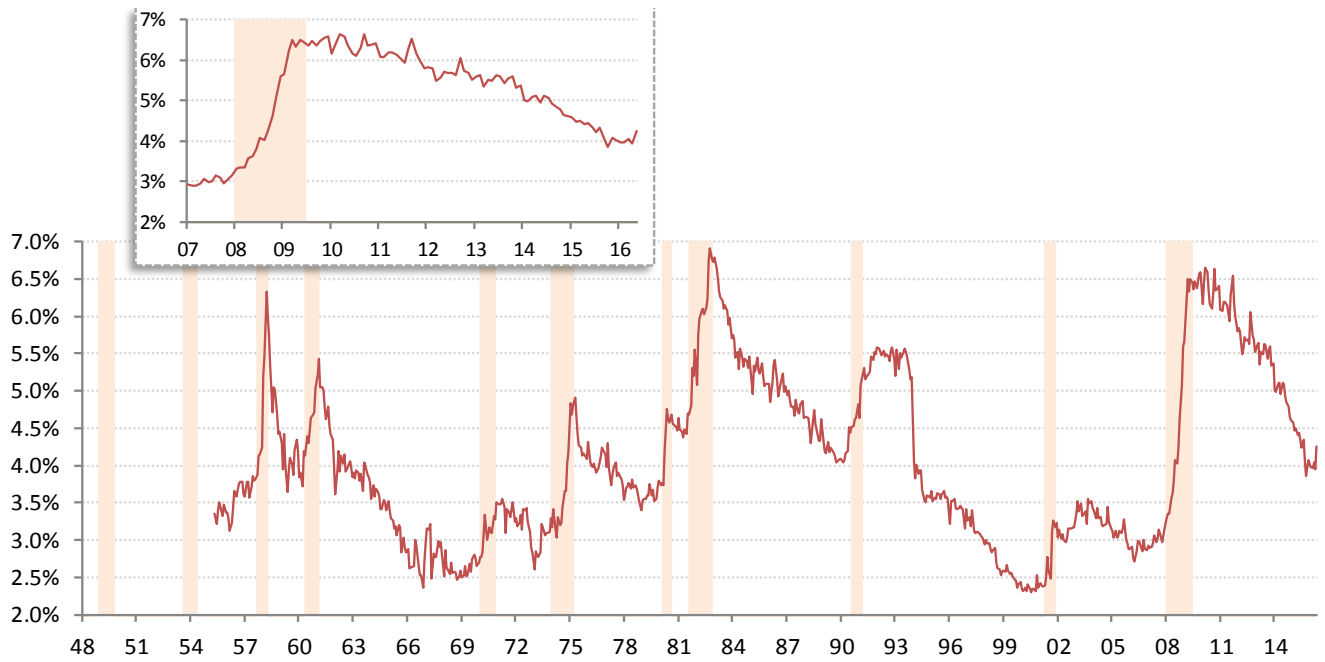
— Expansion — Recession Polynomial trend (order 2), plus monthly plots for 09-current expansion • Latest



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

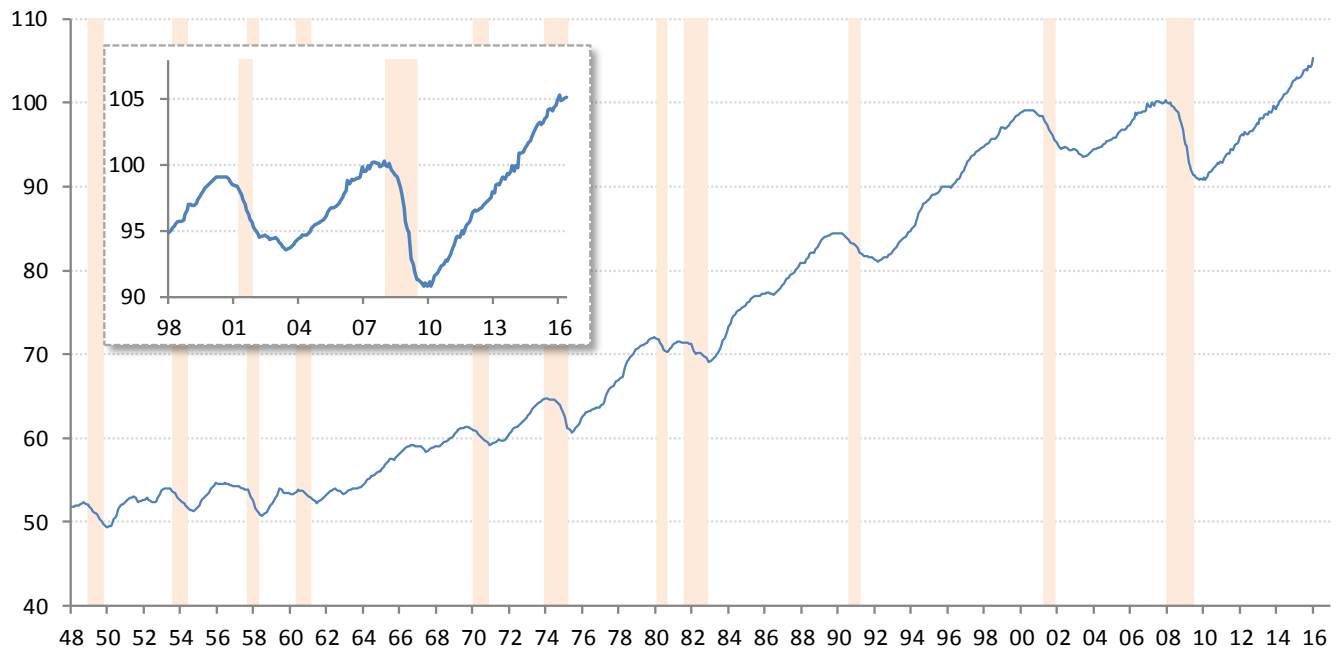
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



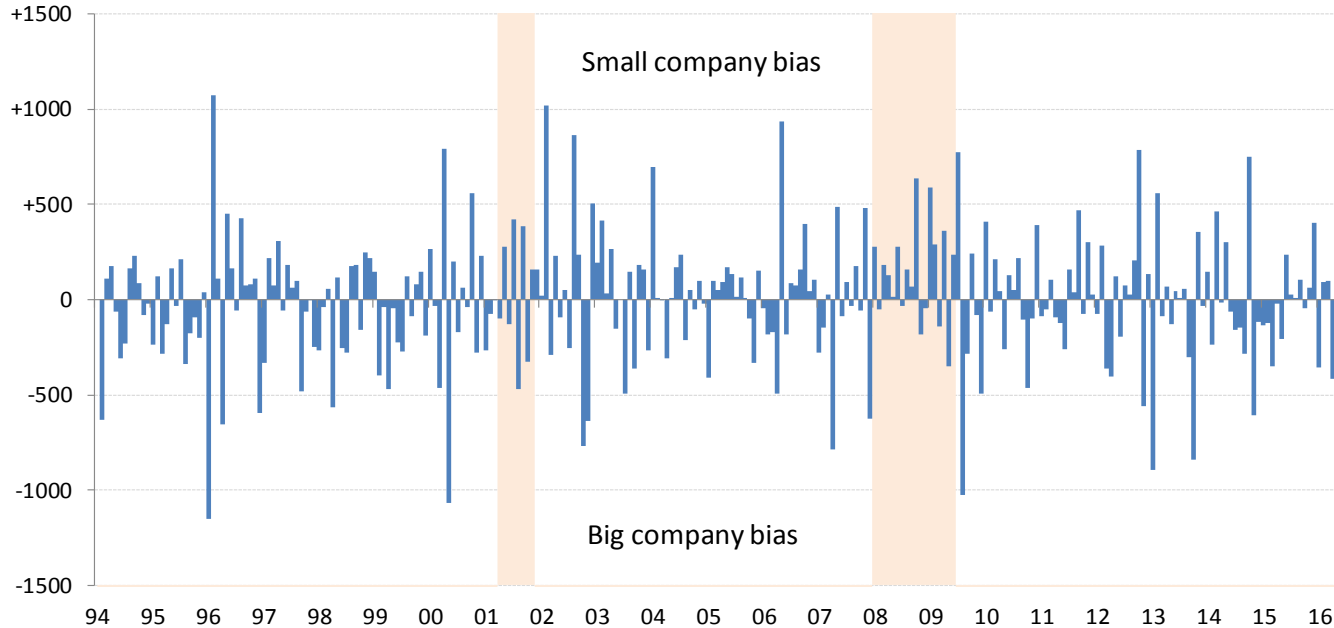
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



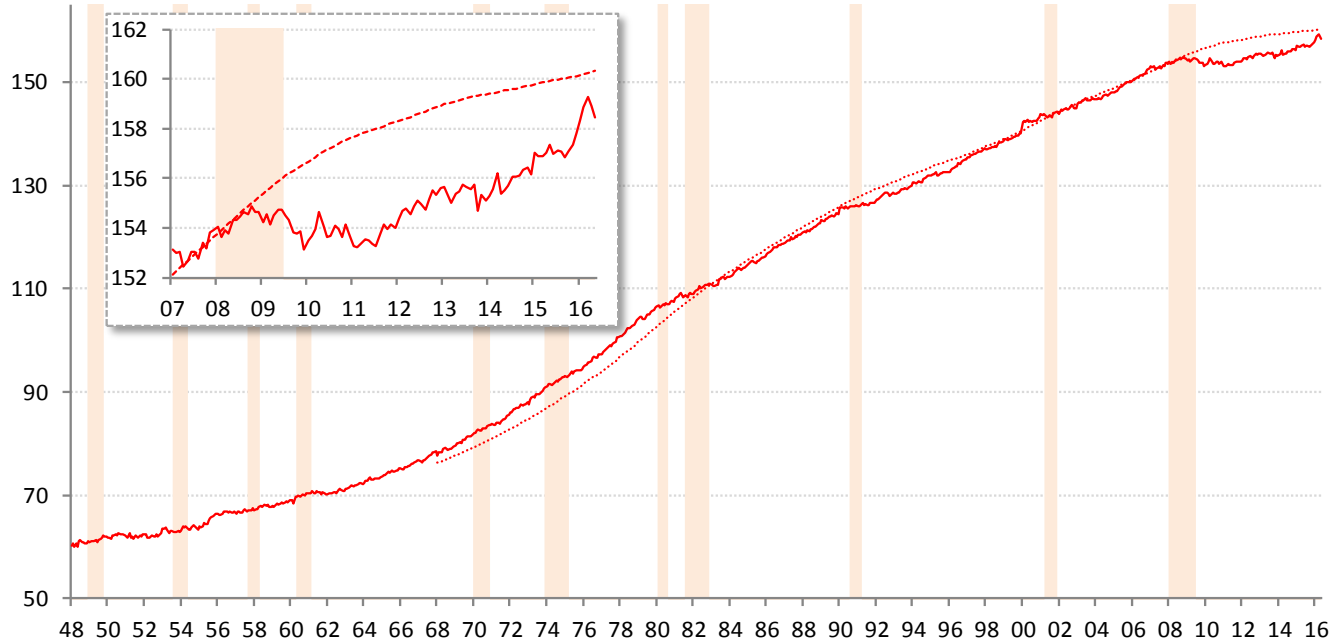
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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