














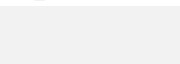


Data Insights: Jobs

Friday, January 4, 2019

Today's jobs data: what you need to know

Non-farm payrolls	Change Dec: +312	Revision Nov: +21	Revision Oct: +37	
Private payrolls	Change Dec: +301	Revision Nov: +12	Revision Oct: +30	
Employment	Change Dec: +142			
Unemployment	Change Dec: +276			
Long-term unemployment	Change Nov: -163			
Civilian labor force	Change Dec: +419	1.12 million above trend	66.0% of entrants unemployed	
Unemployment rate	Dec: 3.86%	Change Dec: +0.16%		
Underemployment rate	Dec: 7.6%	Change Dec: unch		
Participation rate	Dec: 63.1%	Change Dec: +0.2%		
UE adjusted for participation	Dec: 8.1%	Change Dec: -0.14%		
Average weeks unemployed	Dec: 21.8	Change Dec: +0.1		
% longterm unemployed	Dec: 20.5%	Change Dec: -0.2%		
Aggregate hours worked index	Dec: 110.7	Change Dec: +0.5%	Revision Nov: unch	
Average hourly earnings	Dec: 0.40%	Change Dec: 0.18%	Revision Nov: 0.00%	
Aggregate weekly earnings	Dec: 145.4	Change Dec: +0.9%	Revision Nov: unch	
Monthly job-finding probability	Dec: 30.7%	Change Dec: -5.6%		
Monthly separation probability	Dec: 1.7%	Change Dec: +0.0%		
% involuntary part-time	Dec: 3.0%	Change Dec: -0.1%		
"Household" vs "Payroll" jobs	Change Dec: -129			

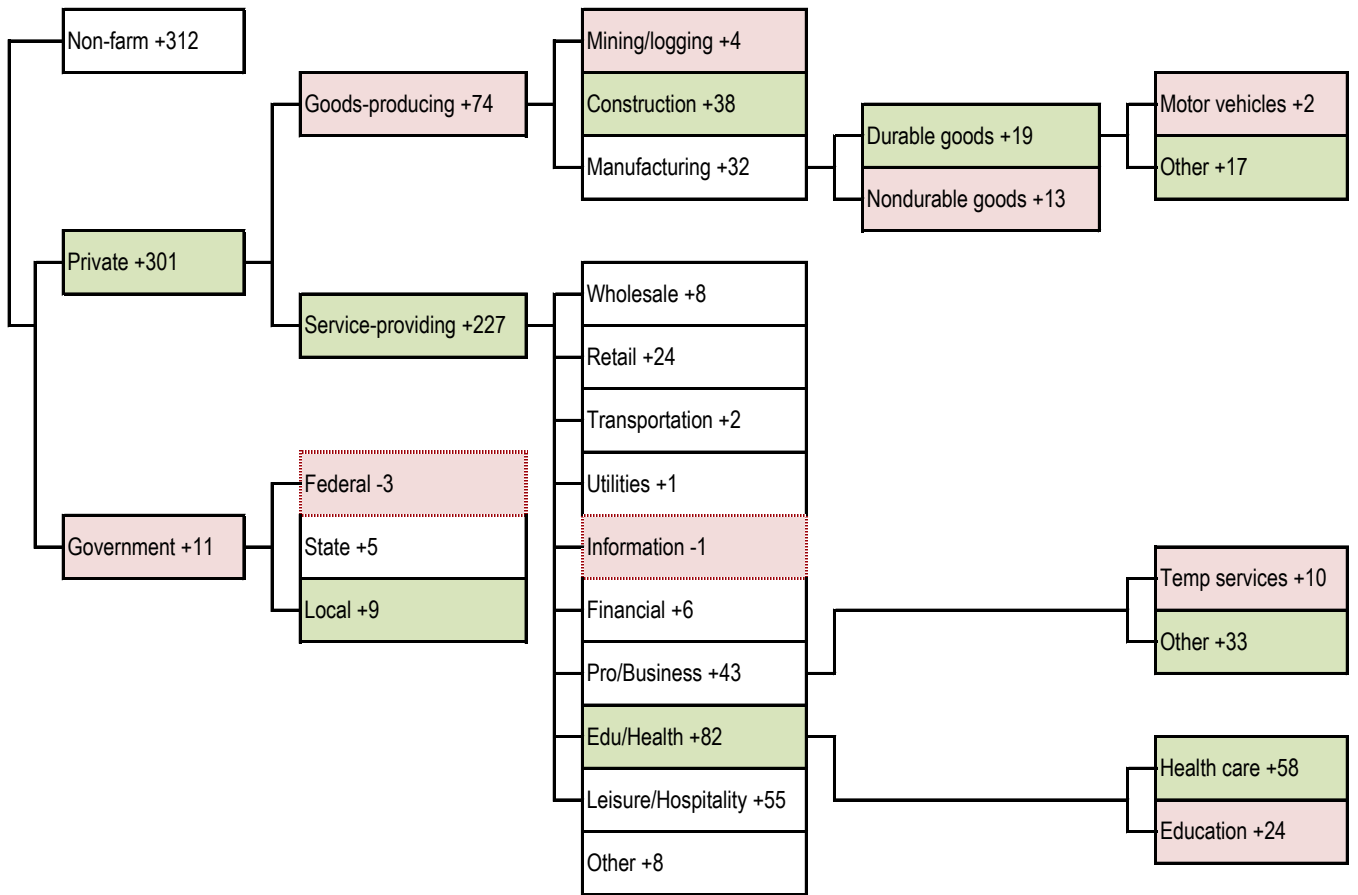
Source: Bureau of Labor Statistics, TrendMacro calculations

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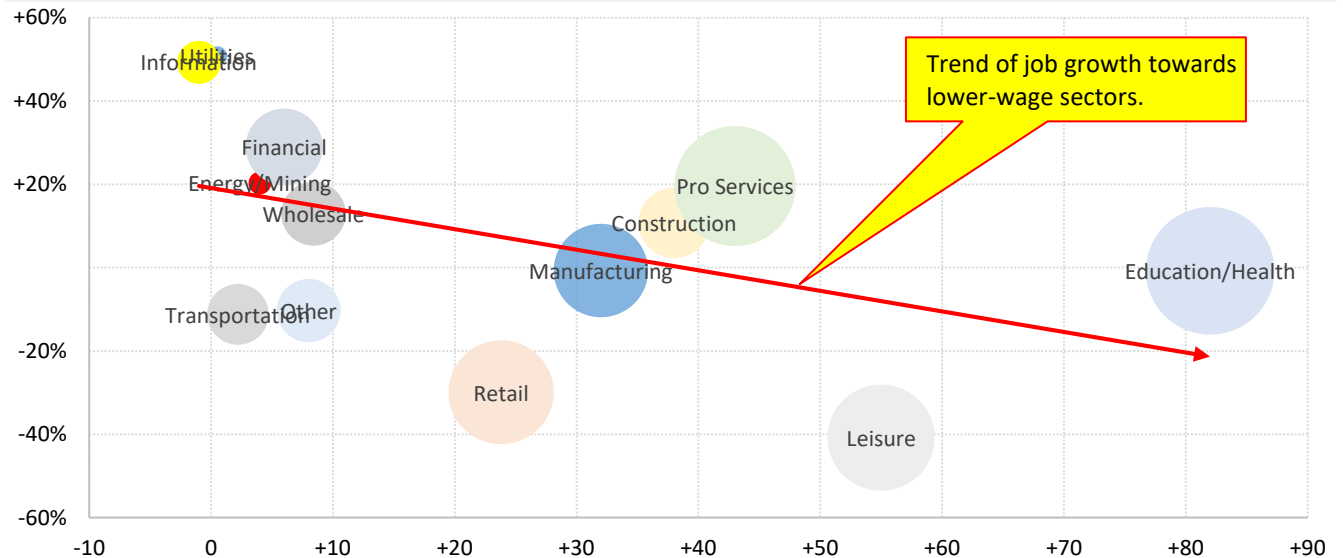
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

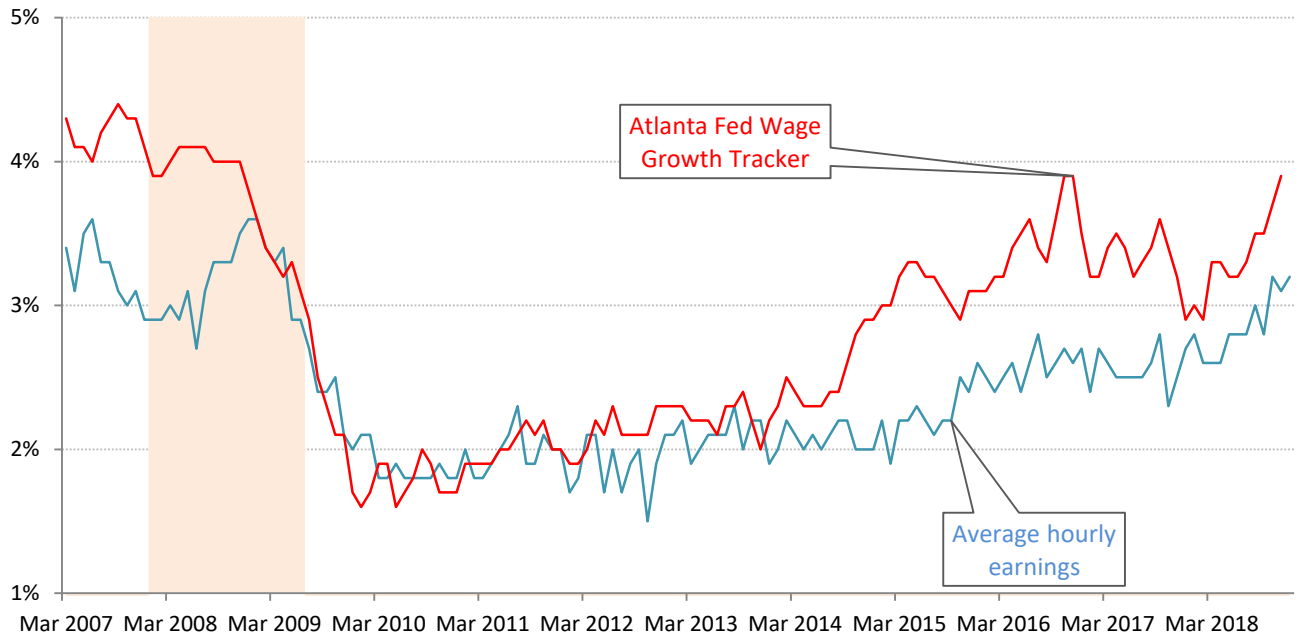
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

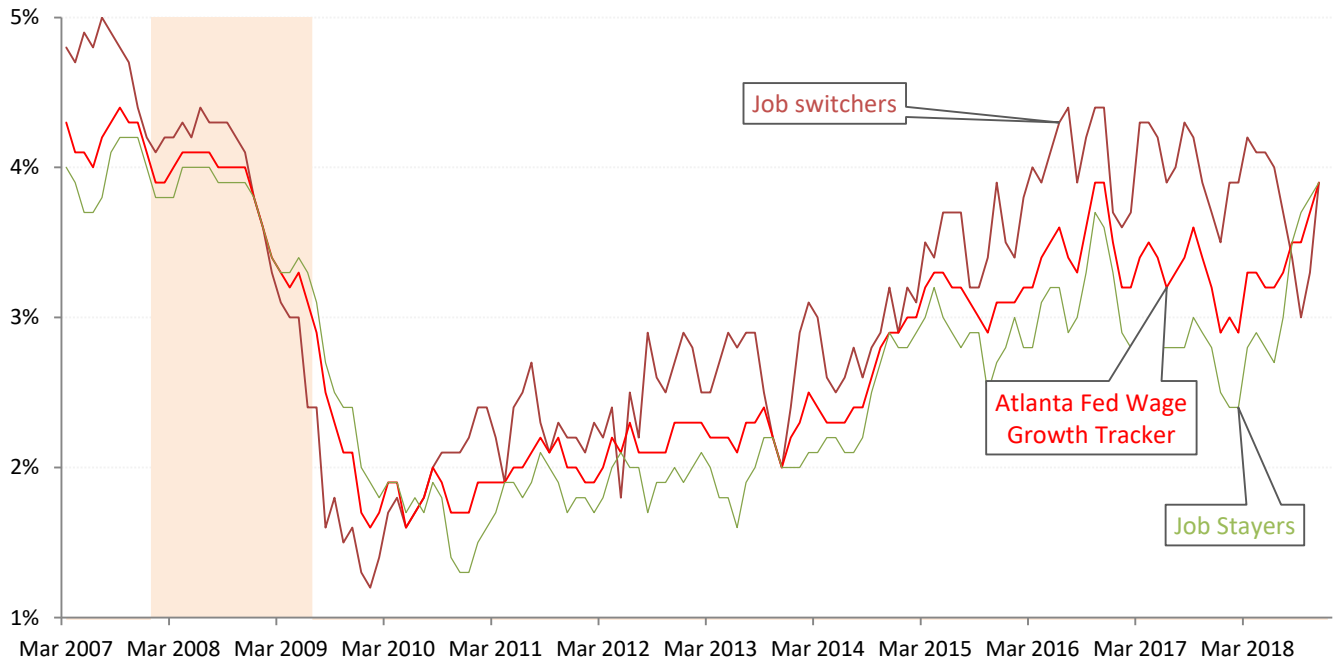
YOY average hourly earnings growth Atlanta Fed Wage Growth Index Recession



Source: BLS Current Employment Statistics, Atlanta Federal Reserve Bank, TrendMacro calculations

The wages of dynamism

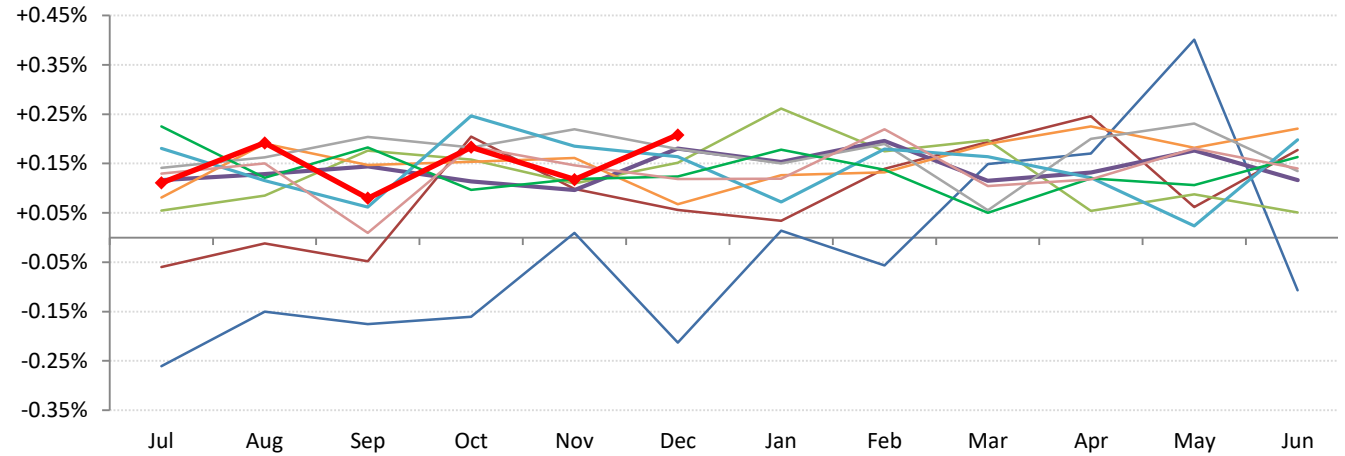
YOY wage growth for steady employees, versus those who change jobs Recession



Source: Atlanta Federal Reserve Bank, 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 — 15-16 — 16-17 — 17-18 — 2018-19

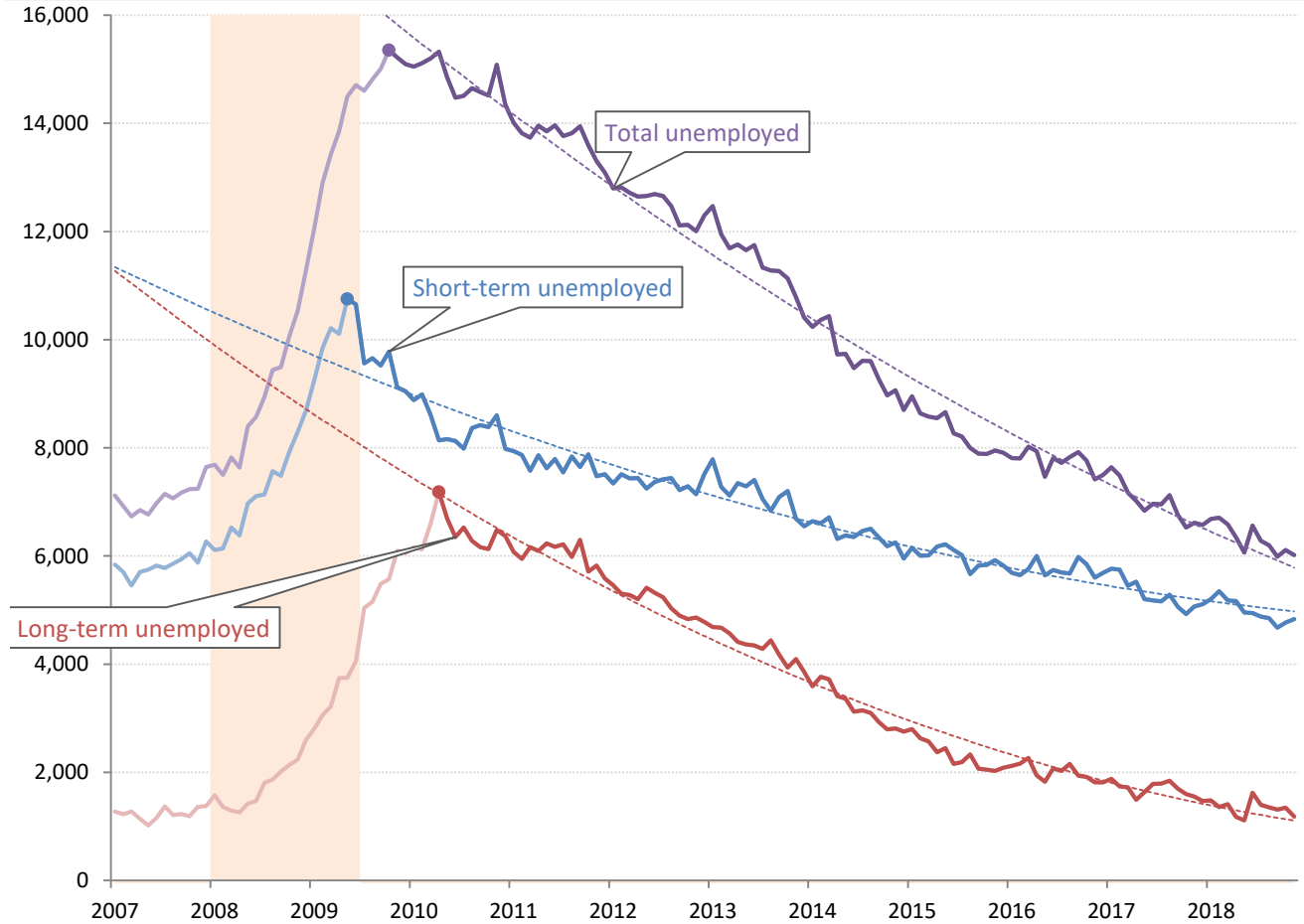


Source: BLS Current Population Survey, TrendMacro calculations

The ultimate jobless recovery is becoming jobful

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

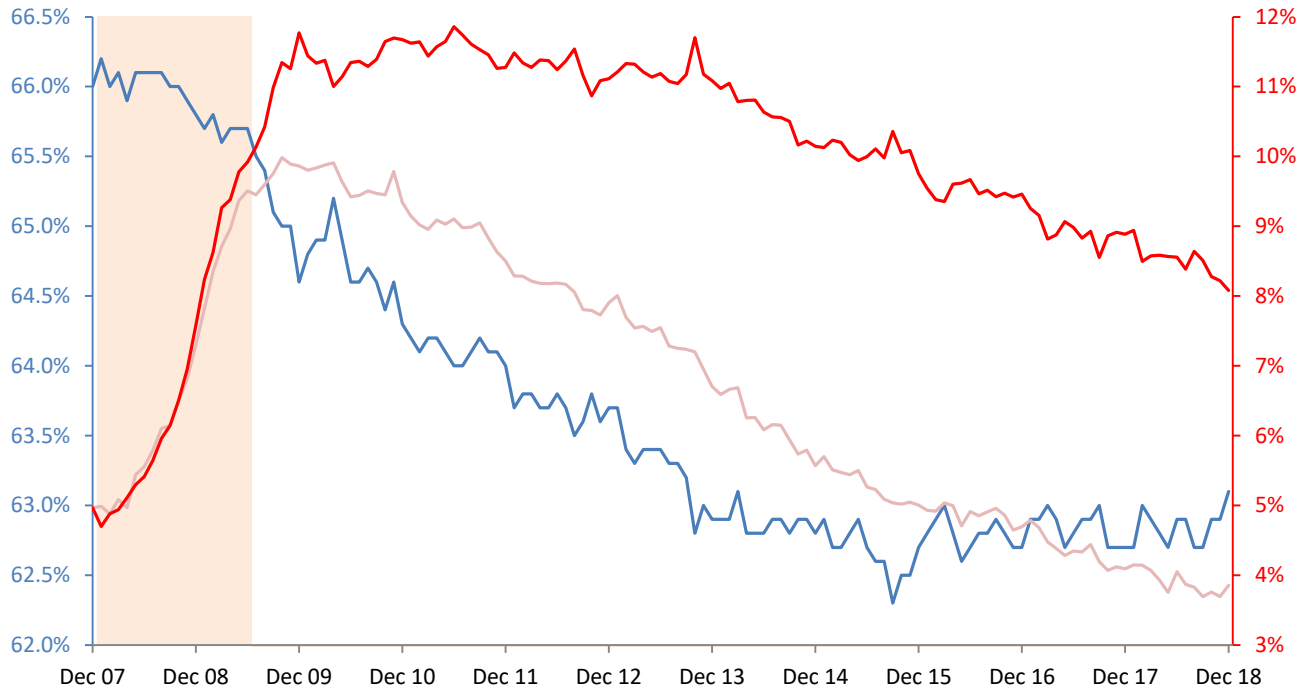
Income inflation adjusted to today's USD



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

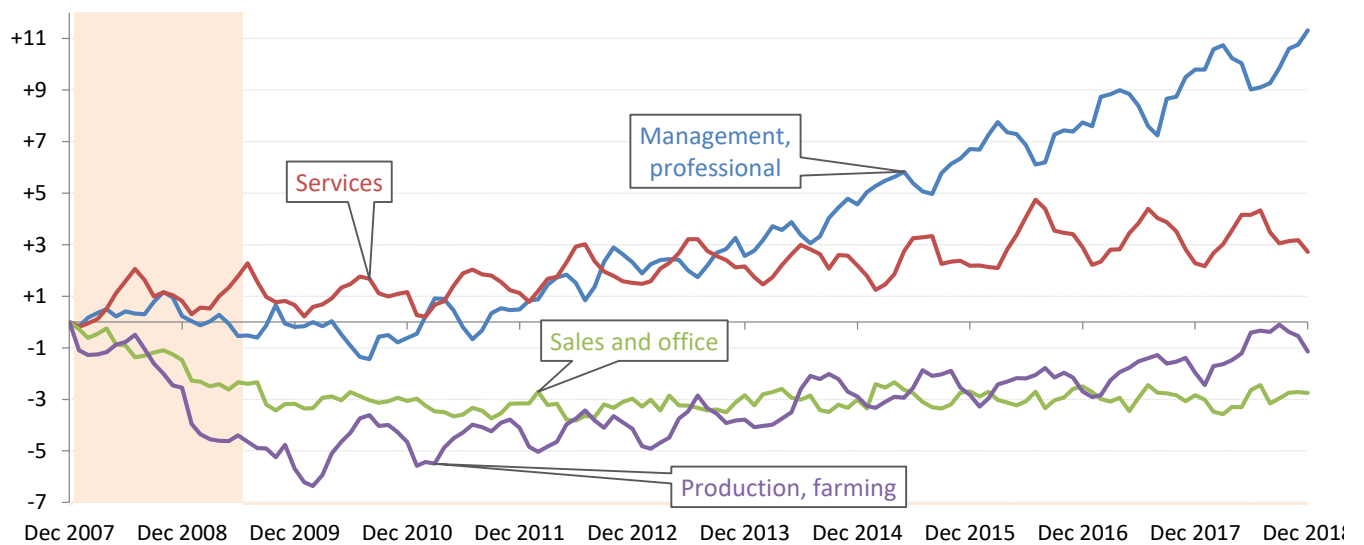
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

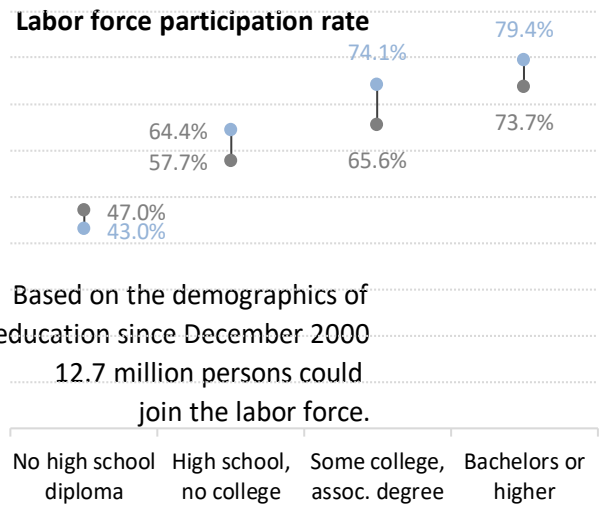
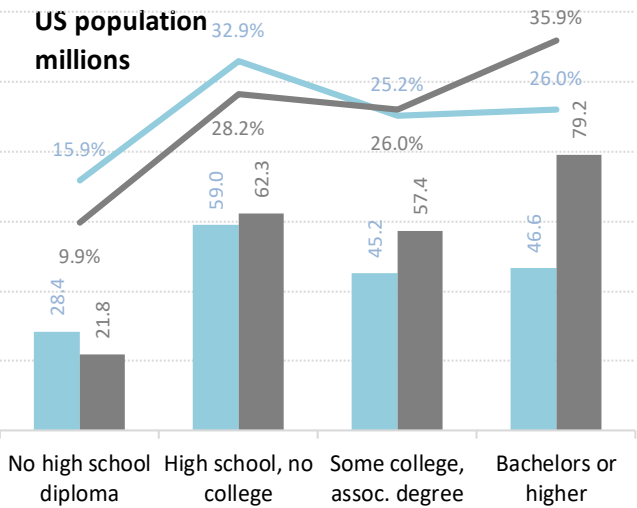
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

US labor force demographics: fading baby boom and its well-educated echo

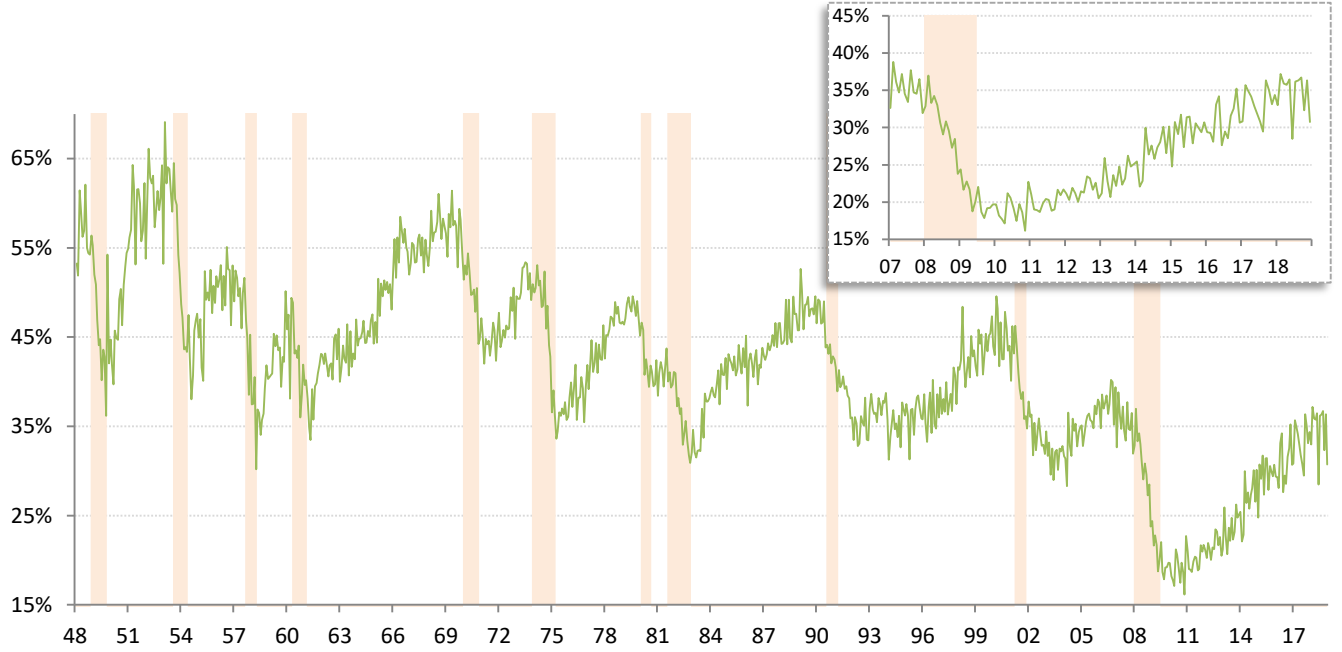
By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

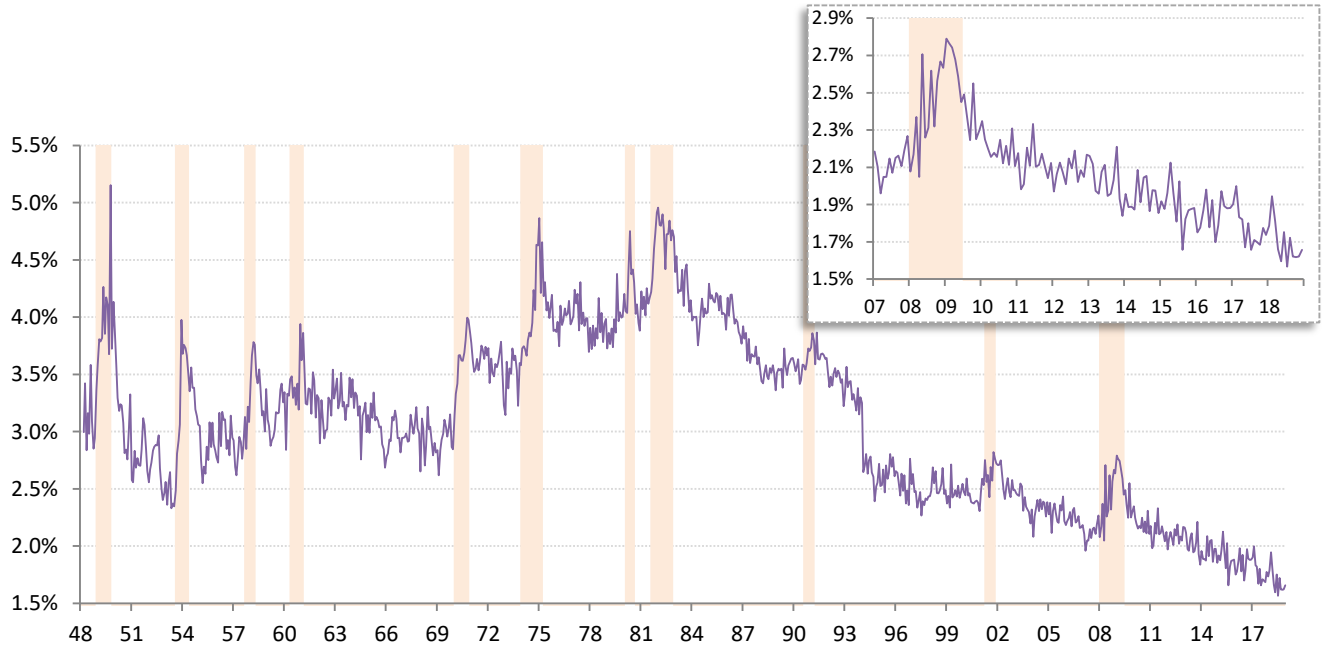
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

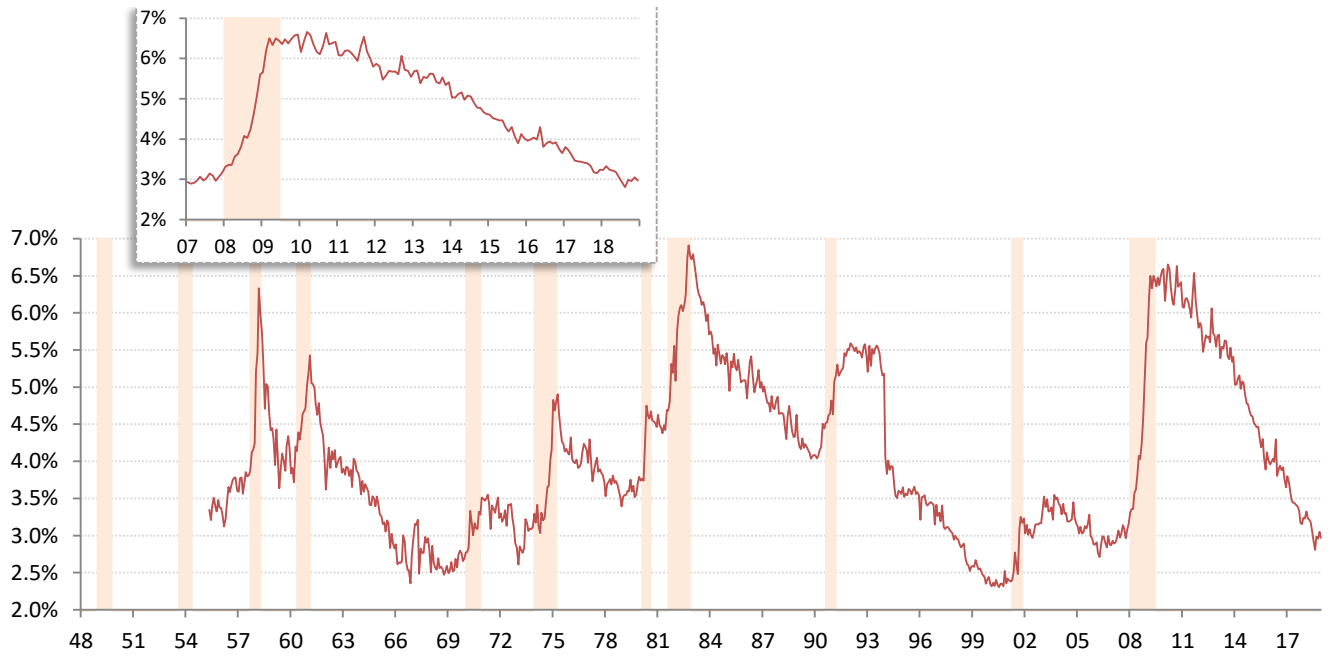
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

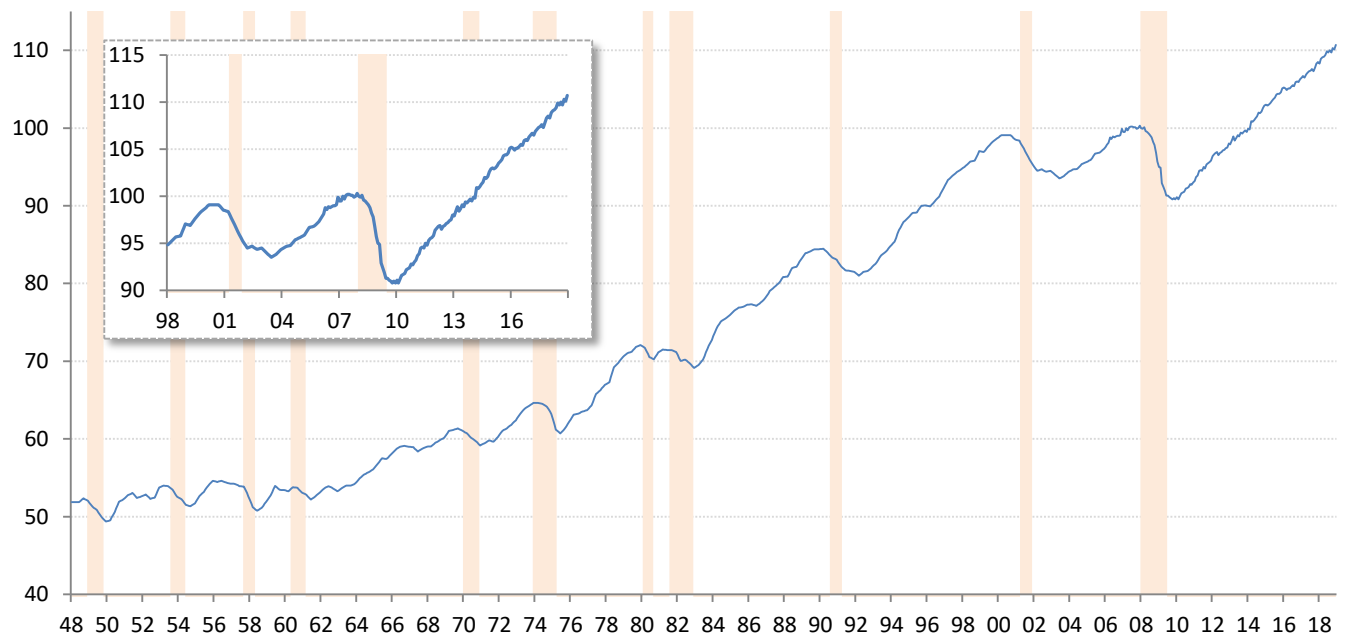
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



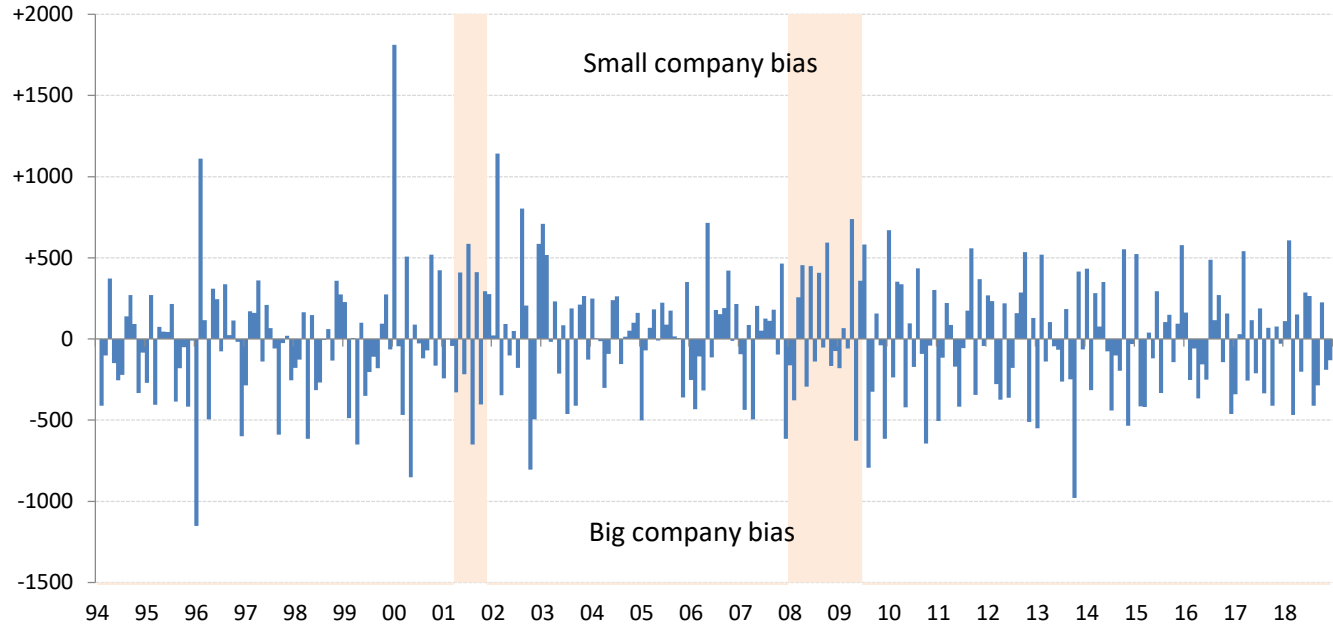
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



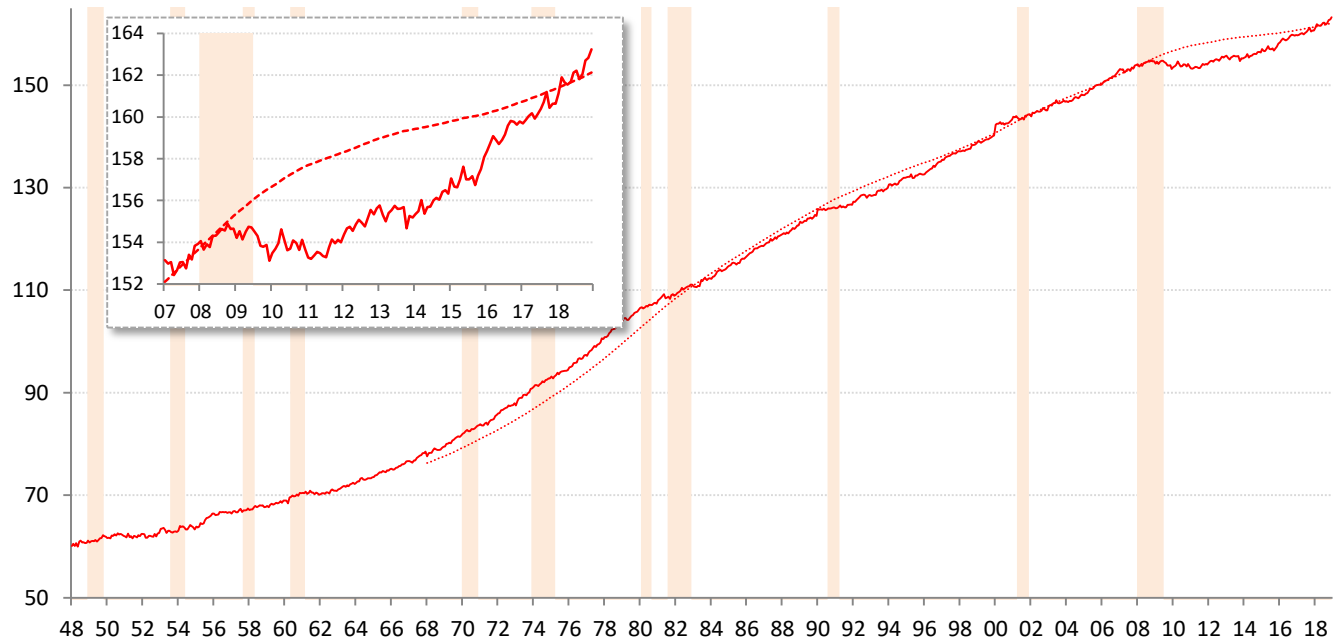
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



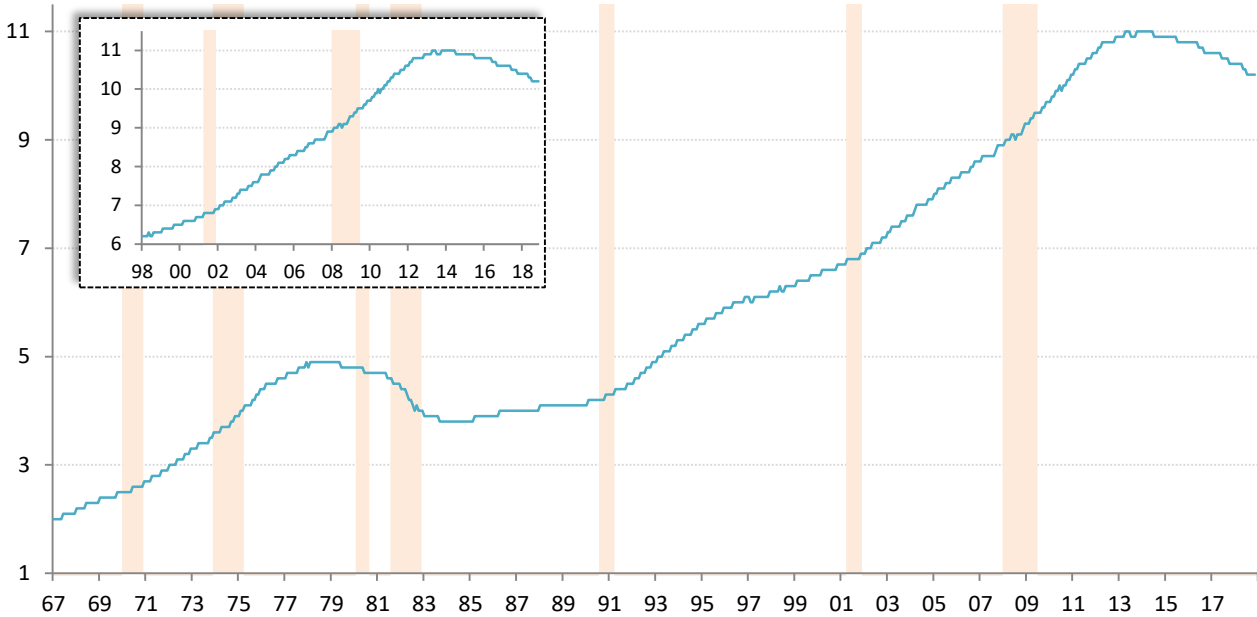
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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



Source: BLS Current Population Survey, TrendMacro calculations

Can the disabled come back to the labor force? Social Security disability recipients, millions



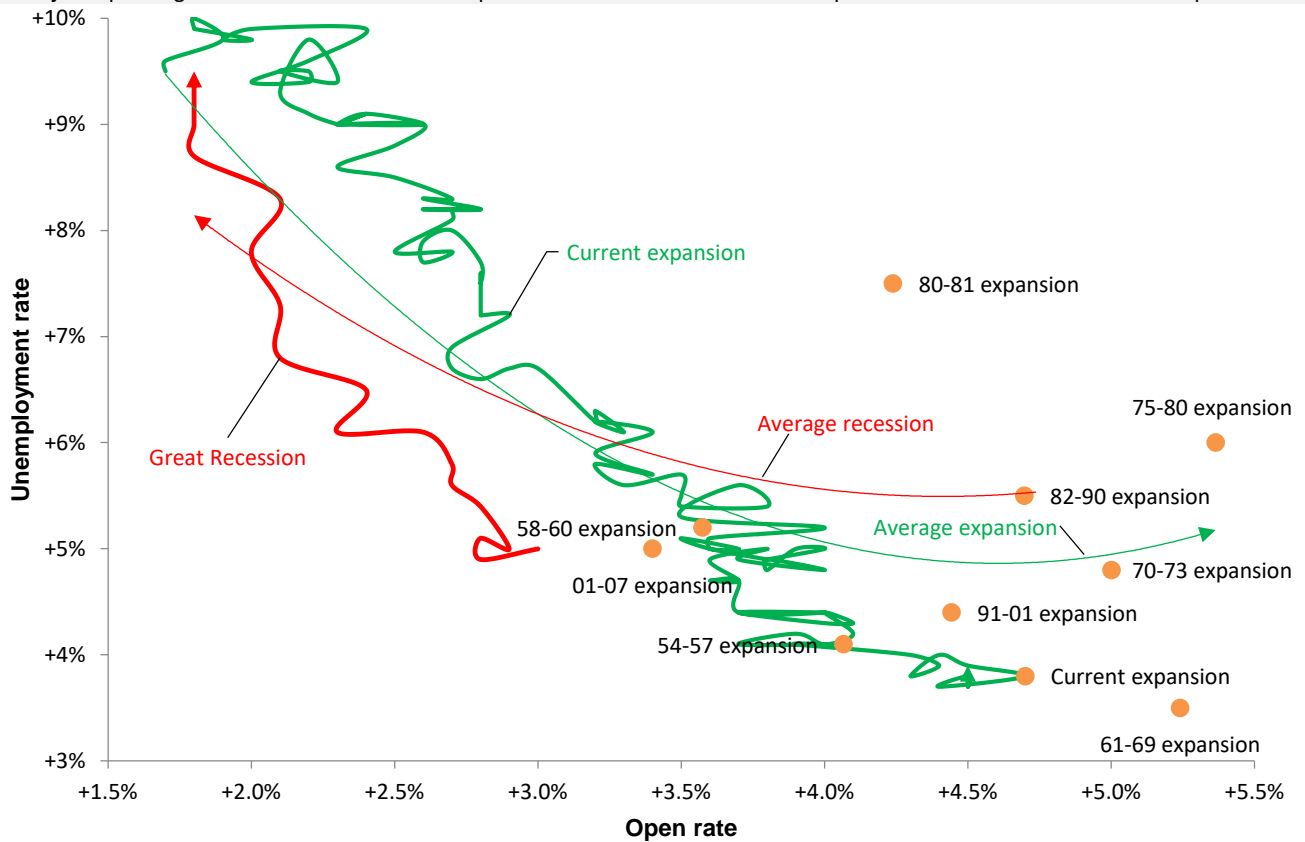
Running out of workers? The Beveridge Curve

and job openings

Cycle relationship between unemployment and job openings

— Expansion — Recession

● Expansion extreme, from 1954 to present



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