

















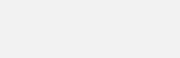


Data Insights: Jobs

Friday, January 5, 2018

Today's jobs data: what you need to know

Non-farm payrolls	Change Dec: +148	Revision Nov: +24	Revision Oct: -33	
Private payrolls	Change Dec: +146	Revision Nov: +18	Revision Oct: -25	
Employment	Change Dec: +104			
Unemployment	Change Dec: -40			
Long-term unemployment	Change Dec: -83			
Civilian labor force	Change Dec: +64	4.72 million below trend	More than all entrants employed	
Unemployment rate	Dec: 4.09%	Change Dec: -0.03%		
Underemployment rate	Dec: 8.1%	Change Dec: +0.1%		
Participation rate	Dec: 62.7%	Change Dec: unch		
UE adjusted for participation	Dec: 8.9%	Change Dec: -0.03%		
Average weeks unemployed	Dec: 23.6	Change Dec: -1.6		
% longterm unemployed	Dec: 22.9%	Change Dec: -1.0%		
Aggregate hours worked index	Dec: 108.3	Change Dec: +0.2%	Revision Nov: unch	
Average hourly earnings	Dec: +0.3%	Change Dec: +0.2%	Revision Nov: -0.1%	
Aggregate weekly earnings	Dec: 137.8	Change Dec: +0.4%	Revision Nov: -0.1	
Monthly job-finding probability	Dec: 34.4%	Change Dec: +1.3%		
Monthly separation probability	Dec: 1.7%	Change Dec: -0.0%		
% involuntary part-time	Dec: 3.2%	Change Dec: +0.0%		
"Household" vs "Payroll" jobs	Change Dec: -8			

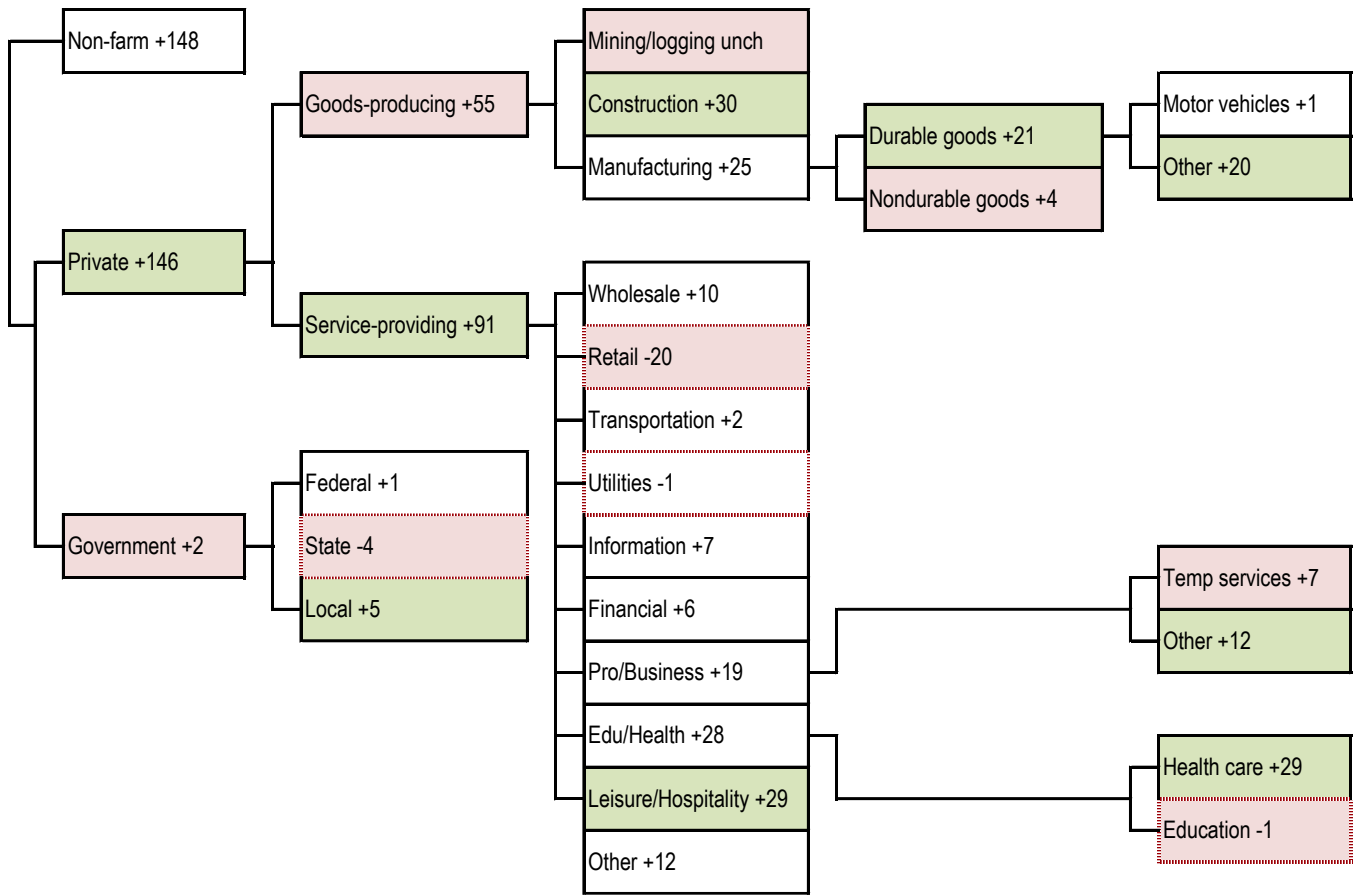
Source: Bureau of Labor Statistics, TrendMacro calculations

For more information contact us:

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

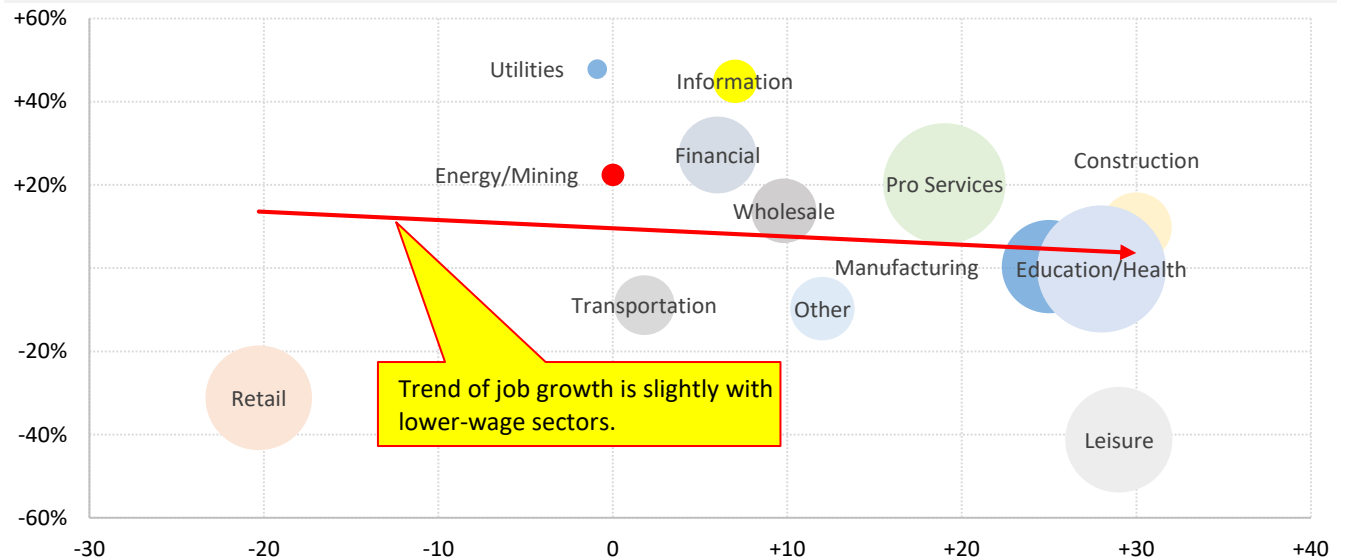
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

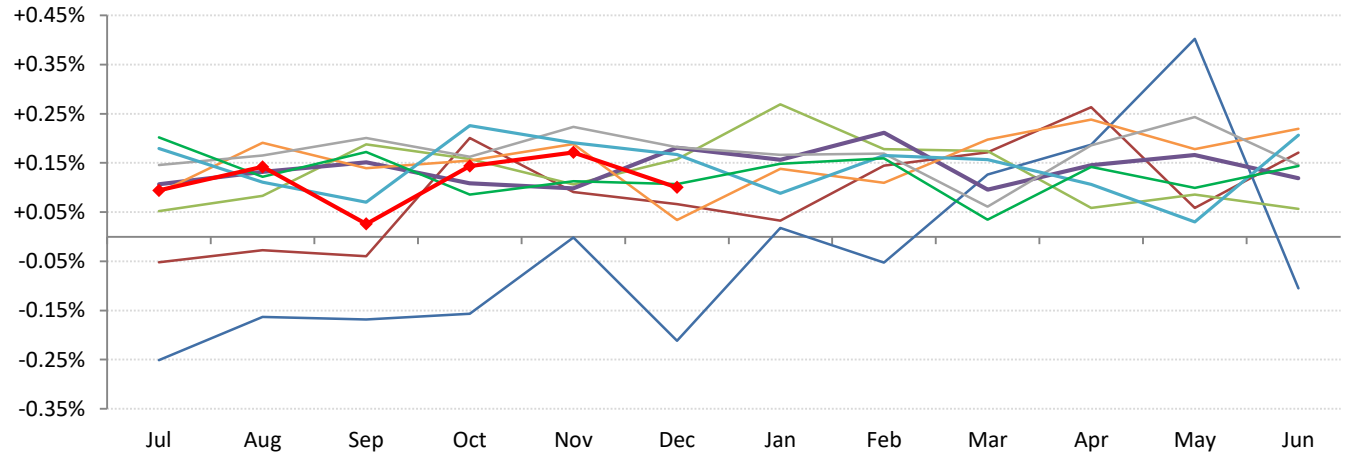
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

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

Growth MOM from July — 2009-10 — 10-11 — 11-12 — 12-13 — 13-14 — 14-15 — 2015-16 — 2015-16 — 2017-18

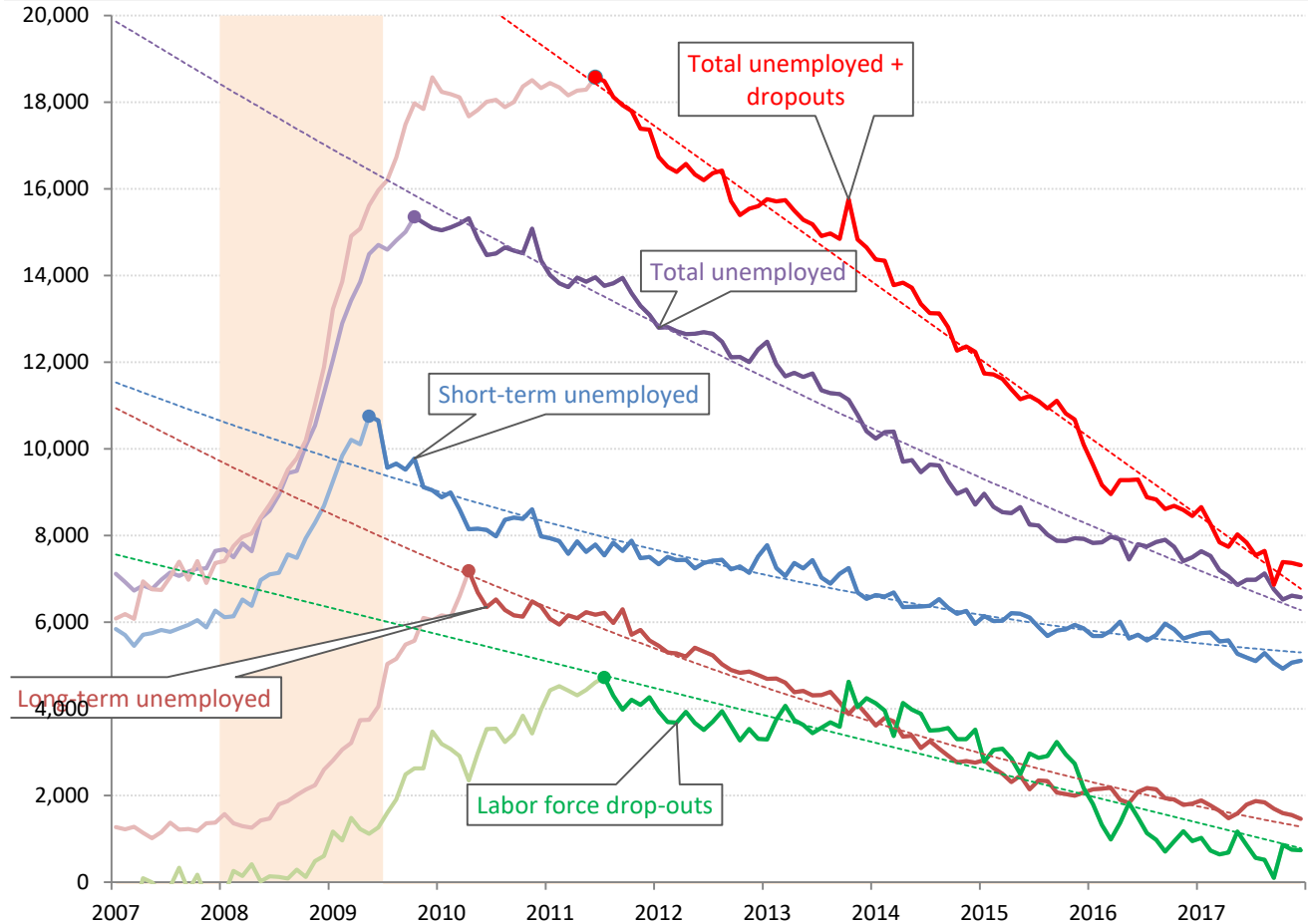


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

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

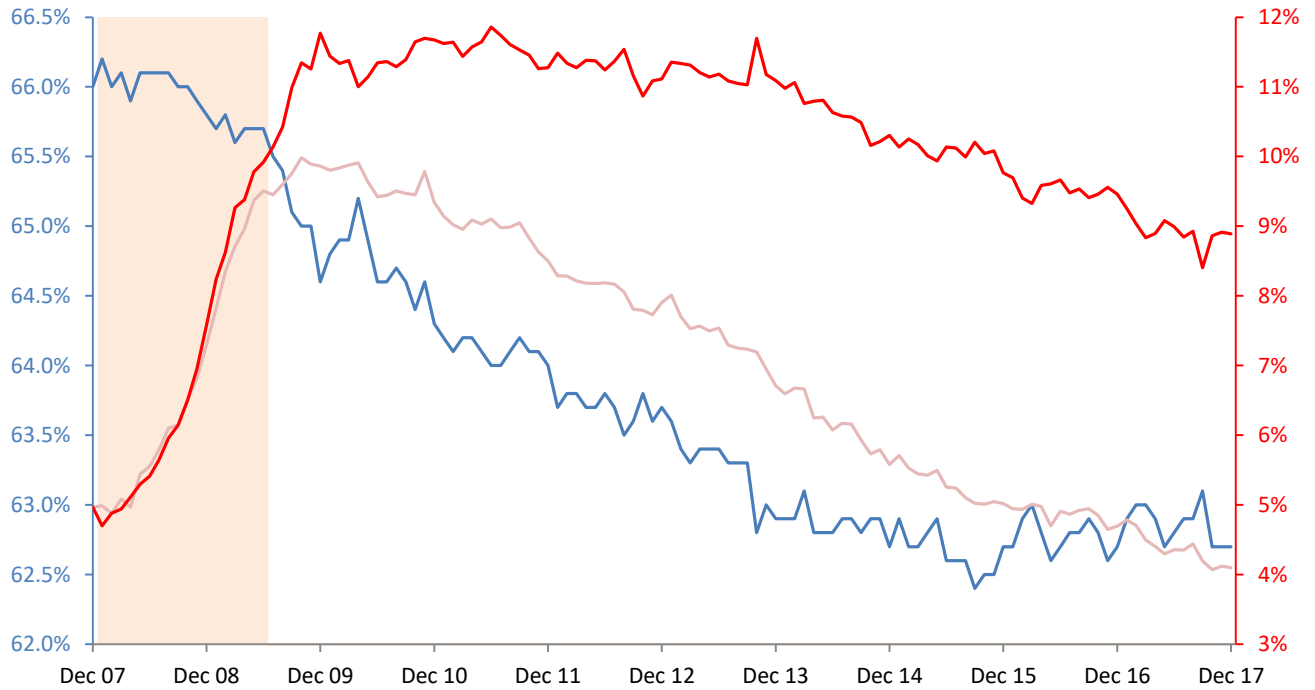
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

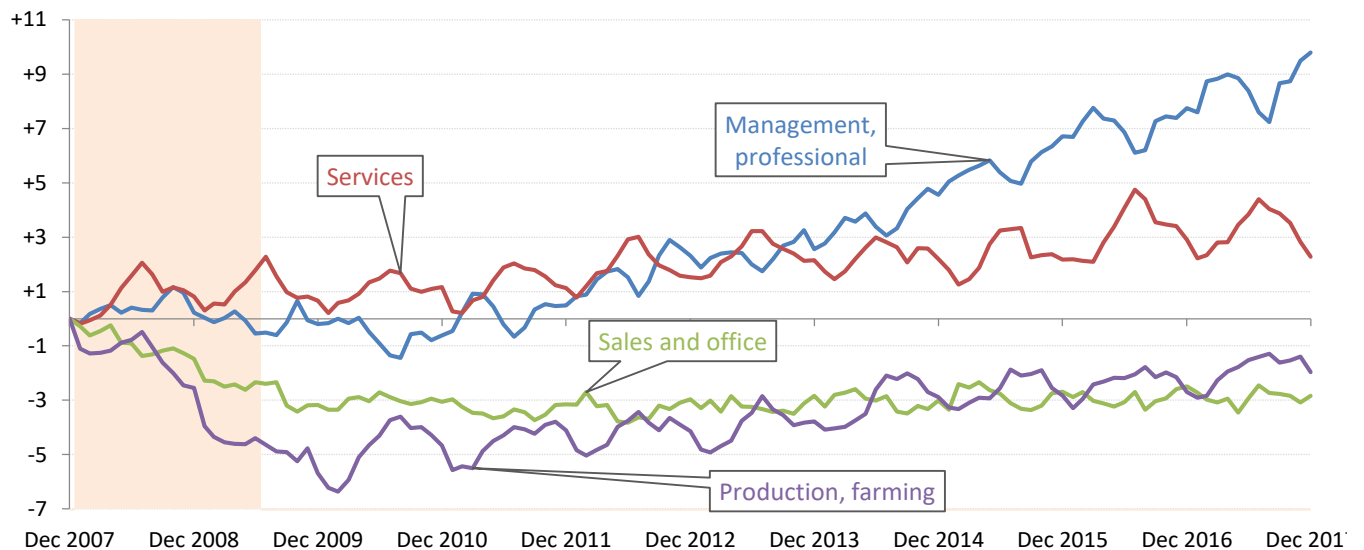
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

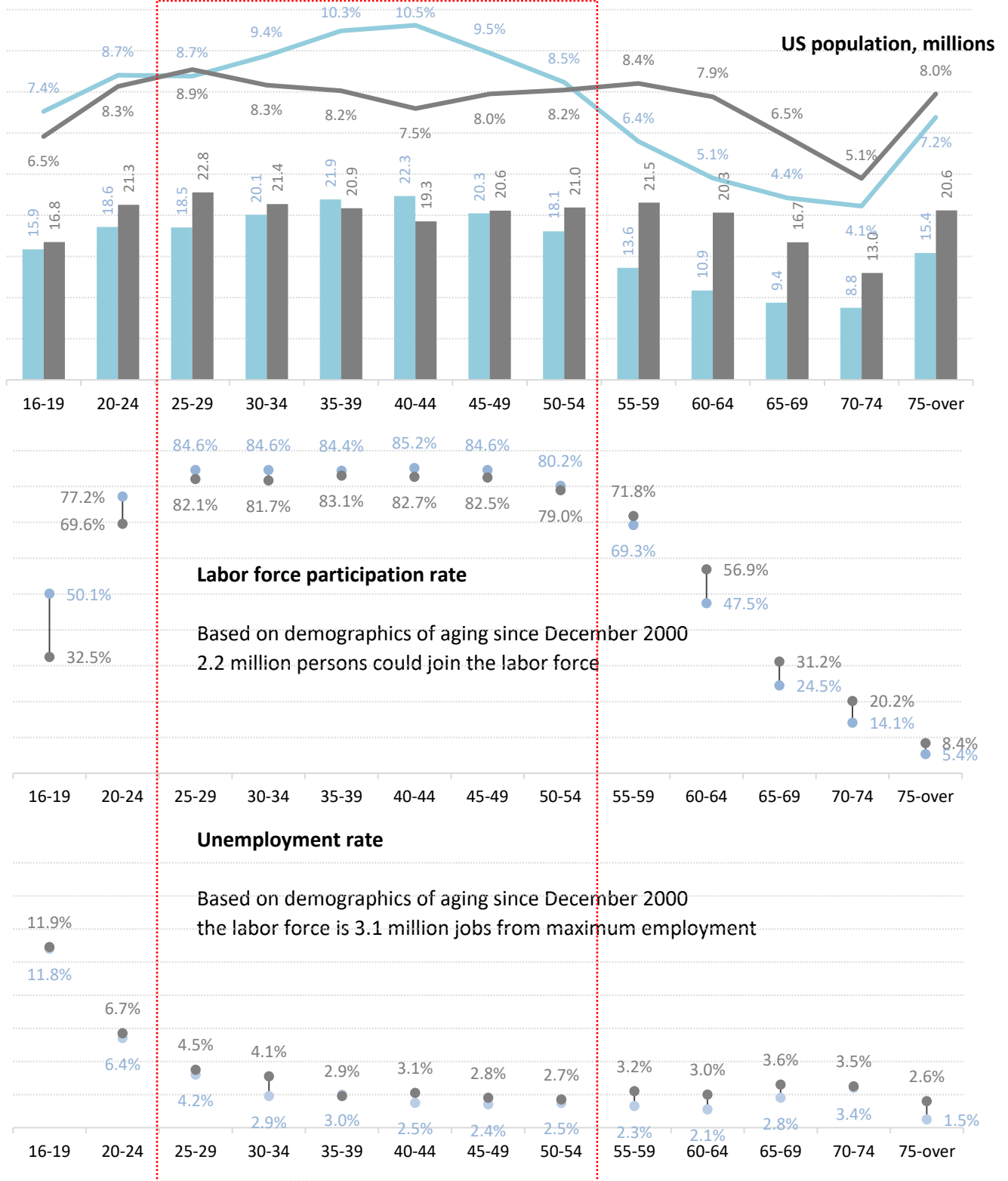
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

US labor force demographics: fading baby boom and its rising echo

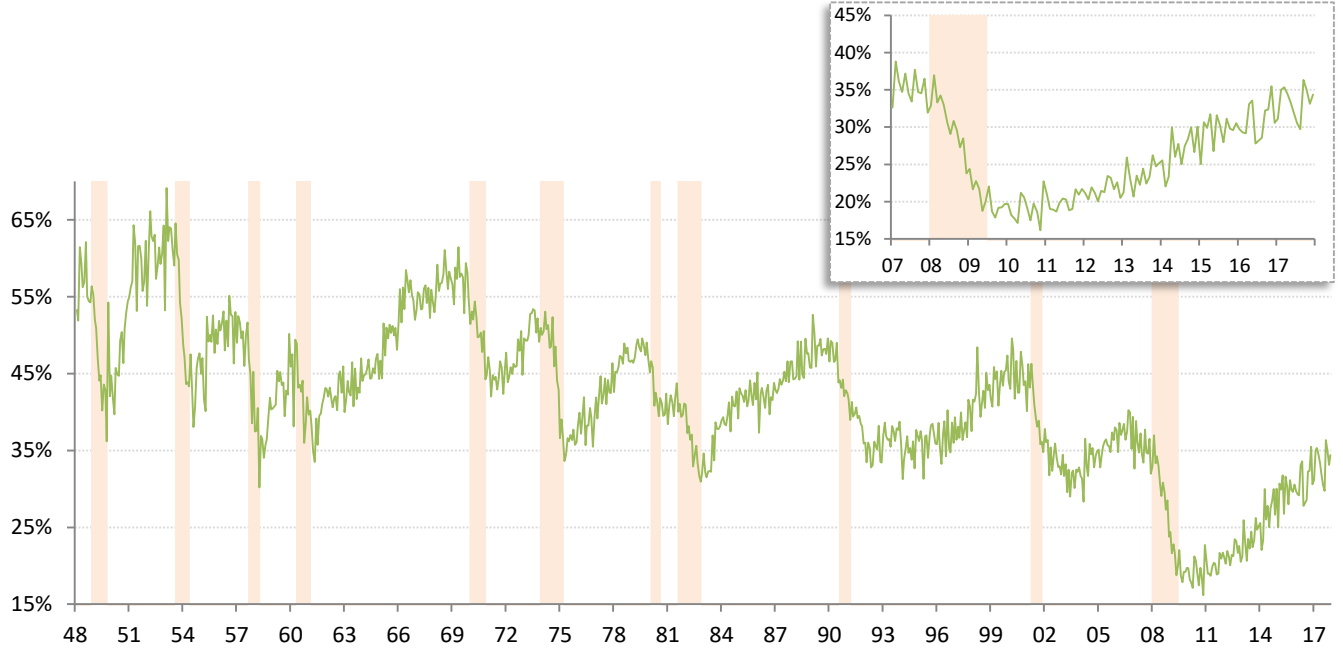
By age bracket: ■ December 2000, peak in the labor force participation rate ■ Latest □ Prime working age



Source: BLS Current Population Survey, TrendMacro calculations

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

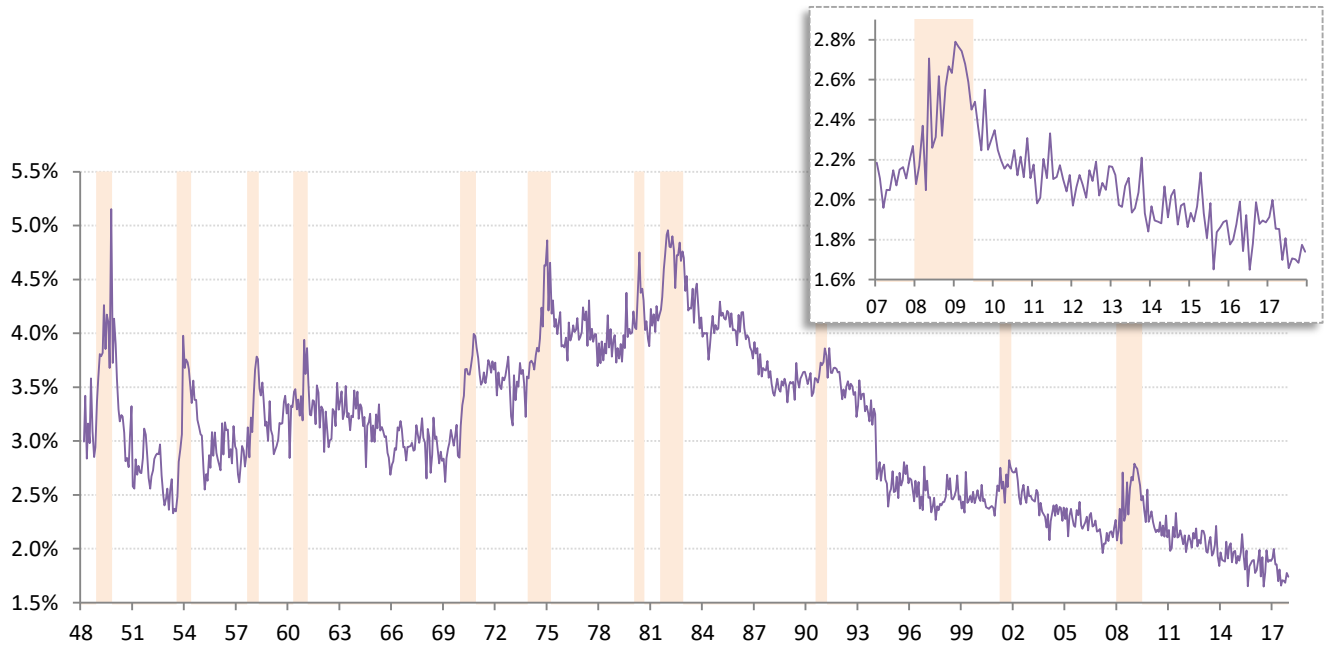
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

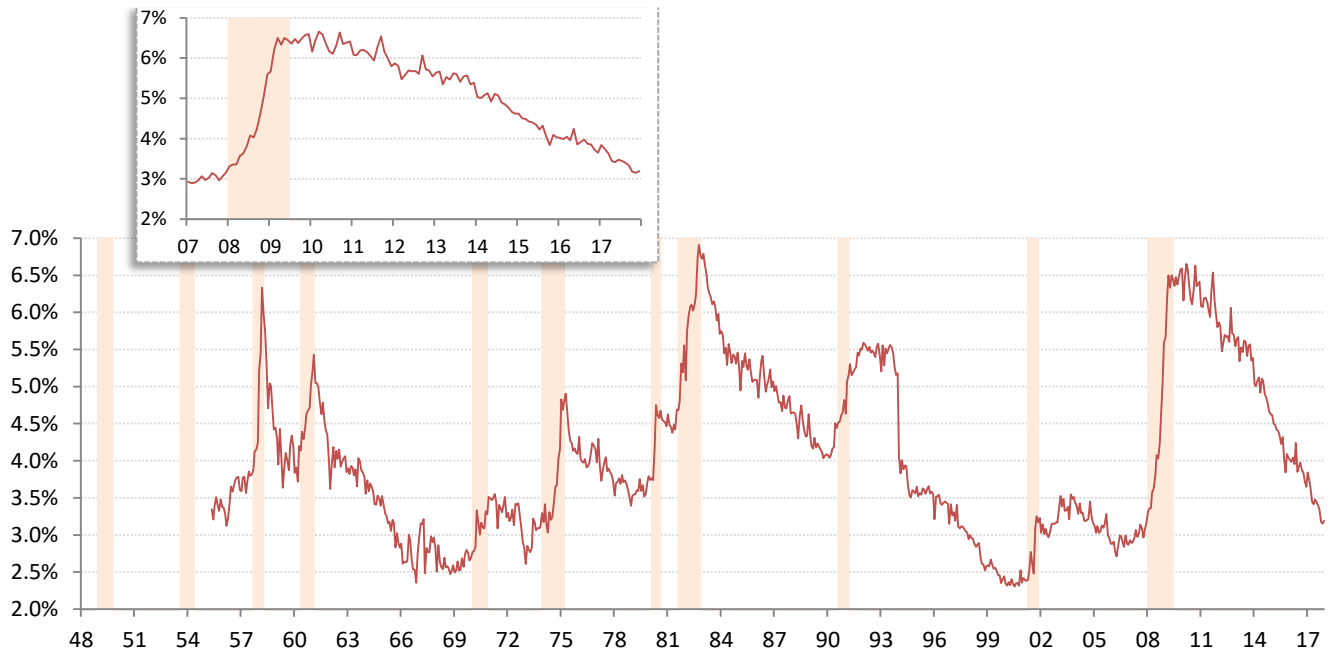
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

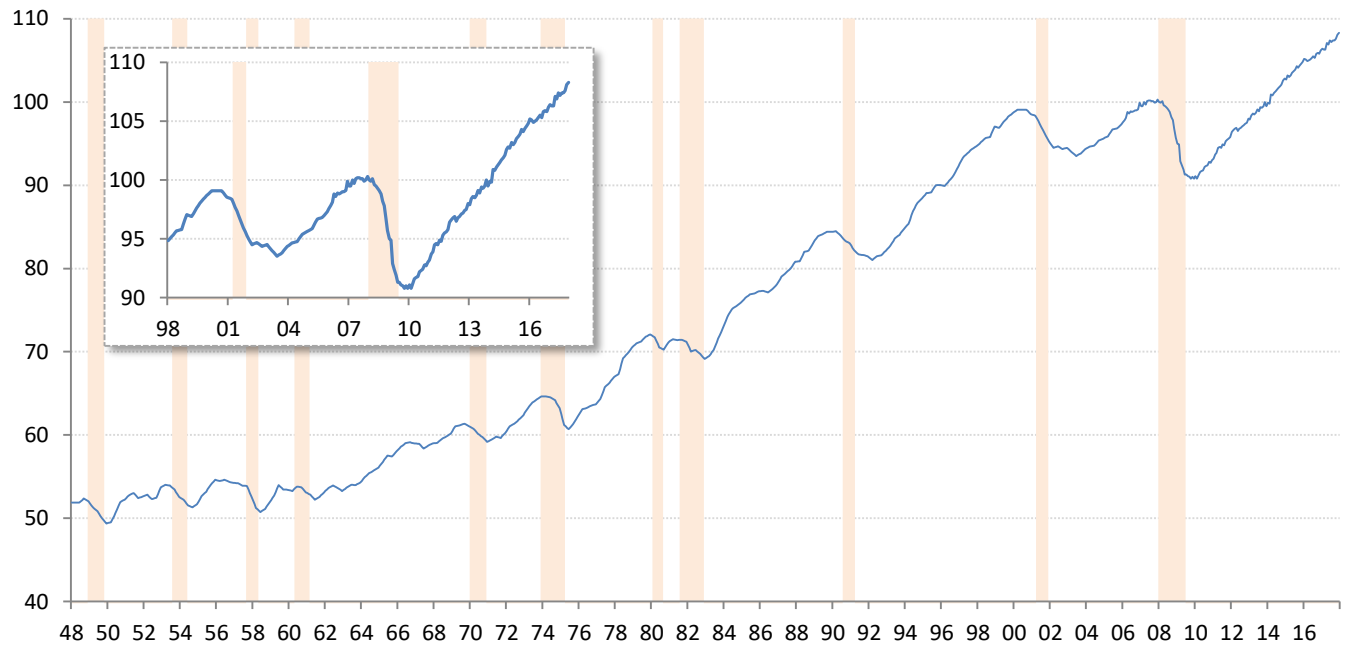
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



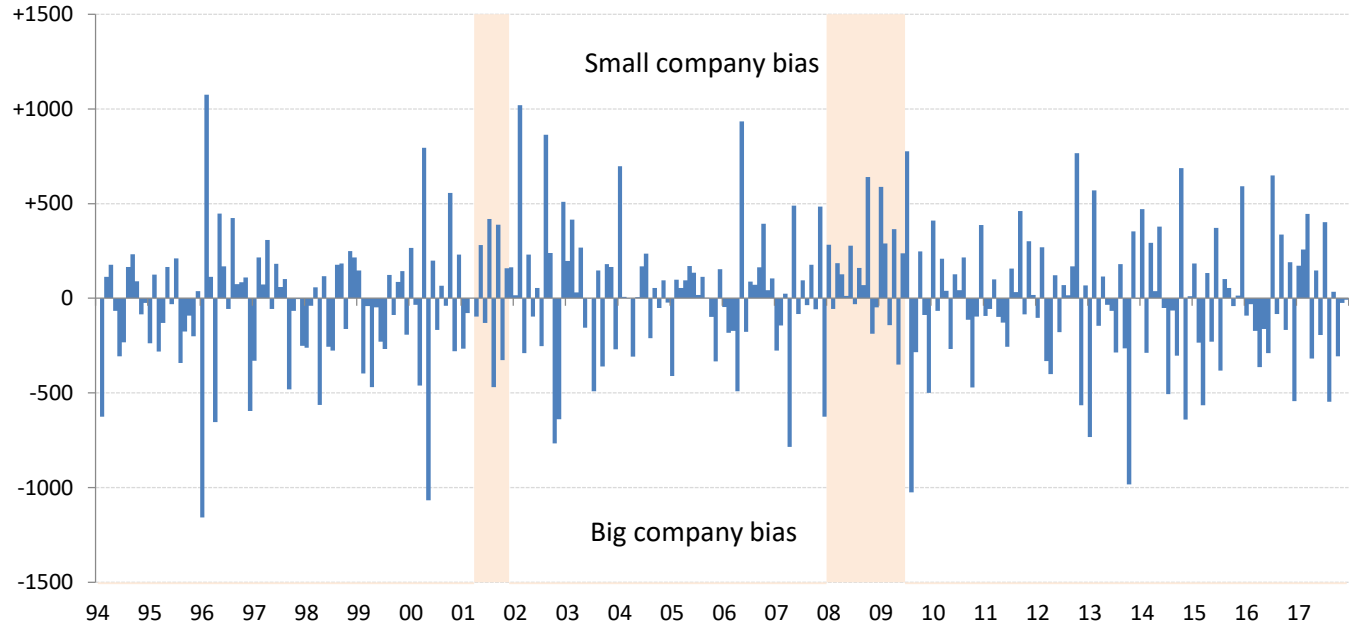
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



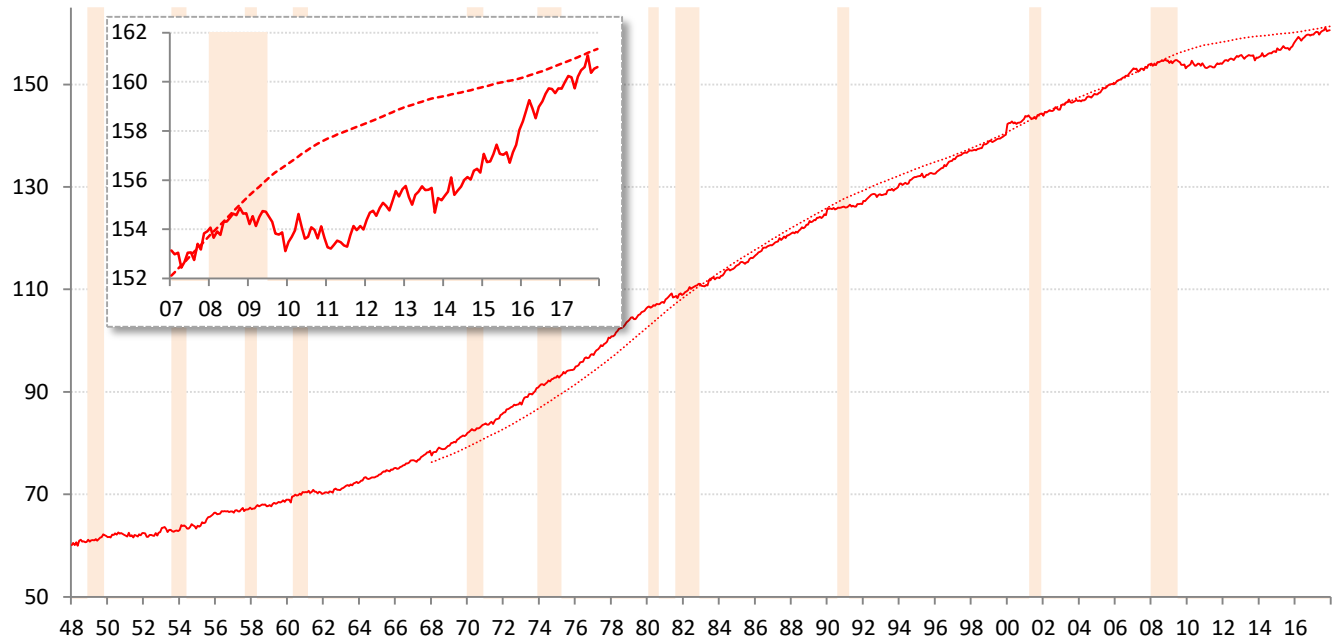
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

Difference in employment change: "household" minus "payroll" surveys ■ Recession



Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

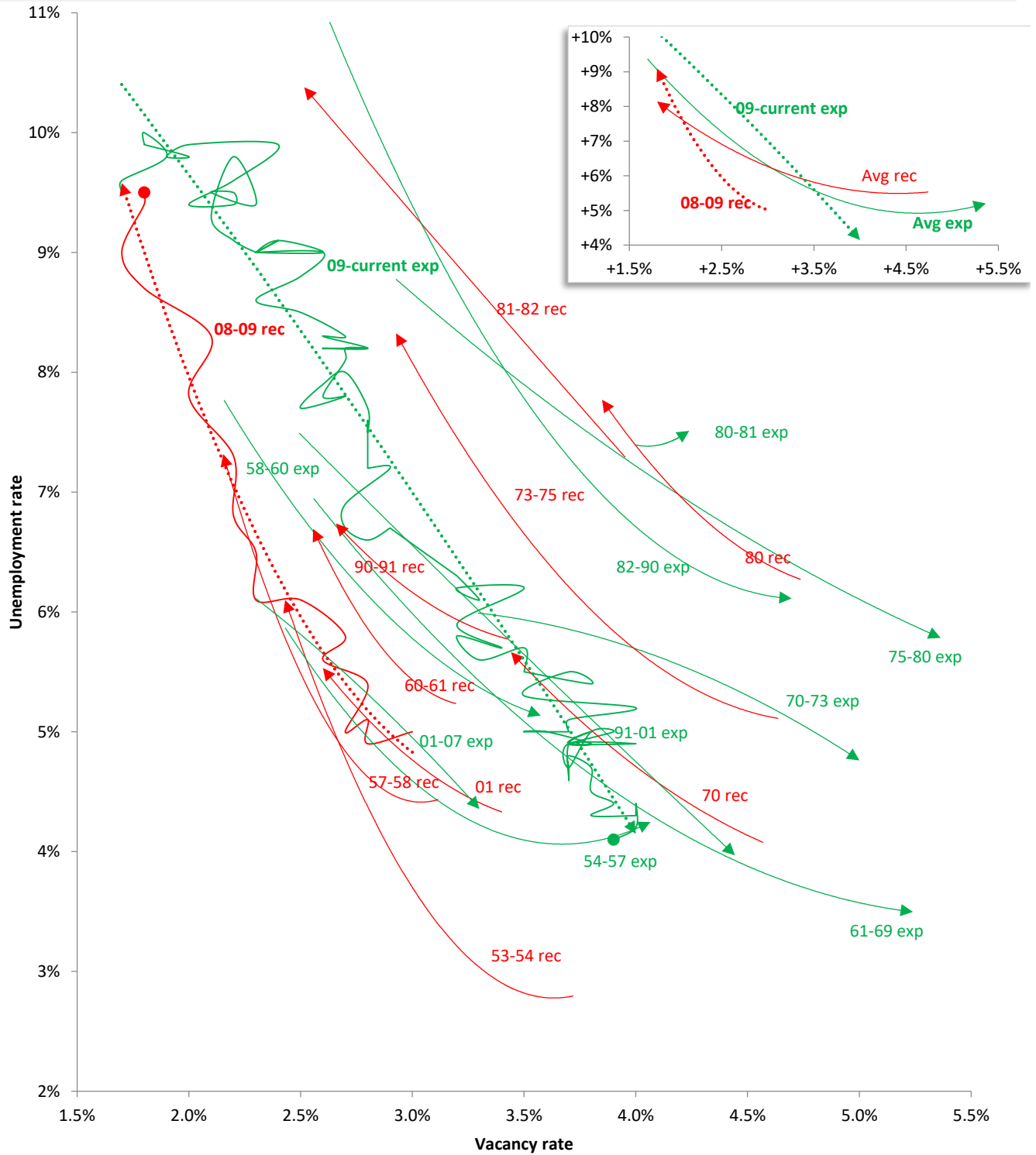
Civilian labor force versus 20-year trend, millions ■ Recession



Source: BLS Current Population Survey, TrendMacro calculations

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