







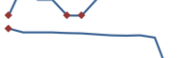

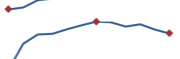







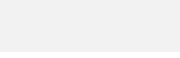


## Data Insights: Jobs

Friday, September 3, 2021

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









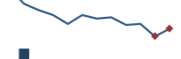









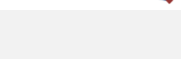
<b>Non-farm payrolls</b>	Change Aug: +235	Revision Jul: +110	Revision Jun: +24	
<b>Private payrolls</b>	Change Aug: +243	Revision Jul: +95	Revision Jun: +39	
<b>Employment</b>	Change Aug: +509			
<b>Unemployment</b>	Change Aug: -318			
<b>Long-term unemployment</b>	Change Jul: -598			
<b>Civilian labor force</b>	Change Aug: +190	2.08 million below trend	More than all entrants employed	
<b>Unemployment rate</b>	Aug: 5.19%	Change Aug: -0.20%		
<b>Underemployment rate</b>	Aug: 8.8%	Change Aug: -0.4%		
<b>Participation rate</b>	Aug: 61.7%	Change Aug: unch		
<b>UE adjusted for participation</b>	Aug: 0.0%	Change Aug: -11.56%		
<b>Average weeks unemployed</b>	Aug: 29.6	Change Aug: +0.1		
<b>% longterm unemployed</b>	Aug: 37.4%	Change Aug: -1.9%		
<b>Aggregate hours worked index</b>	Aug: 109.0	Change Aug: +0.2%	Revision Jul: +0	
<b>Average hourly earnings</b>	Aug: +0.56%	Change Aug: +0.16%	Revision Jul: +0.03%	
<b>Aggregate weekly earnings</b>	Aug: 160.2	Change Aug: +0.8%	Revision Jul: +0.3	
<b>Monthly job-finding probability</b>	Jul: 0.0%	Change Aug: -32.0%		
<b>Monthly separation probability</b>	Jul: 0.0%	Change Aug: -1.6%		
<b>% involuntary part-time</b>	Jul: 0.0%	Change Aug: -2.9%		
<b>"Household" vs "Payroll" jobs</b>	Change Aug: -280			

Source: Bureau of Labor Statistics, TrendMacro calculations

#### For more information contact us:

Donald Luskin: 312 273 6766 [don@trendmacro.com](mailto:don@trendmacro.com)  
 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

## Today's jobs data: a deeper dive

<b>Non-farm payrolls SA</b>	Change Aug: +235	Revision Jul: +110	Revision Jun: +24	
<b>Non-farm payrolls NSA</b>	Change Aug: +312	Revision Jul: +99	Revision Jun: -25	
<b>Birth-death adjustment</b>	Change Aug: +142			
<b>Employment</b>	Change Aug: +509			
<b>Unemployment rate</b>	Aug: 5.19%	Change Aug: -0.20%		
<b>White employment</b>	Change Aug: +269			
<b>White unemployment rate</b>	Aug: 4.5%	Change Aug: -0.3%		
<b>Black employment</b>	Change Aug: +135			
<b>Black unemployment rate</b>	Aug: 8.8%	Change Aug: 0.6%		
<b>Hispanic employment</b>	Change Aug: +76			
<b>Hispanic unemployment rate</b>	Aug: 6.4%	Change Aug: -0.2%		
<b>Asian employment</b>	Change Aug: +28			
<b>Asian unemployment rate</b>	Aug: 4.6%	Change Aug: -0.7%		
<b>No HS employment NSA</b>	Change Aug: +328			
<b>No HS unemployment rate NSA</b>	Aug: 7.8%	Change Aug: -1.7%		
<b>Men employment</b>	Change Aug: +388			
<b>Men unemployment rate</b>	Aug: 5.4%	Change Aug: -0.2%		
<b>Women employment</b>	Change Aug: +120			
<b>Women unemployment rate</b>	Aug: 5.0%	Change Aug: -0.2%		

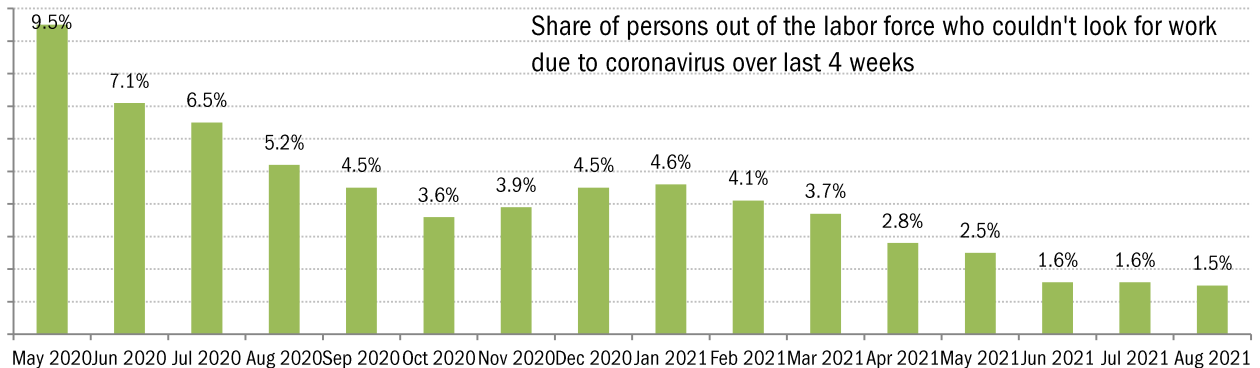
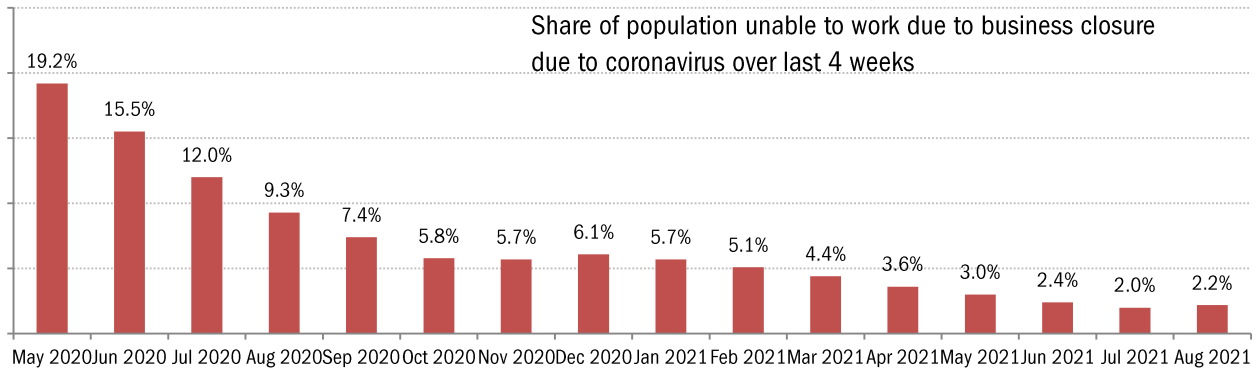
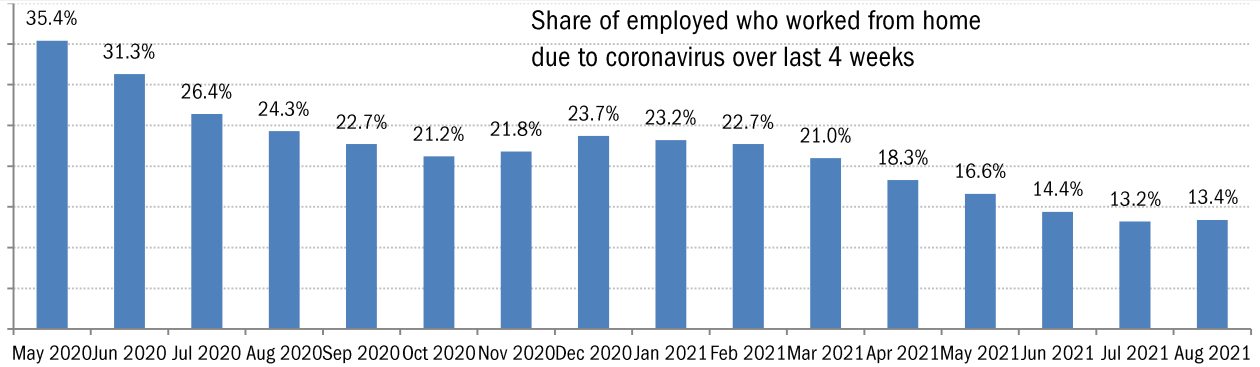
Source: Bureau of Labor Statistics, TrendMacro calculations

## TrendMacro Payroll Model based on contemporaneous labor market statistics

ADP Payrolls	ISM Manu Employ Index	ISM Services Employ Index	Change continuing claims	Initial claims	Challenger Layoffs	NFIB Hiring Plans	NFIB Employ
+374	49	53.7	-468	387	15723	32	-6
<b>Model estimate</b>	<b>Actual</b>	<b>Actual beat(+) or miss (-)</b>					
+189	+235	+46					

Source: ADP, ISM, DOL, Challenger, NFIB, BLS, TrendMacro calculations

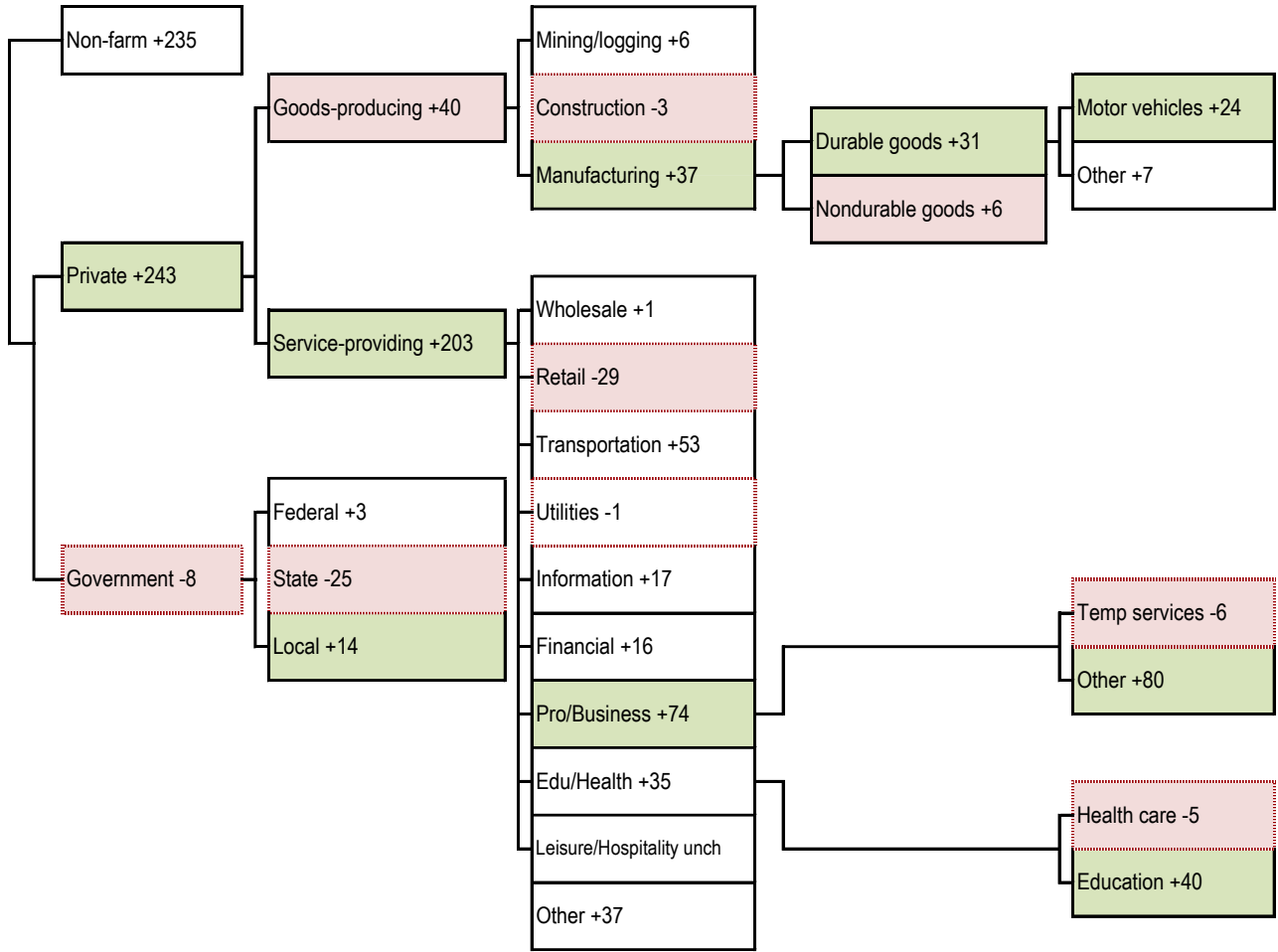
# Labor market adaptation to pandemic conditions



Source: [BLS](#), TrendMacro calculations

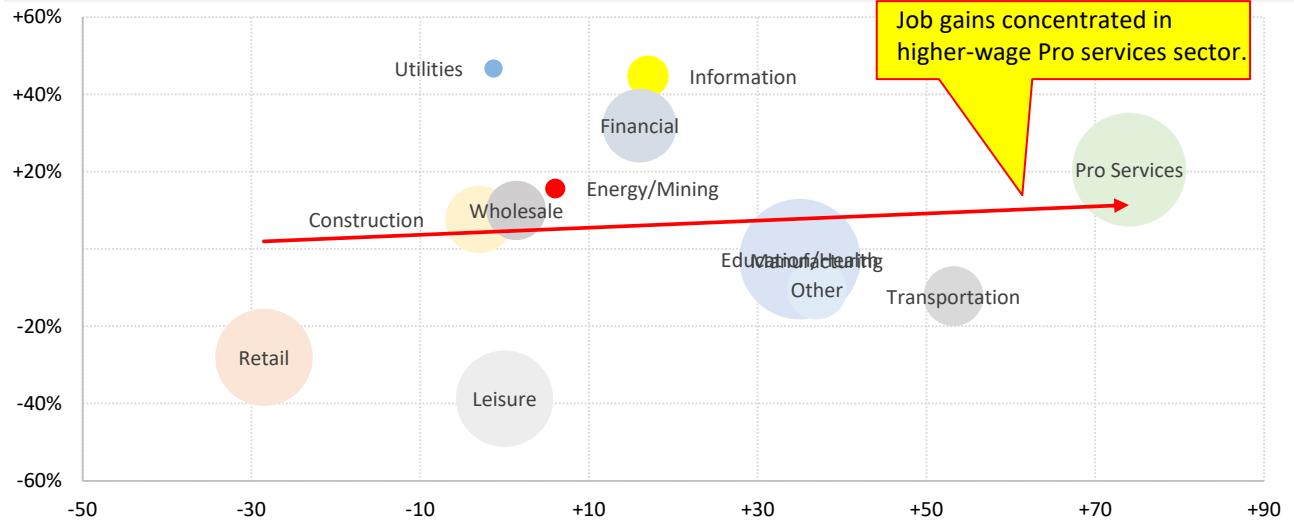
# Today's payroll data: what you need to know -- where did the jobs come from?

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



## Where is the pay coming from?

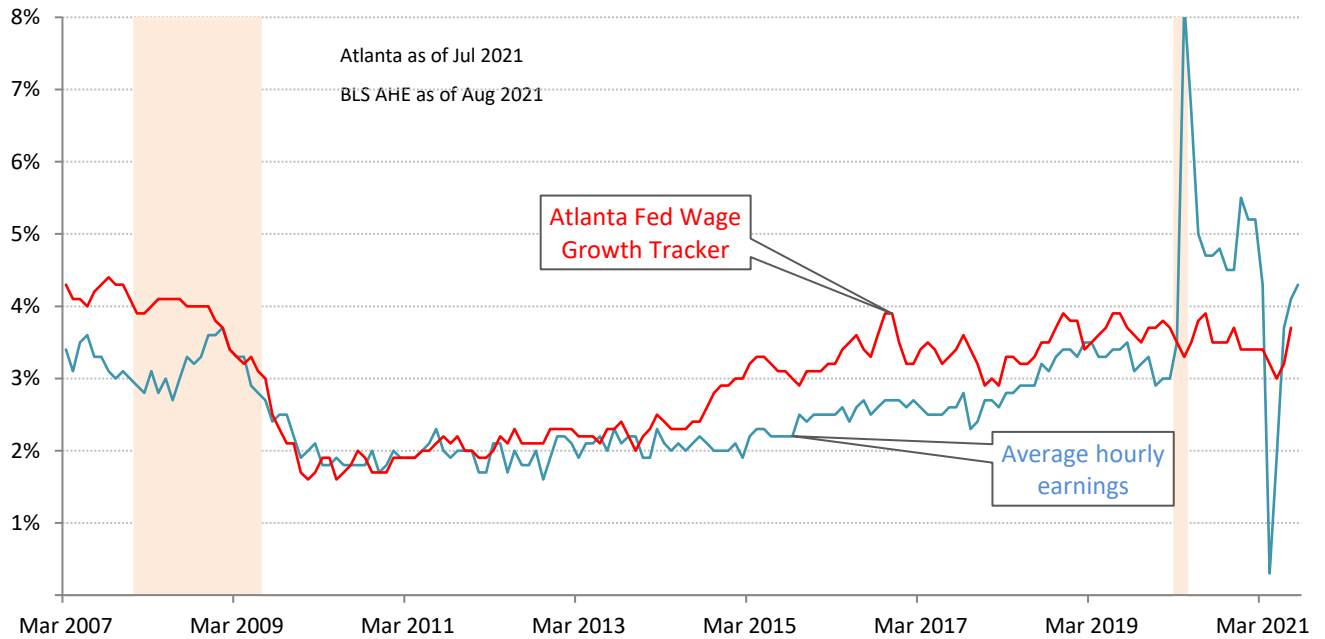
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

## Solving the wage-growth puzzle

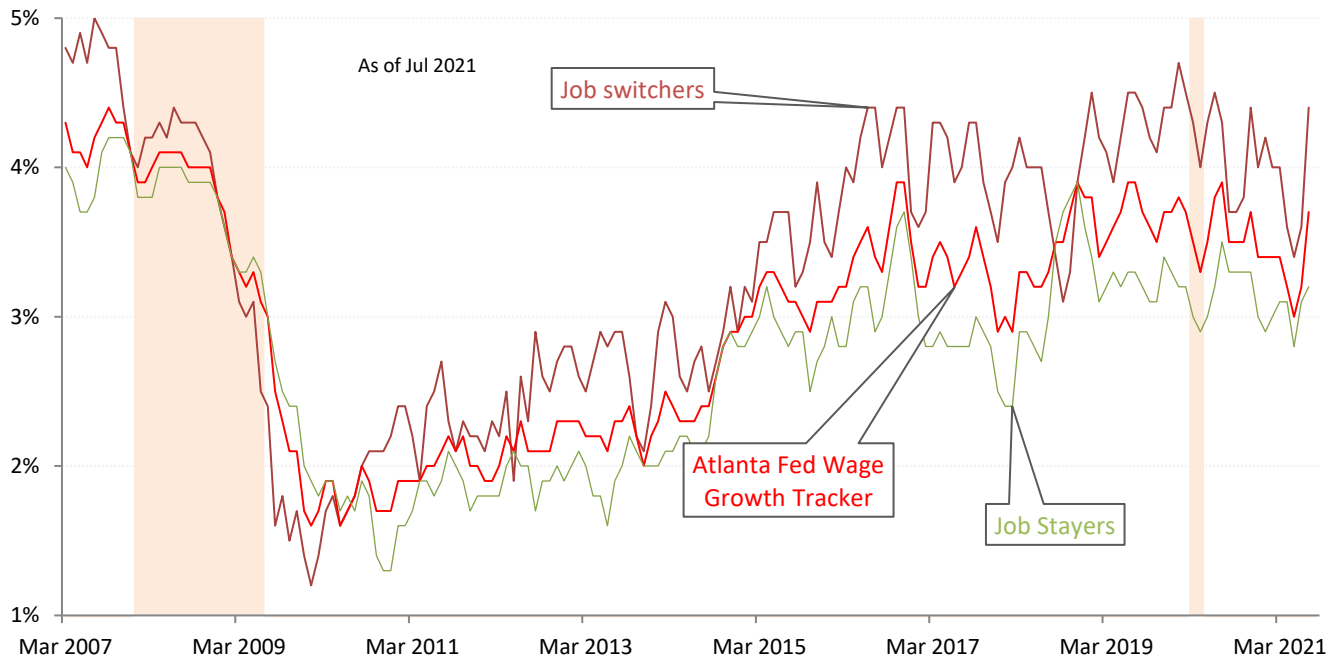
YOY average hourly earnings growth Atlanta Fed Wage Growth Index   Recession



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

## The wages of dynamism

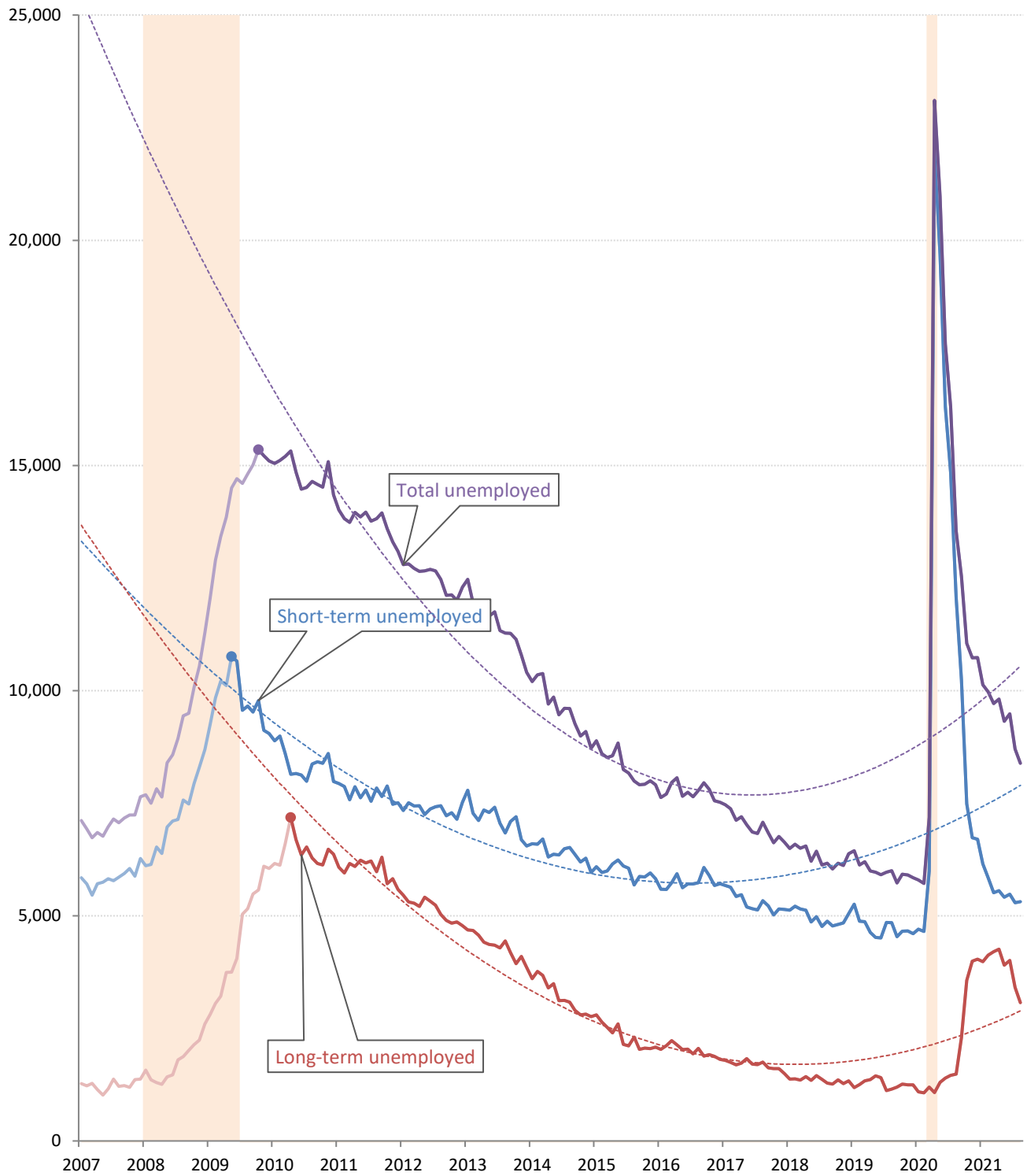
YOY wage growth for steady employees, versus those who change jobs   Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

# The Great Recession, the jobless recovery, the long boom, and then the virus

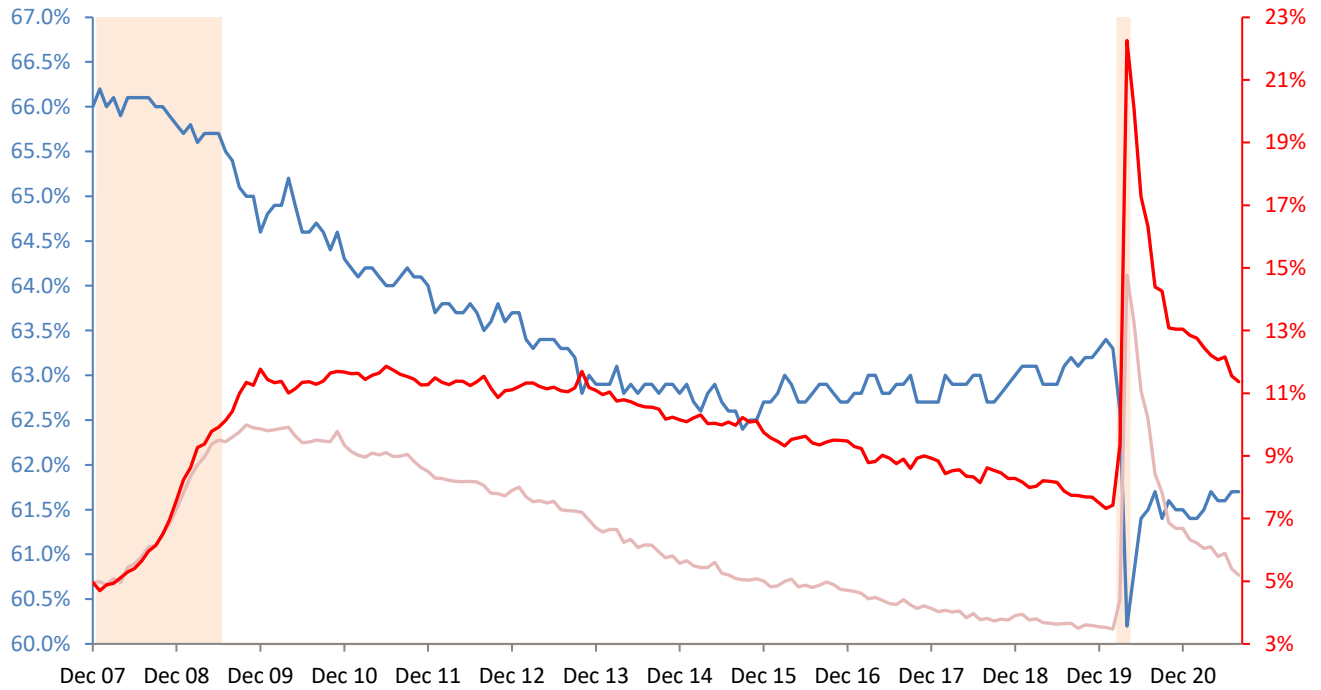
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

## Unemployment rate normalized for participation rate December 2007

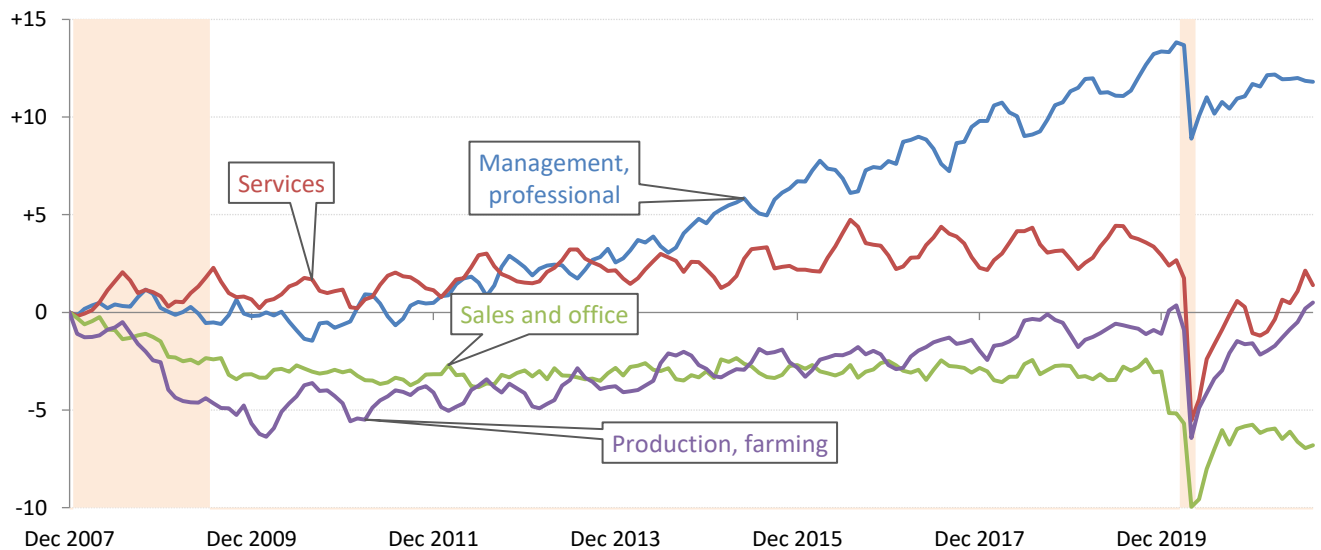
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

## Winner and losers in the long boom and the virus crisis

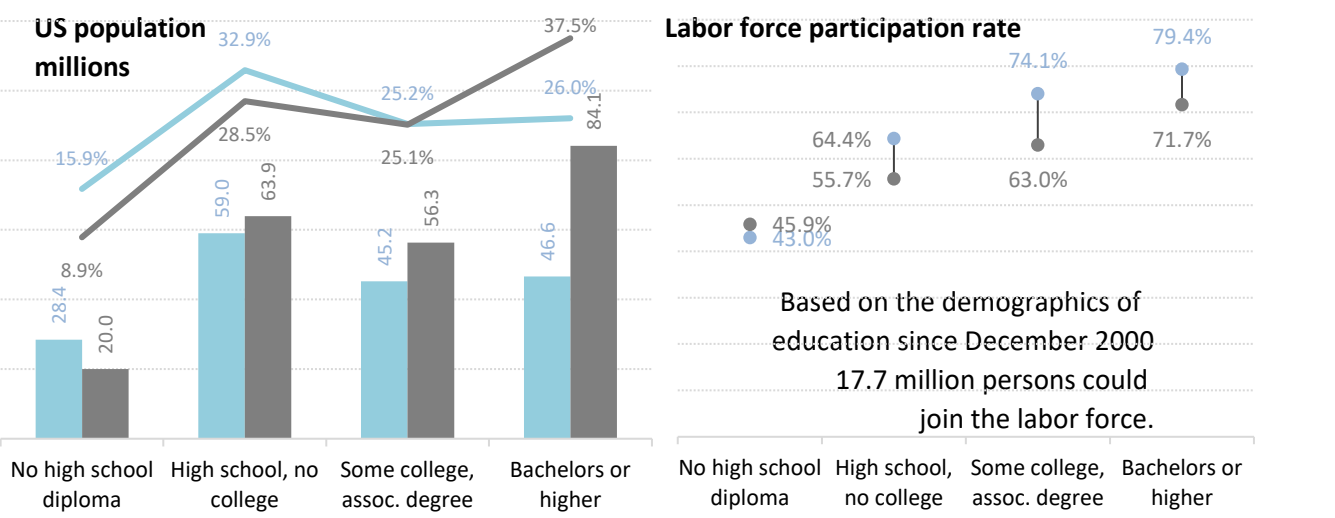
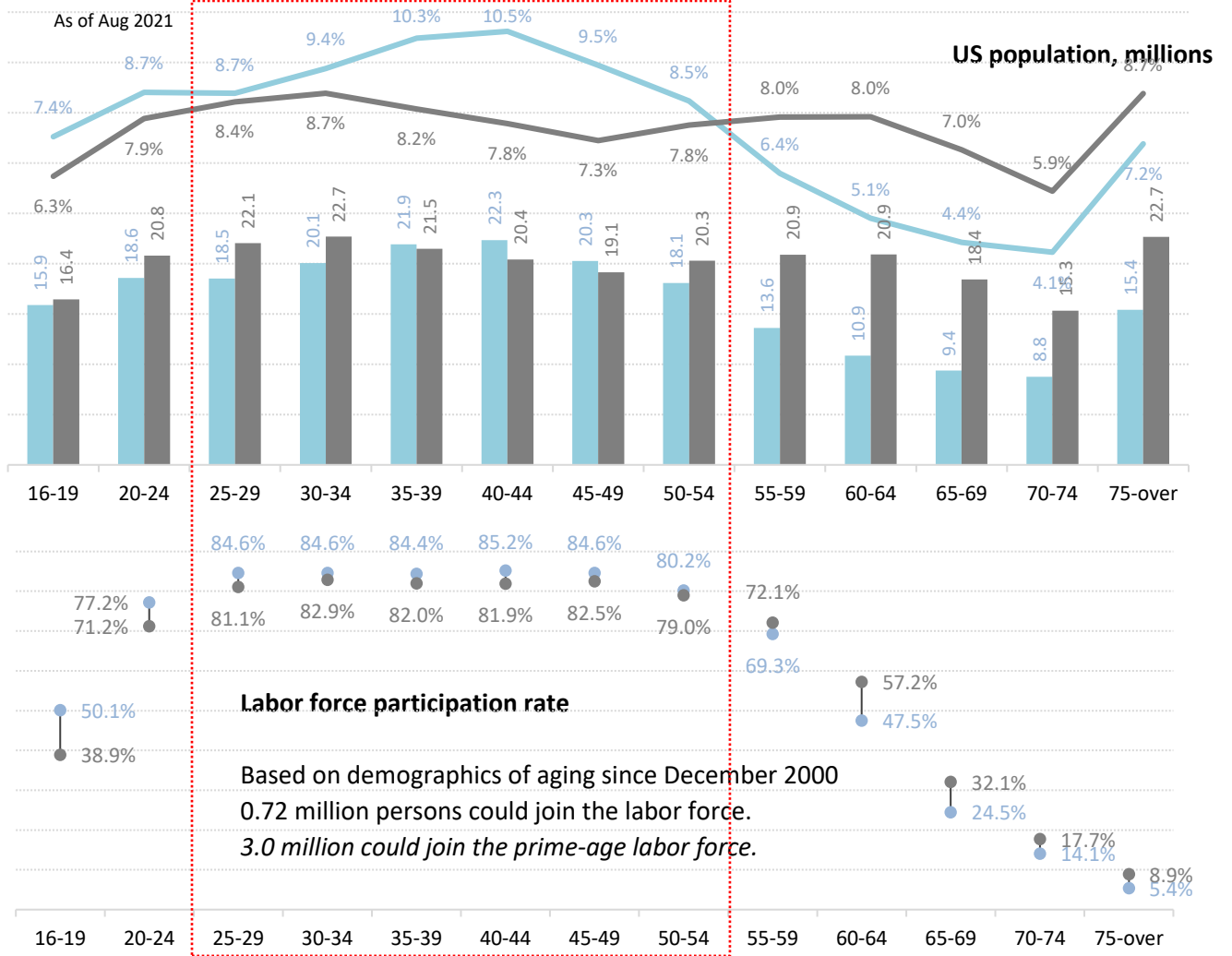
Change in total payrolls from prior business cycle peak, millions



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

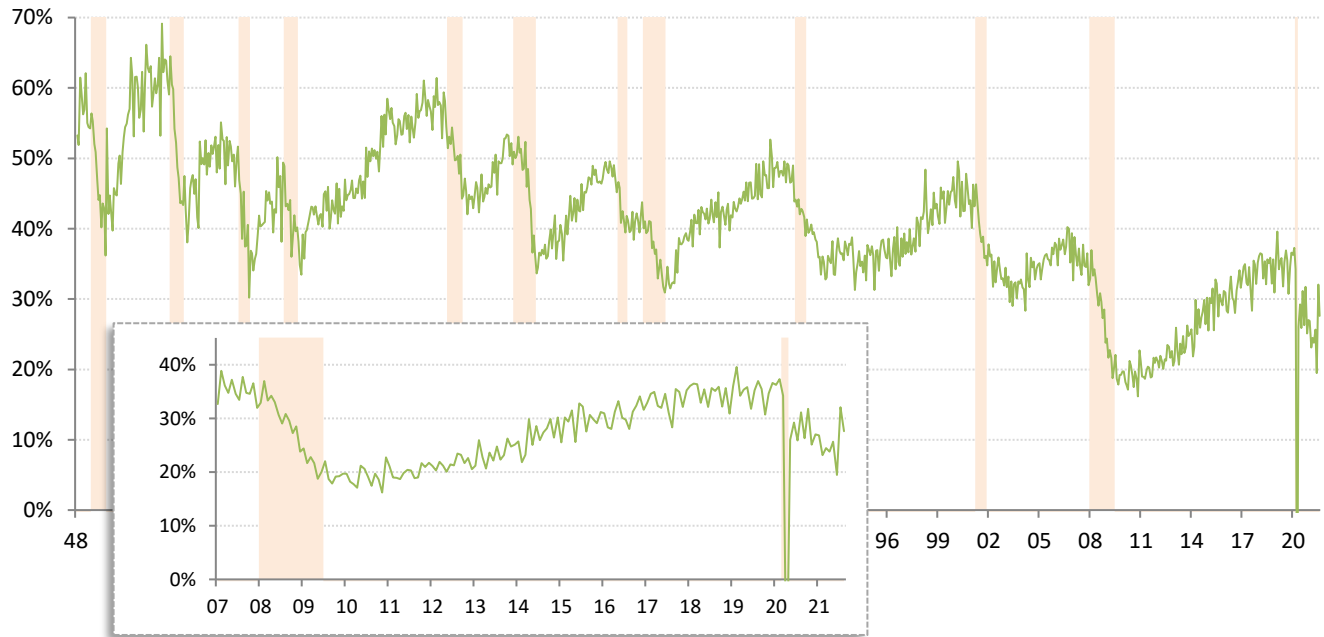


Source: BLS Current Population Survey, TrendMacro calculations



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

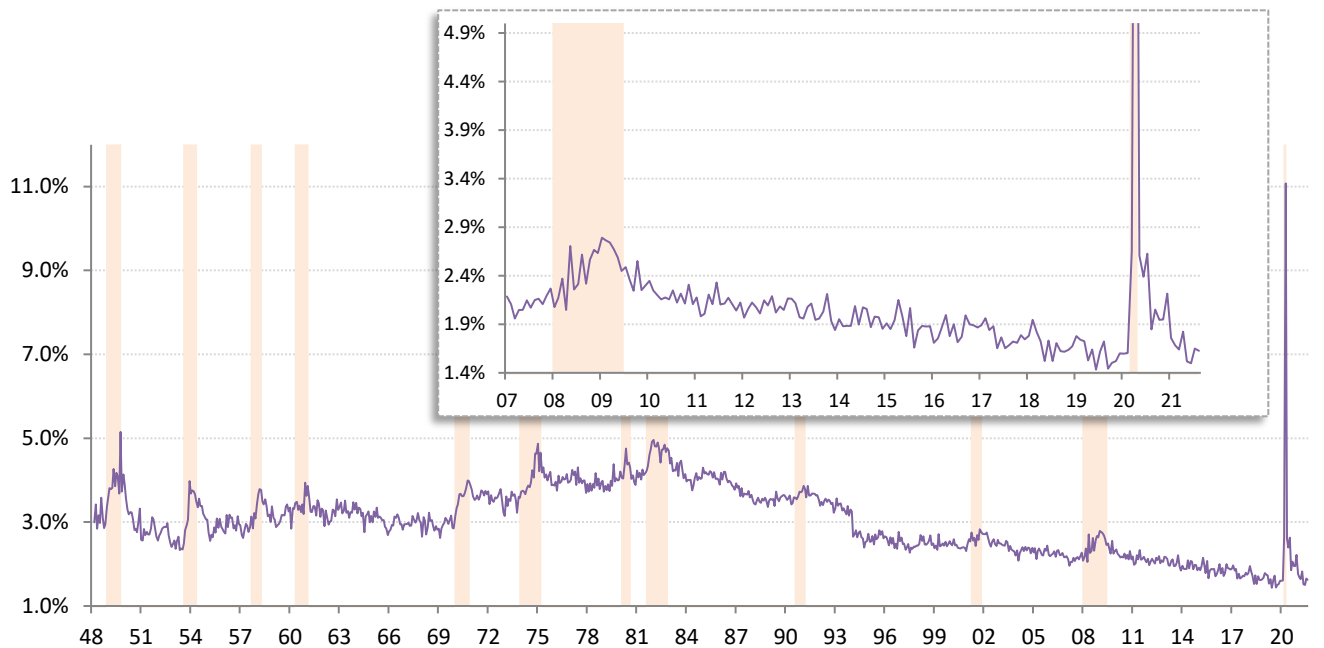
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

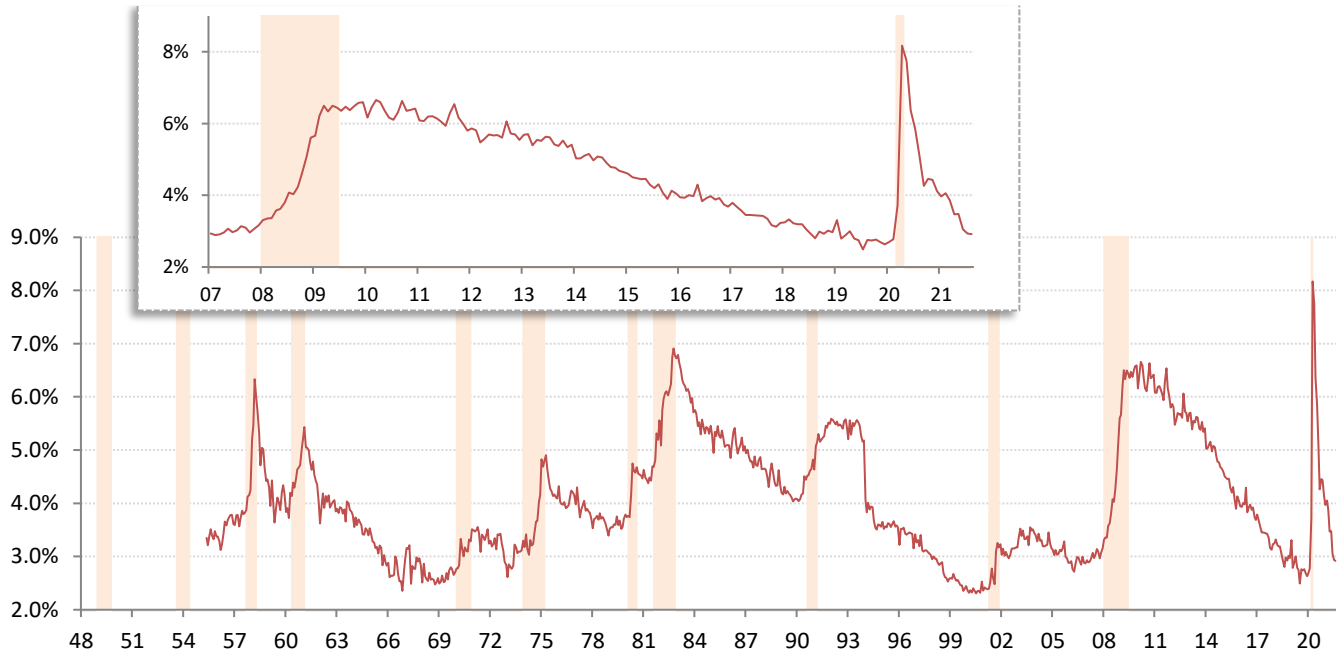
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

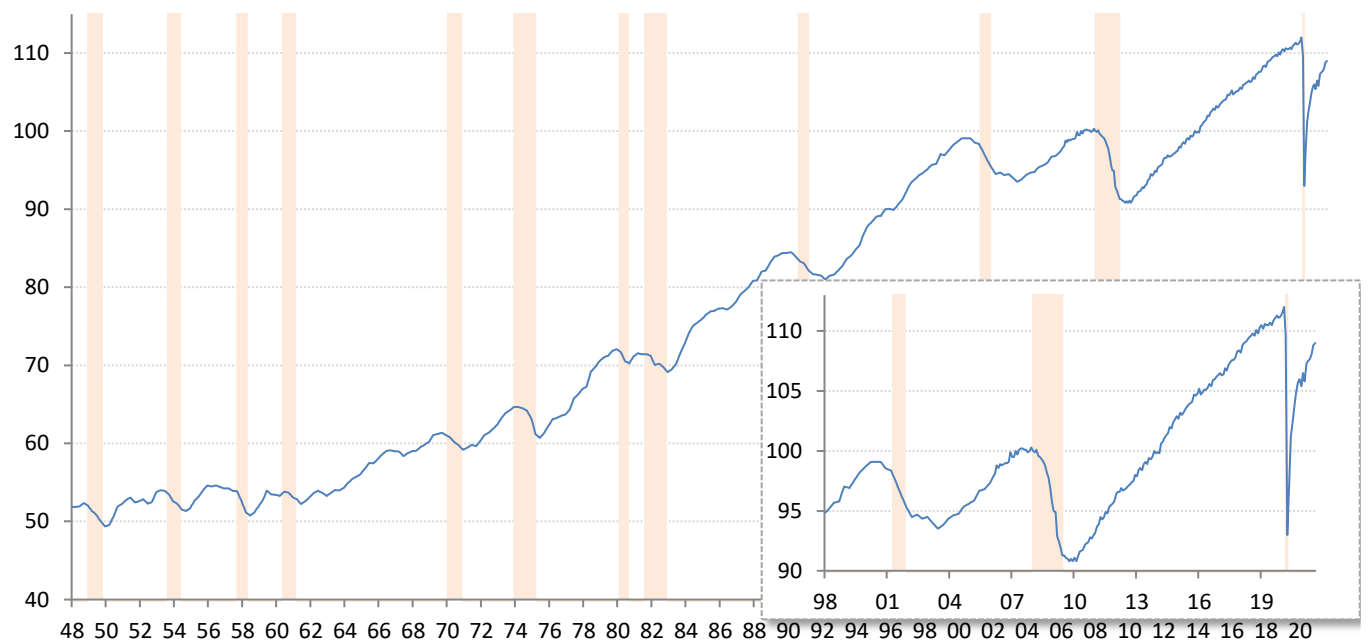
Persons available for full-time work ■ Recession



Source: BLS Current Population Survey, TrendMacro calculations

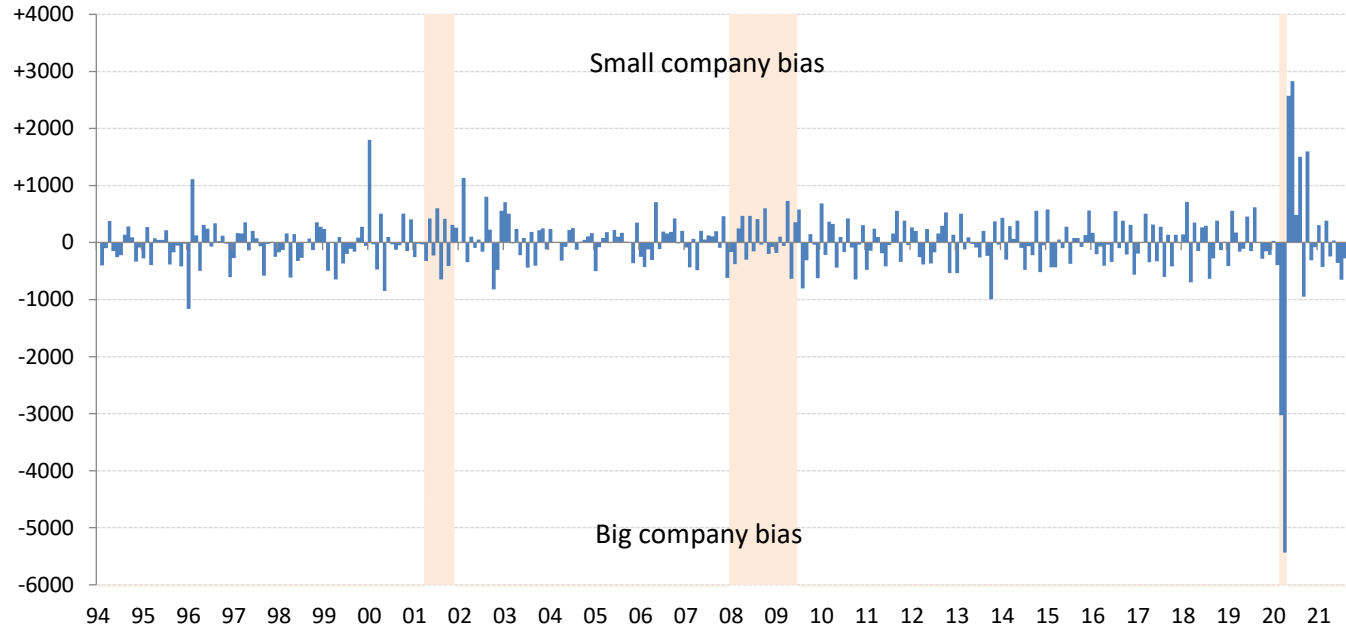
## Aggregate weekly private hours-worked index

■ Recession



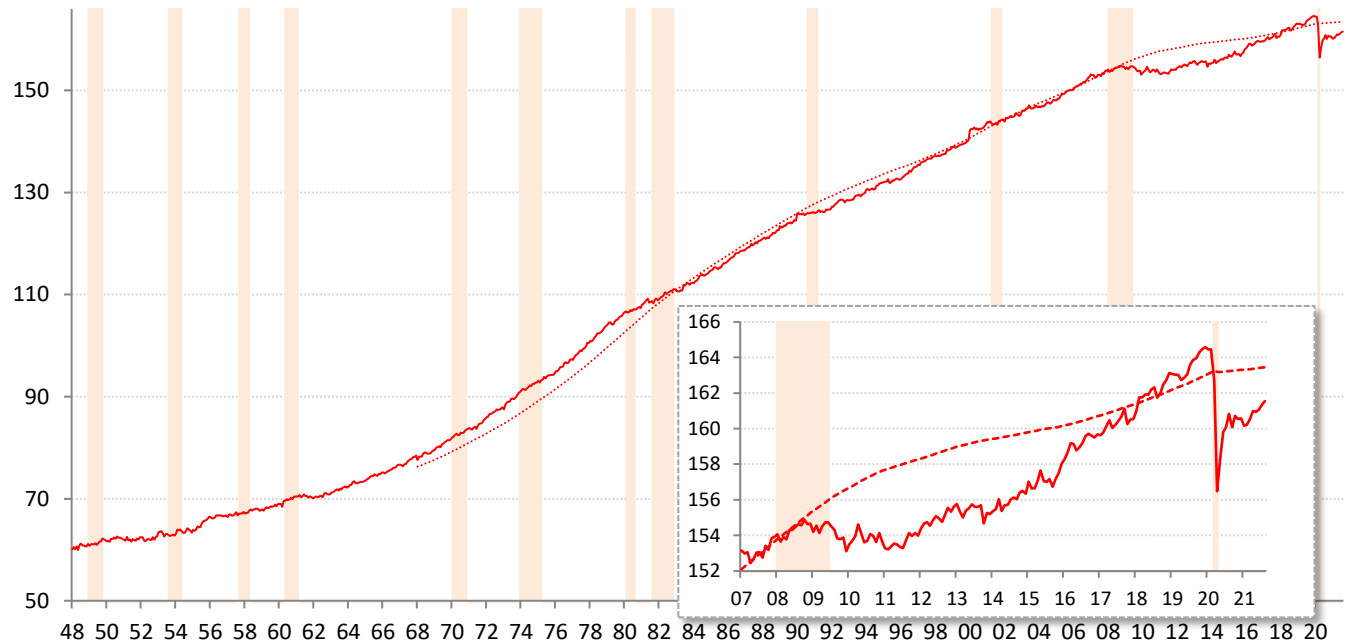
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



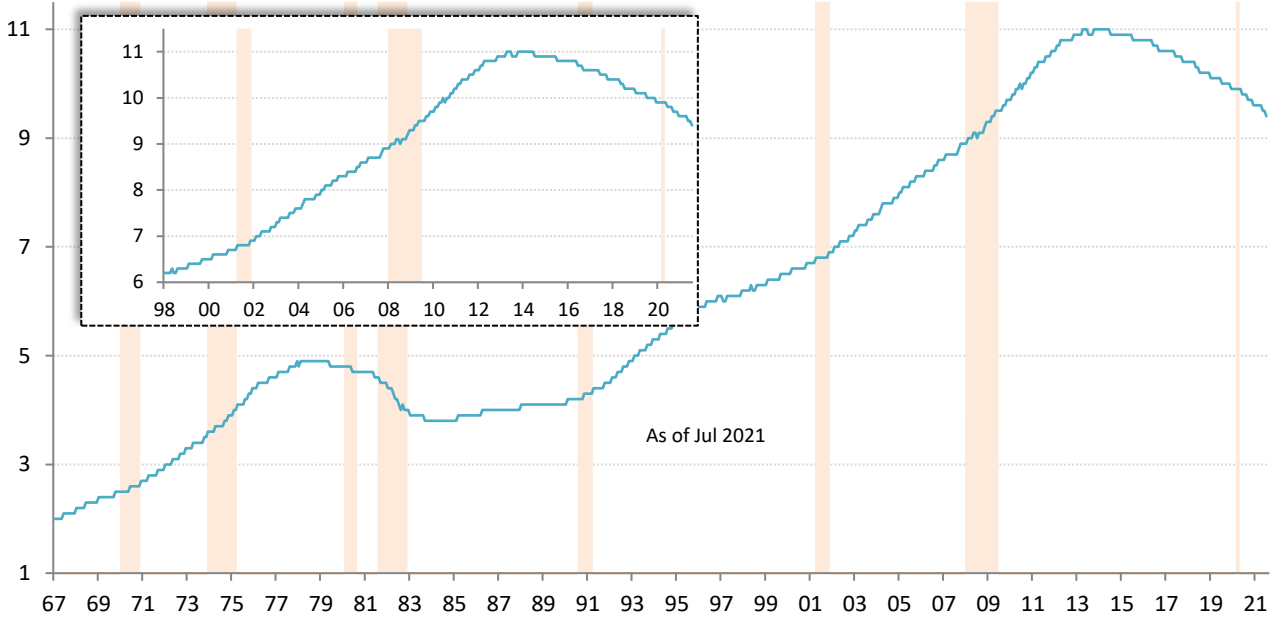
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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

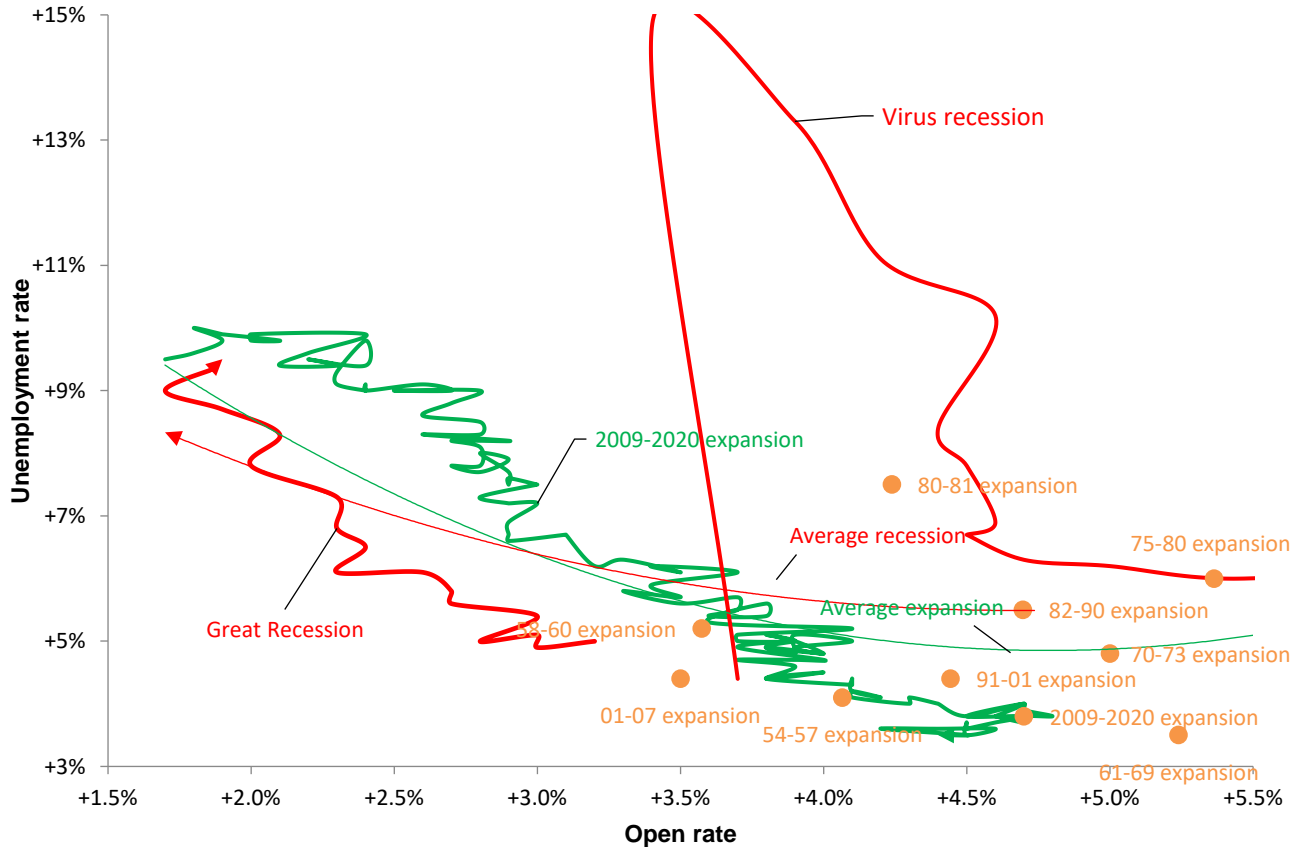


Source: BLS Current Population Survey, TrendMacro calculations

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



Running out of workers? The Beveridge Curve Cycle relationship between unemployment and job openings



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