

















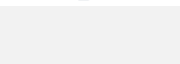


Data Insights: Jobs

Friday, November 4, 2016

Today's jobs data: what you need to know

Non-farm payrolls	Change Oct: +161	Revision Sep: +35	Revision Aug: +9	
Private payrolls	Change Oct: +142	Revision Sep: +21	Revision Aug: -12	
Employment	Change Oct: -43			
Unemployment	Change Oct: -152			
Long-term unemployment	Change Oct: -45			
Civilian labor force	Change Oct: -195	4.72 million below trend	77.9% of leavers unemployed	
Unemployment rate	Oct: 4.88%	Change Oct: -0.09%		
Underemployment rate	Oct: 9.5%	Change Oct: -0.2%		
Participation rate	Oct: 62.8%	Change Oct: -0.1%		
UE adjusted for participation	Oct: 9.5%	Change Oct: +0.06%		
Average weeks unemployed	Oct: 27.2	Change Oct: -0.3		
% longterm unemployed	Oct: 25.2%	Change Oct: +0.3%		
Aggregate hours worked index	Oct: 106.0	Change Oct: +0.2%	Revision Sep: unch	
Average hourly earnings	Oct: +0.4%	Change Oct: +0.1%	Revision Sep: +0.1%	
Aggregate weekly earnings	Oct: 131.3	Change Oct: +0.5%	Revision Sep: +0.1	
Monthly job-finding probability	Oct: 32.1%	Change Oct: +0.5%		
Monthly separation probability	Oct: 1.9%	Change Oct: -0.1%		
% involuntary part-time	Oct: 3.9%	Change Oct: -0.0%		
"Household" vs "Payroll" jobs	Change Oct: -244			

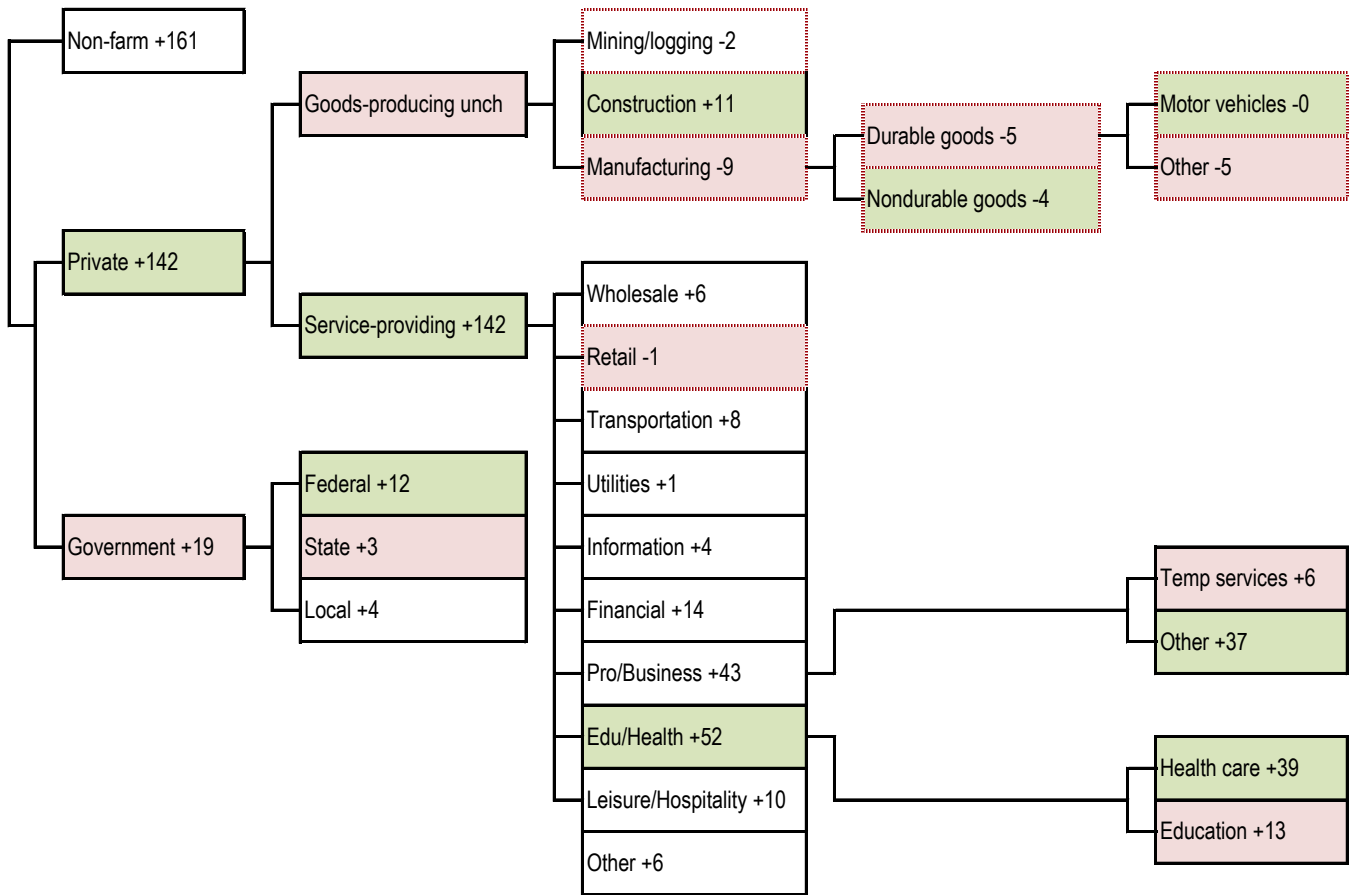
Source: Bureau of Labor Statistics, TrendMacro calculations

For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com
 Thomas Demas: 704 552 3625 tdemas@trendmacro.com

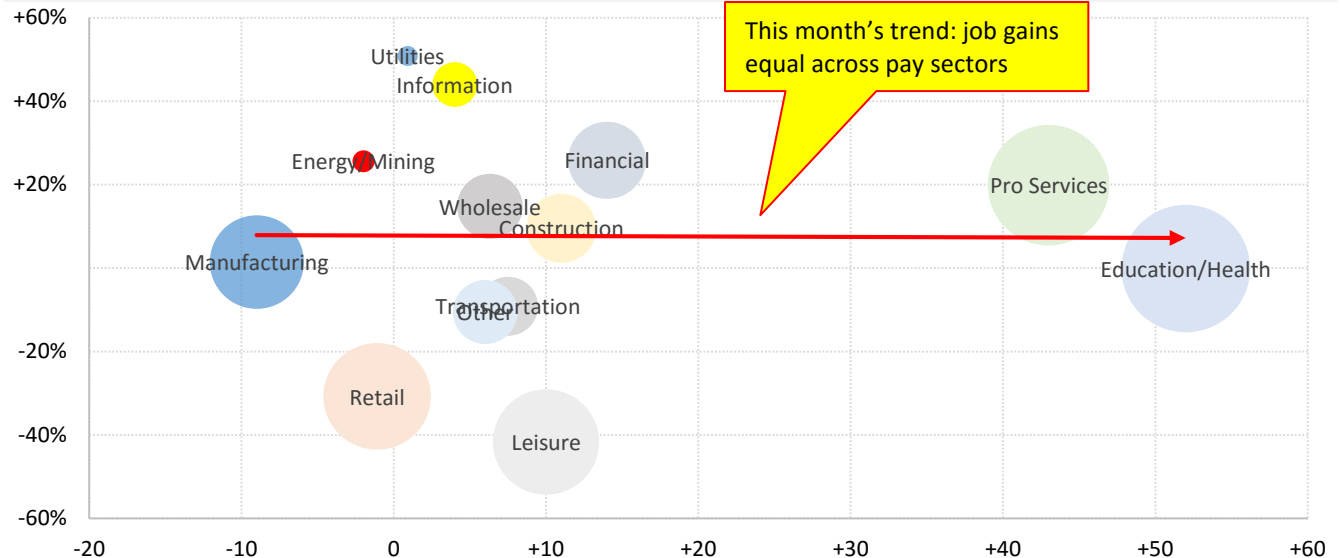
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

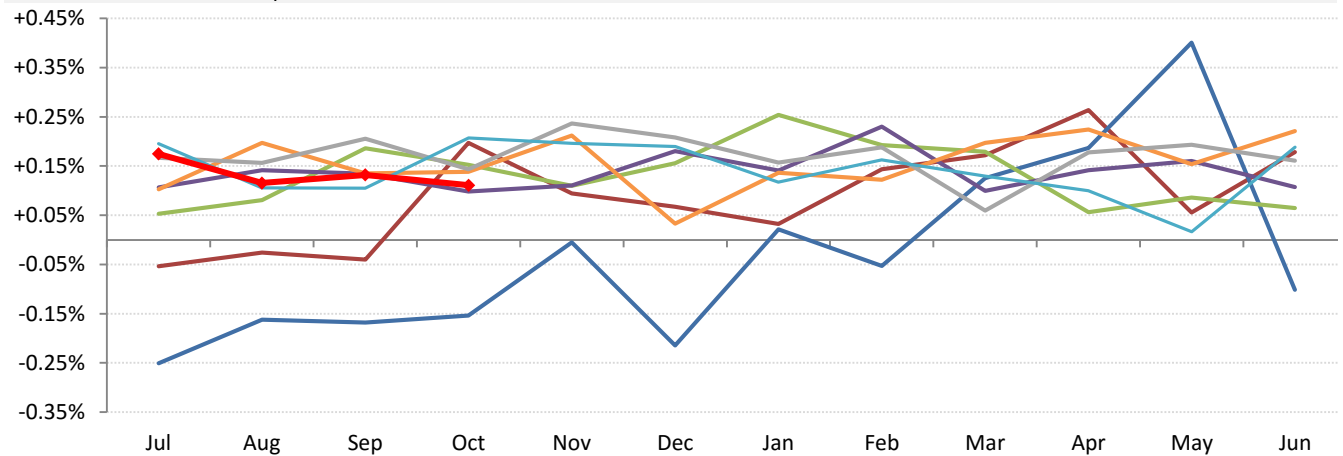
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

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

Growth MOM from July — 09-10 — 10-11 — 11-12 — 12-13 — 13-14 — 14-15 — 2015-16 — 2016-17

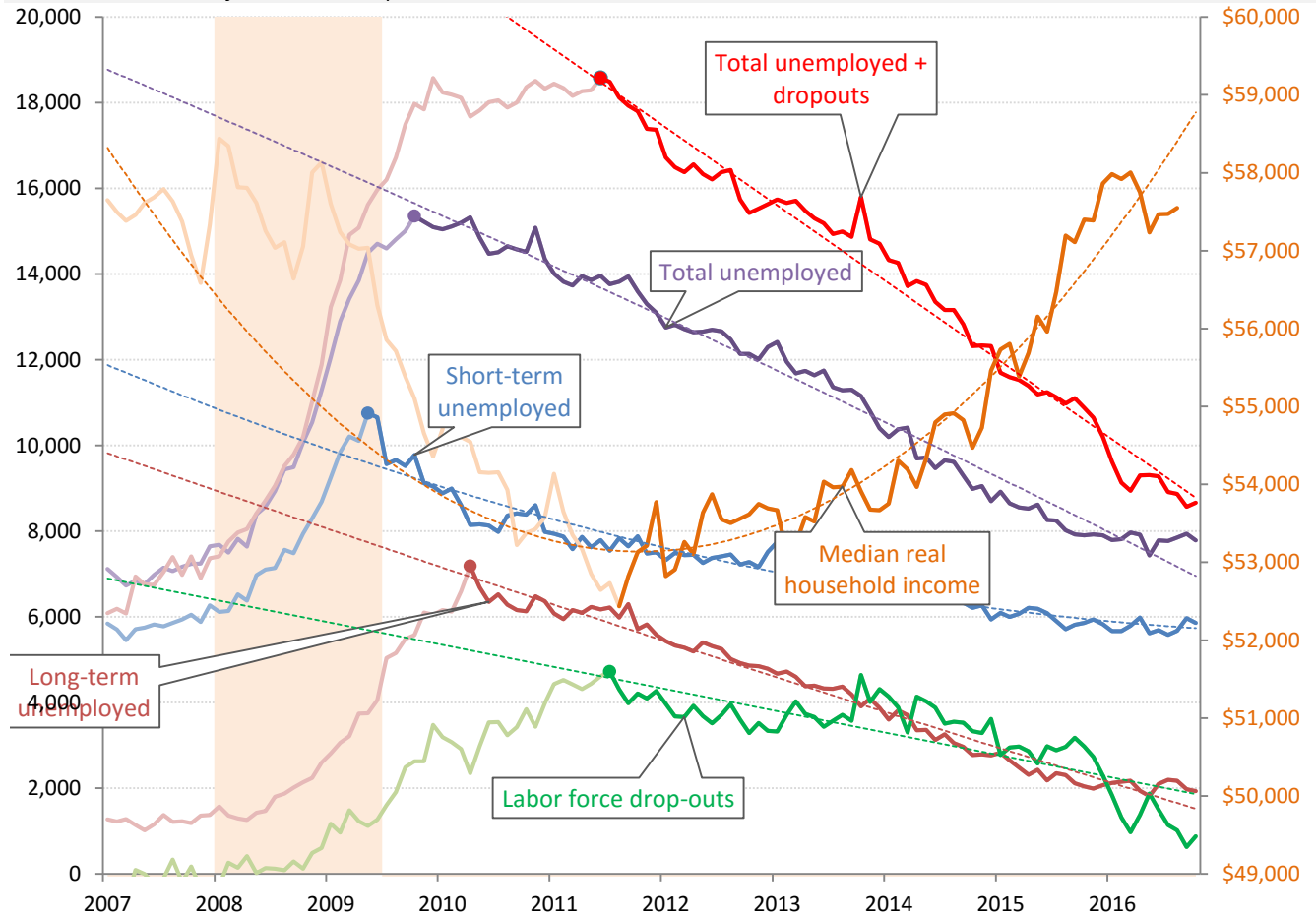


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

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

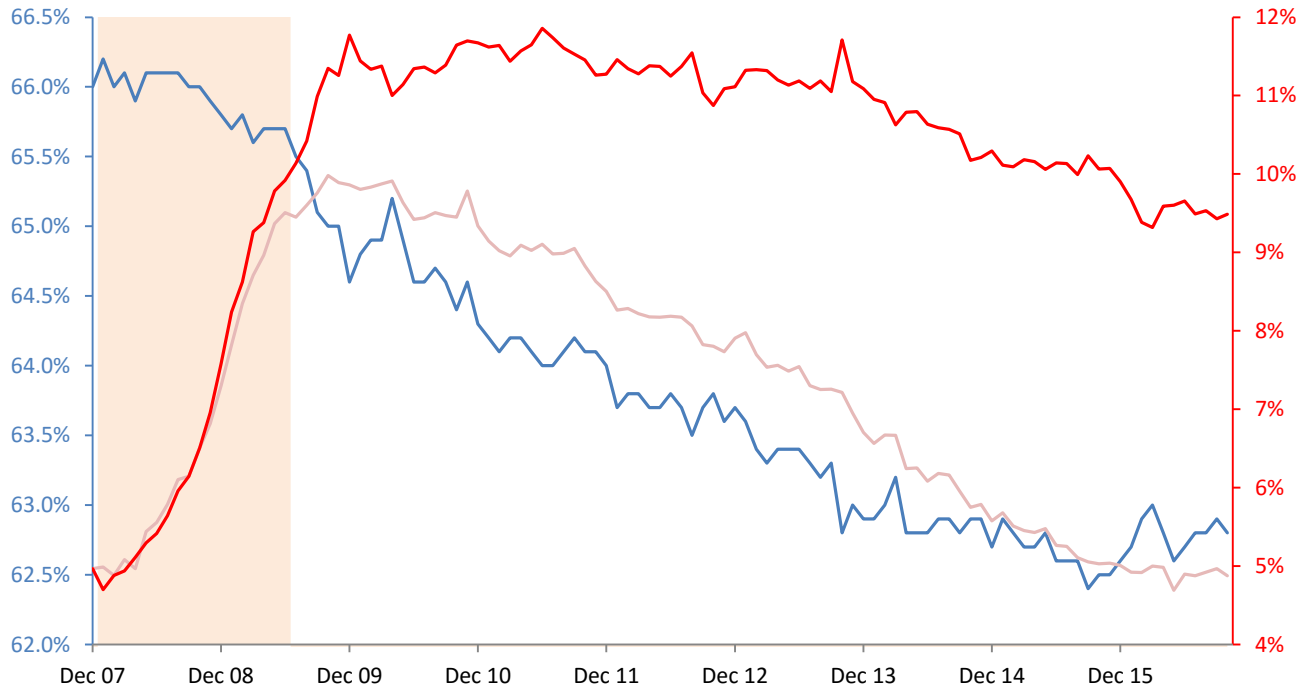
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

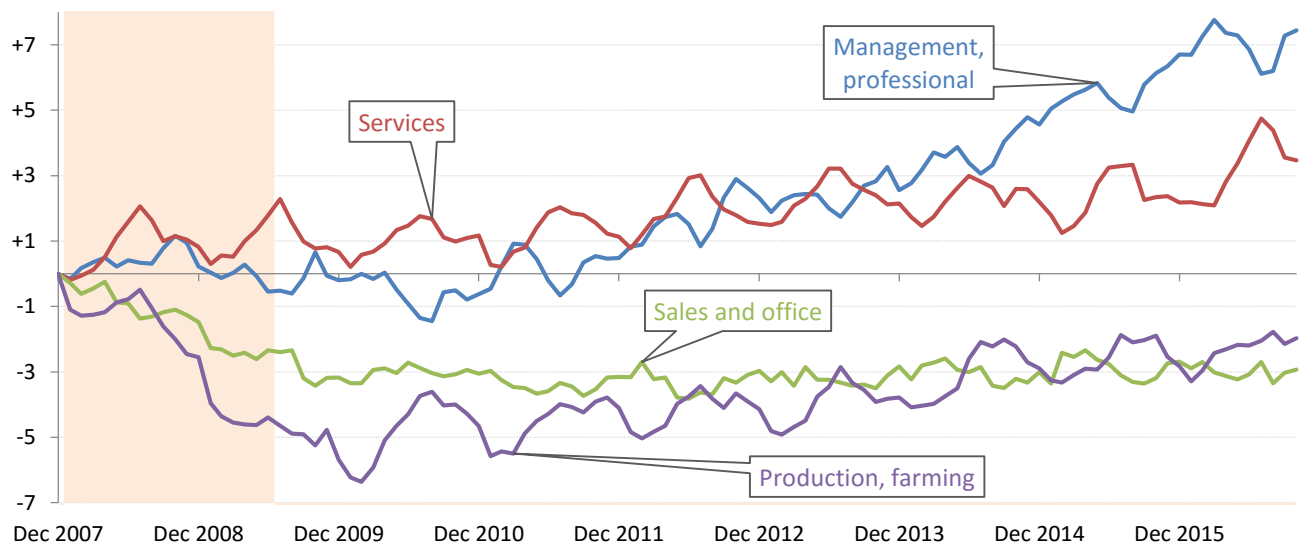
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

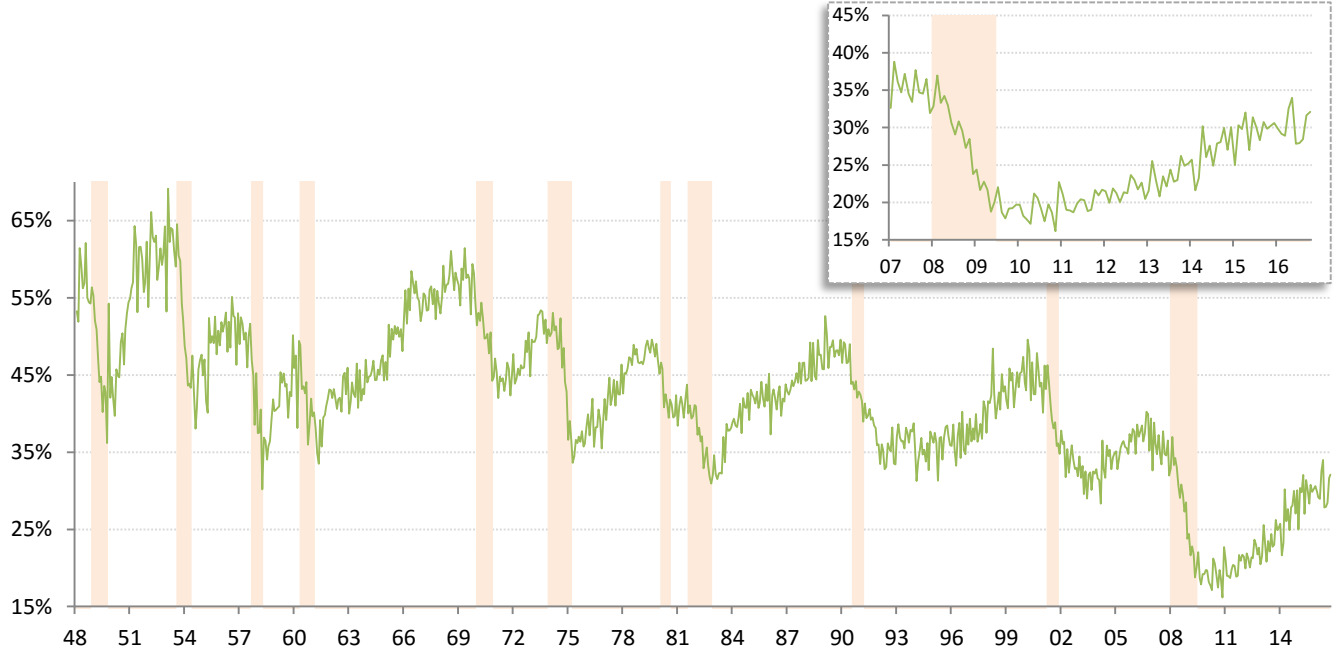
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

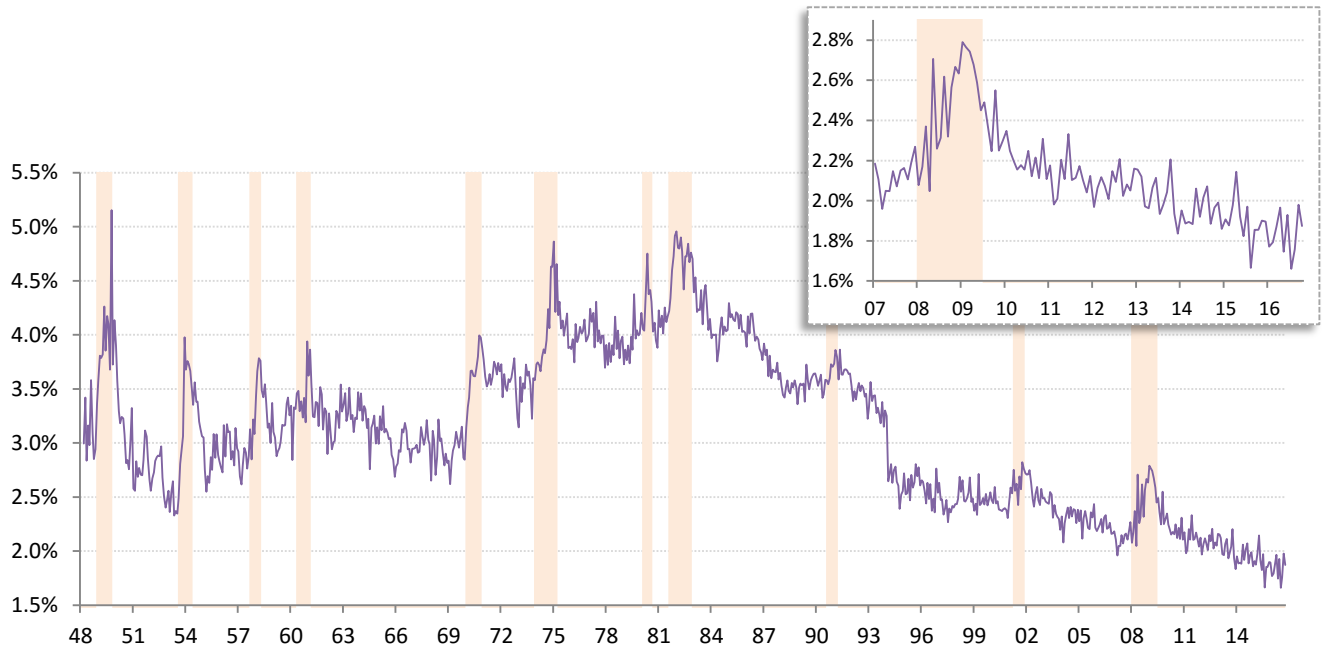
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

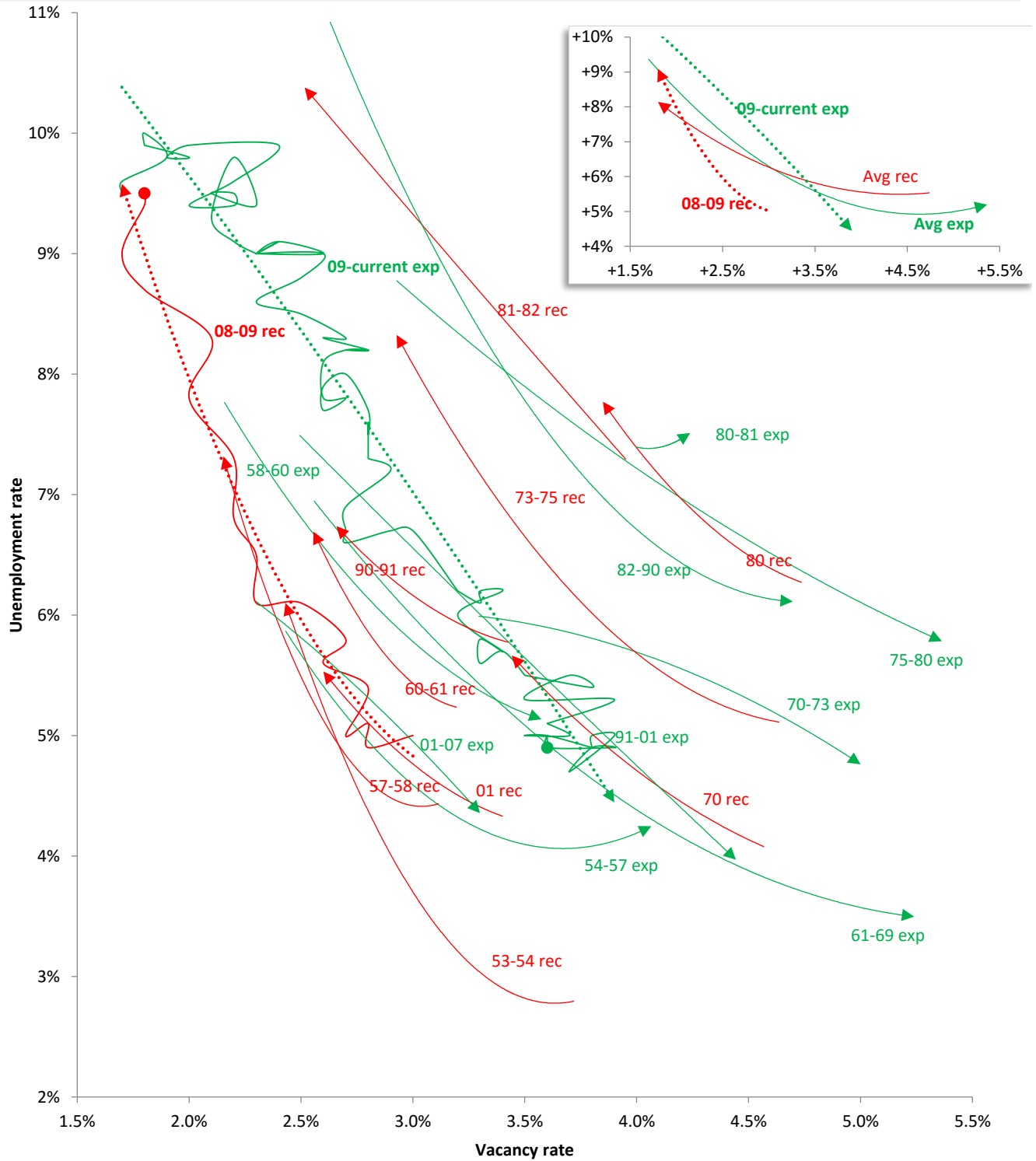
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

The Beveridge Curve Cycle relationship between unemployment and job openings

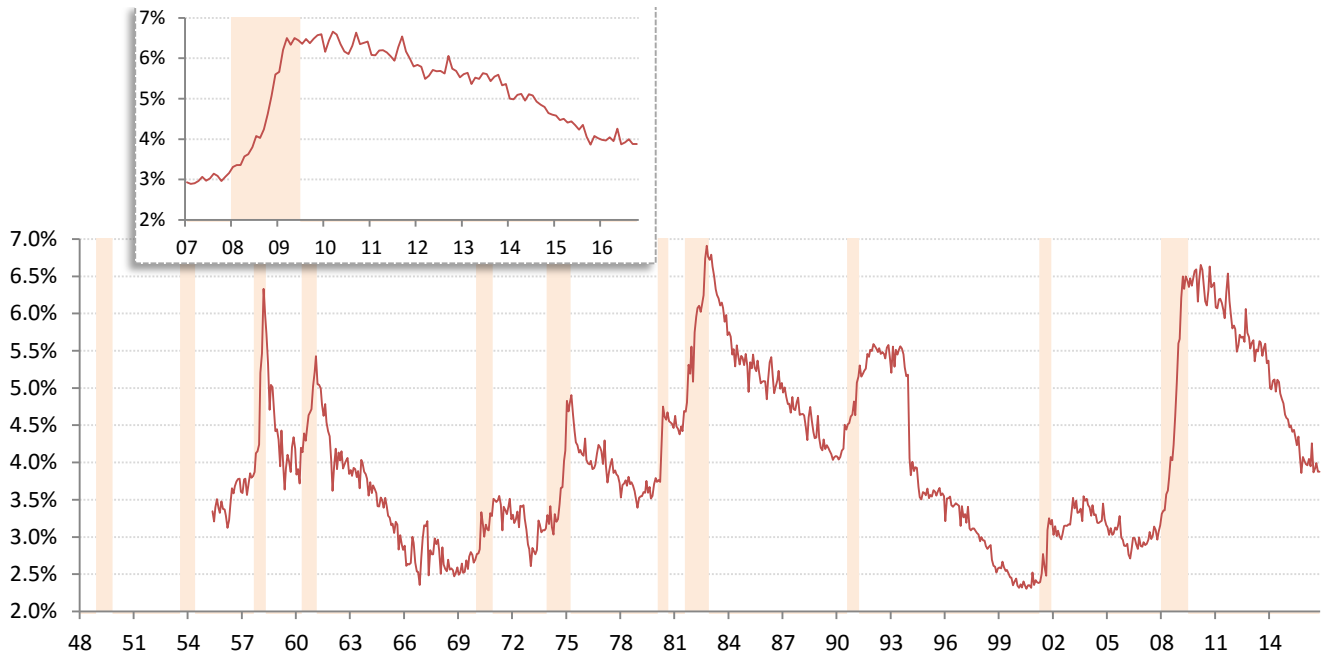
— Expansion
 — Recession
 Polynomial trend (order 2), plus monthly plots for 09-current expansion
 ● Latest



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

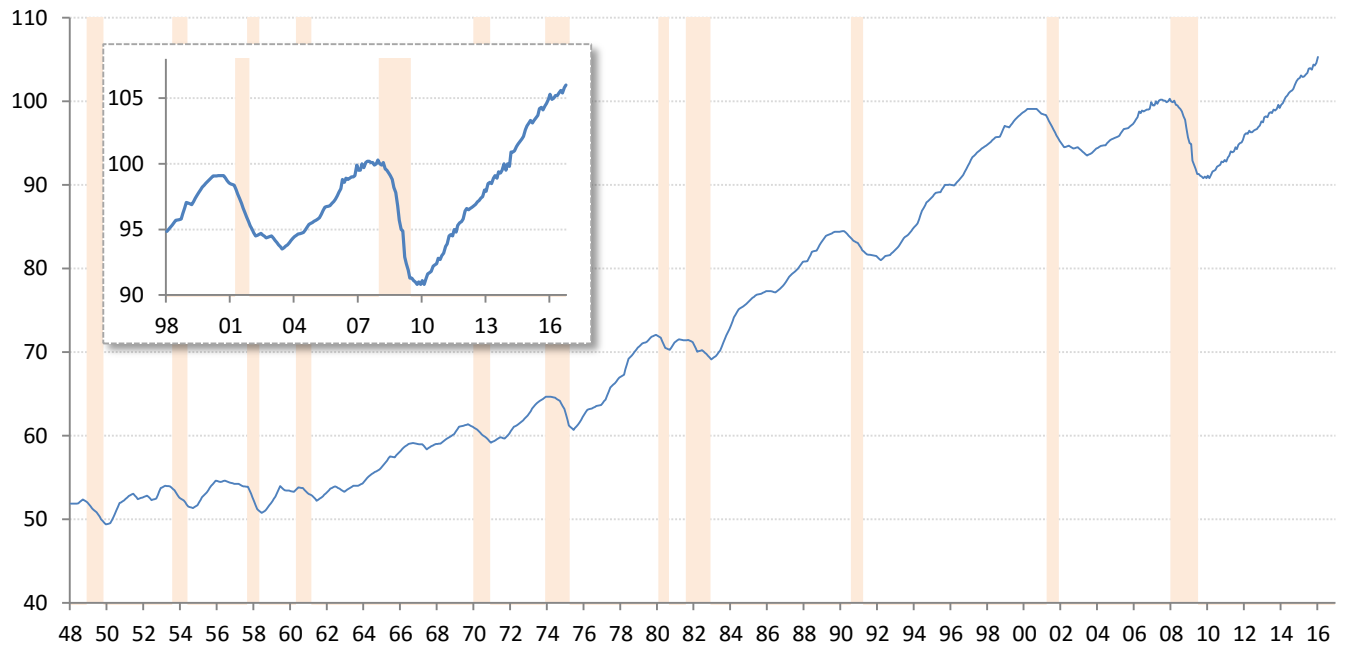
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



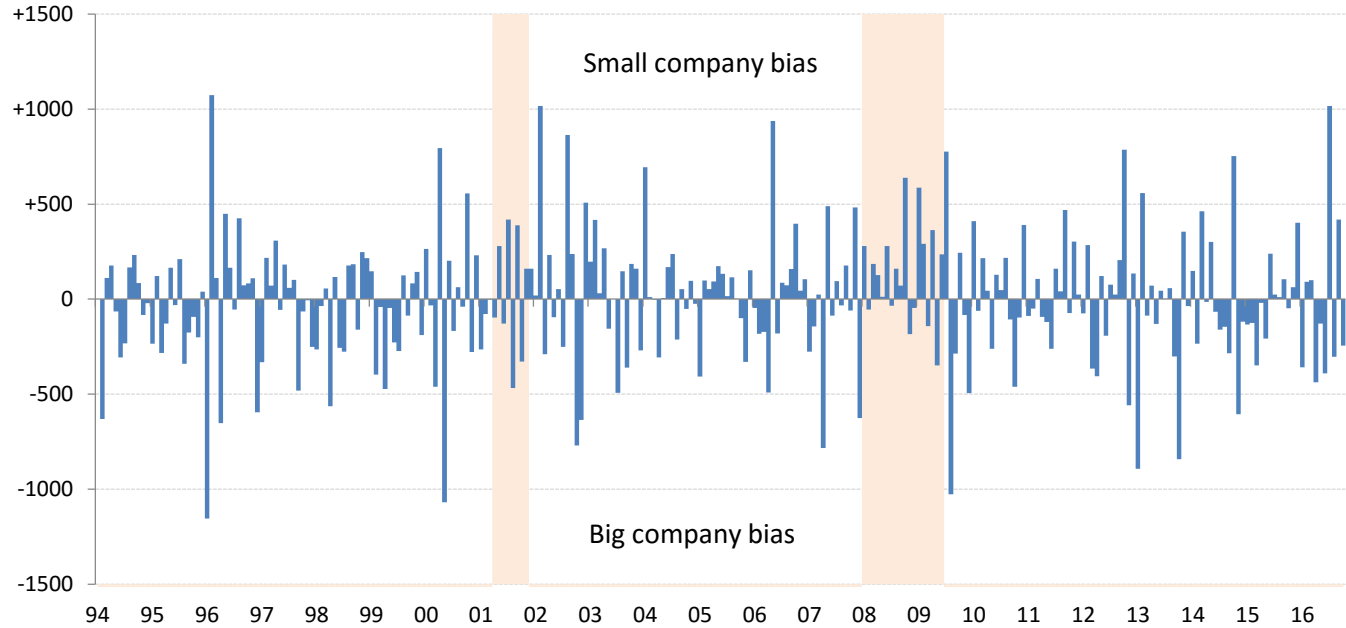
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



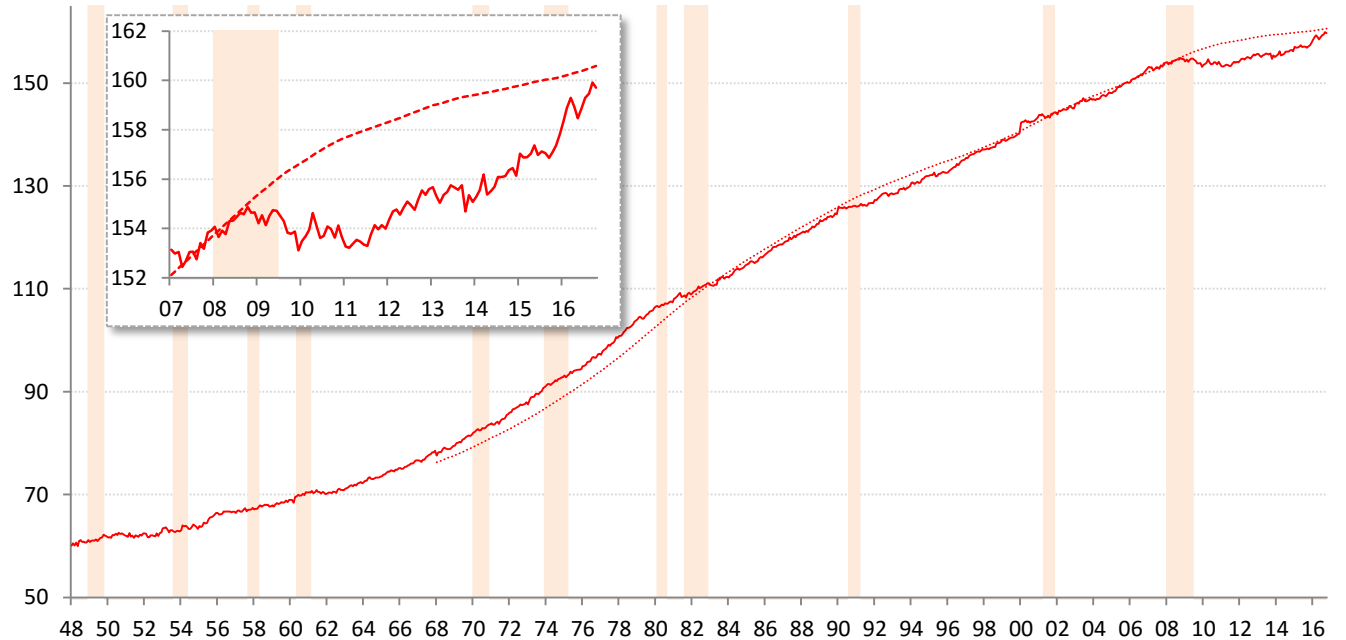
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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