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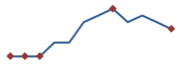
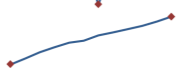
Data Insights: Jobs

Friday, August 5, 2022

Today's jobs data: what you need to know

Non-farm payrolls	Change Jul:	+528	Revision Jun:	+26	Revision May:	+2	
Private payrolls	Change Jul:	+471	Revision Jun:	+23	Revision May:	-5	
Employment	Change Jul:	+179					
Unemployment	Change Jul:	-242					
Long -term unemployment	Change Jul:	-245					
Civilian labor force	Change Jul:	-63	0.02 million below trend		More than all leavers unemployed		
Unemployment rate	Jul:	3.46%	Change Jul:	-0.15%			
Underemployment rate	Jul:	6.7%	Change Jul:	unch			
Participation rate	Jul:	62.1%	Change Jul:	-0.1%			
UE adjusted for participation	Jul:	9.2%	Change Jul:	+0.01%			
Average weeks unemployed	Jul:	22.1	Change Jul:	-0.2			
% longterm unemployed	Jul:	18.9%	Change Jul:	-3.7%			
Aggregate hours worked index	Jul:	113.1	Change Jul:	+0.4%	Revision Jun:	-0	
Average hourly earnings	Jul:	+0.47%	Change Jul:	+0.03%	Revision Jun:	-0.04%	
Aggregate weekly earnings	Jul:	174.6	Change Jul:	+0.9%	Revision Jun:	+0.2	
Monthly job-finding probability	Aug:	39.3%	Change Jul:	+0.6%			
Monthly separation probability	Aug:	1.6%	Change Jul:	-0.1%			
% involuntary part-time	Aug:	2.5%	Change Jul:	+0.2%			
"Household" vs "Payroll" jobs	Change Jul:	+83					

Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's jobs data: a deeper dive

Non-farm payrolls SA	Change Jul:	+528	Revision Mar:	+26	Revision Feb:	+2	
Non-farm payrolls NSA	Change Jul:	-385	Revision Mar:	-38	Revision Feb:	-20	
Birth-death adjustment	Change Jul:	+309					
Employment	Change Jul:	+179					
Unemployment rate	Jul:	3.46%	Change Jul:	-0.15%			
White employment	Change Jul:	+235					
White unemployment rate	Jul:	3.1%	Change Jul:	-0.2%			
Black employment	Change Jul:	-68					
Black unemployment rate	Jul:	6.0%	Change Jul:	0.2%			
Hispanic employment	Change Jul:	-194					
Hispanic unemployment rate	Jul:	3.9%	Change Jul:	-0.4%			
Asian employment	Change Jul:	+128					
Asian unemployment rate	Jul:	2.6%	Change Jul:	-0.4%			
HS only employment	Change Jul:	-476					
HS only unemployment rate	Jul:	3.6%	Change Jul:	0.1%			
Men employment	Change Jul:	-170					
Men unemployment rate	Jul:	3.5%	Change Jul:	-0.1%			
Women employment	Change Jul:	+349					
Women unemployment rate	Jul:	3.4%	Change Jul:	-0.2%			

Source: Bureau of Labor Statistics, TrendMacro calculations

TrendMacro Payroll Model based on contemporaneous labor market statistics

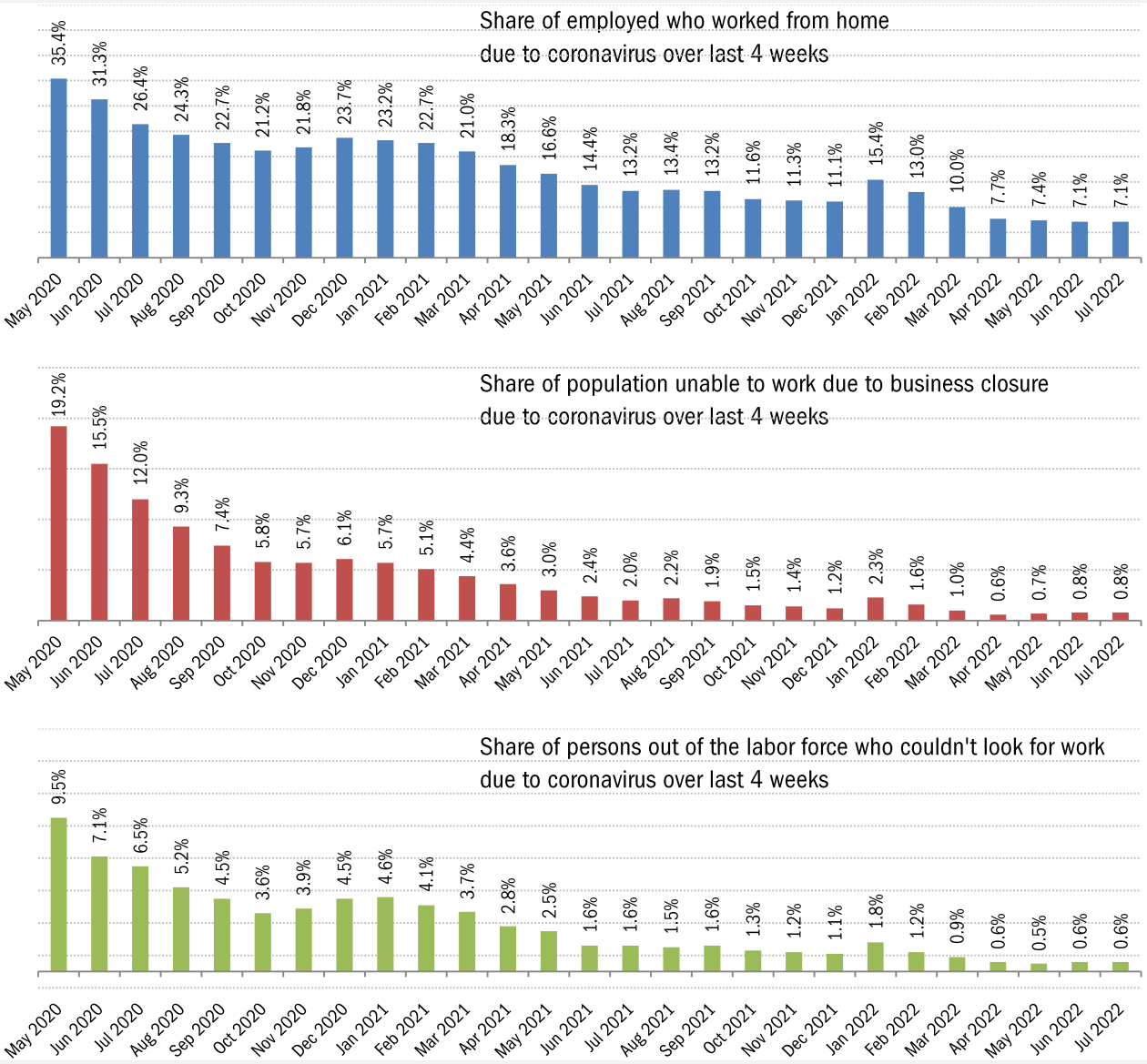
ADP not updated this month.

ADP Payrolls	ISM Manu Employ Index	ISM Services Employ Index	Change continuing claims	Initial claims	Challenger Layoffs	NFIB Hiring Plans	NFIB Employ
+128	49.9	49.1	+63	231	25,810	20	-2

Model estimate	Actual	Actual beat(+) or miss (-)
+129	+528	+399

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

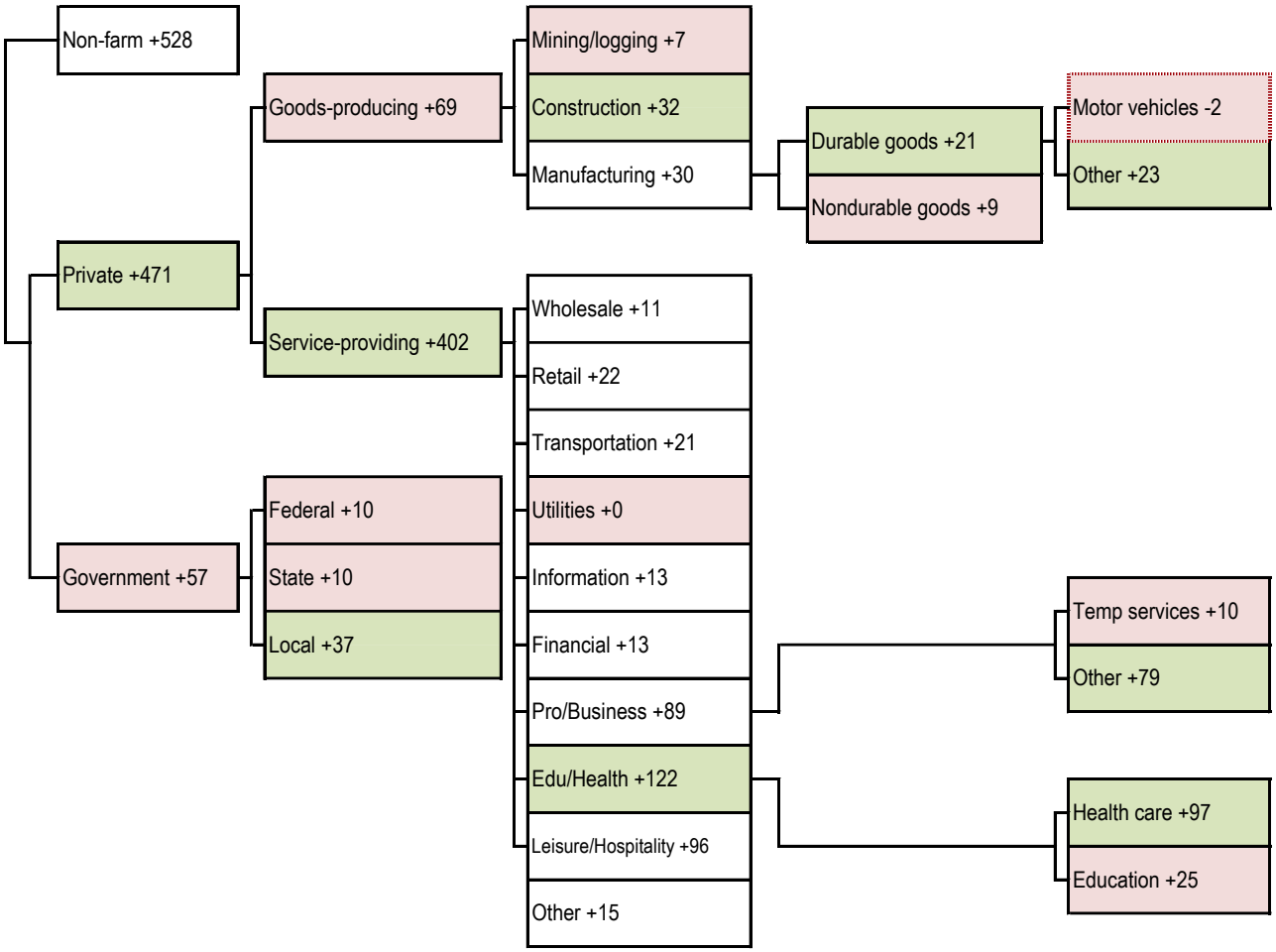
Labor market adaptation to pandemic conditions



Source: BLS, TrendMacro calculations

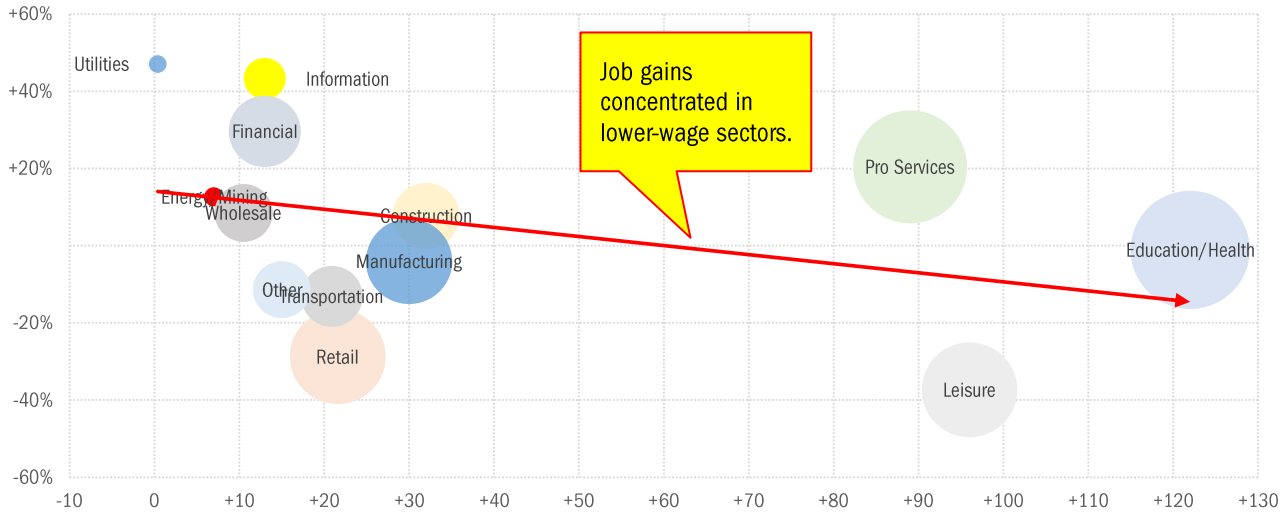
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

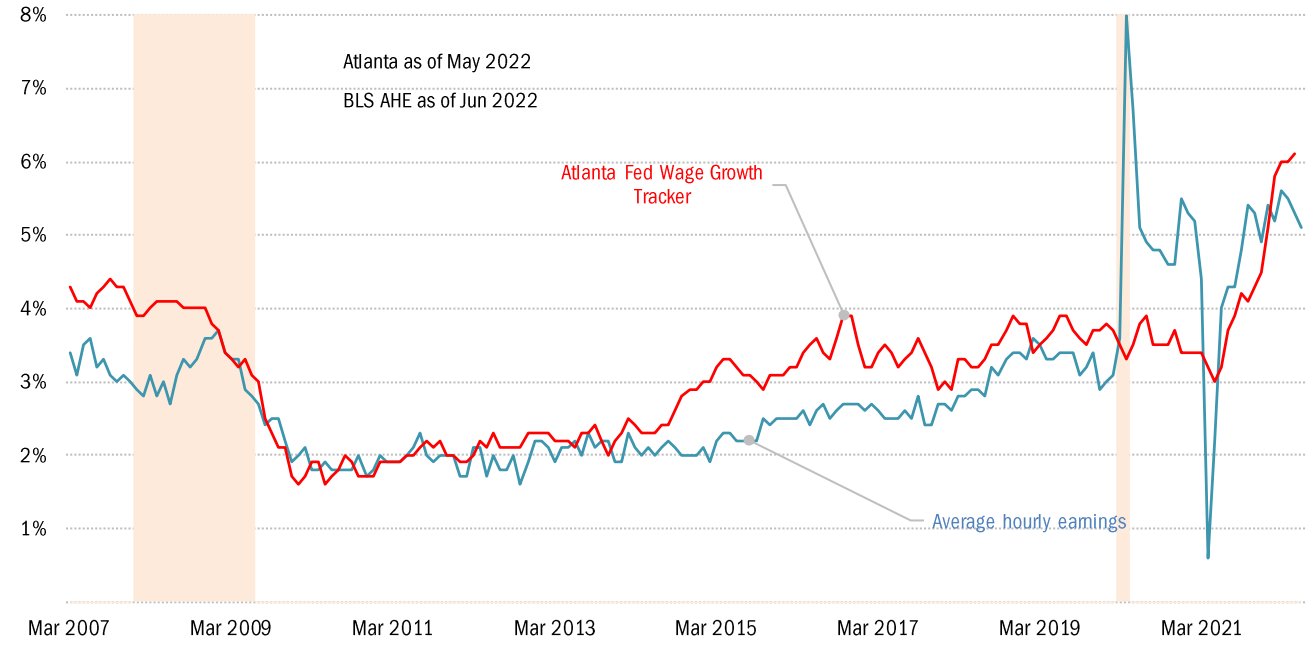
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

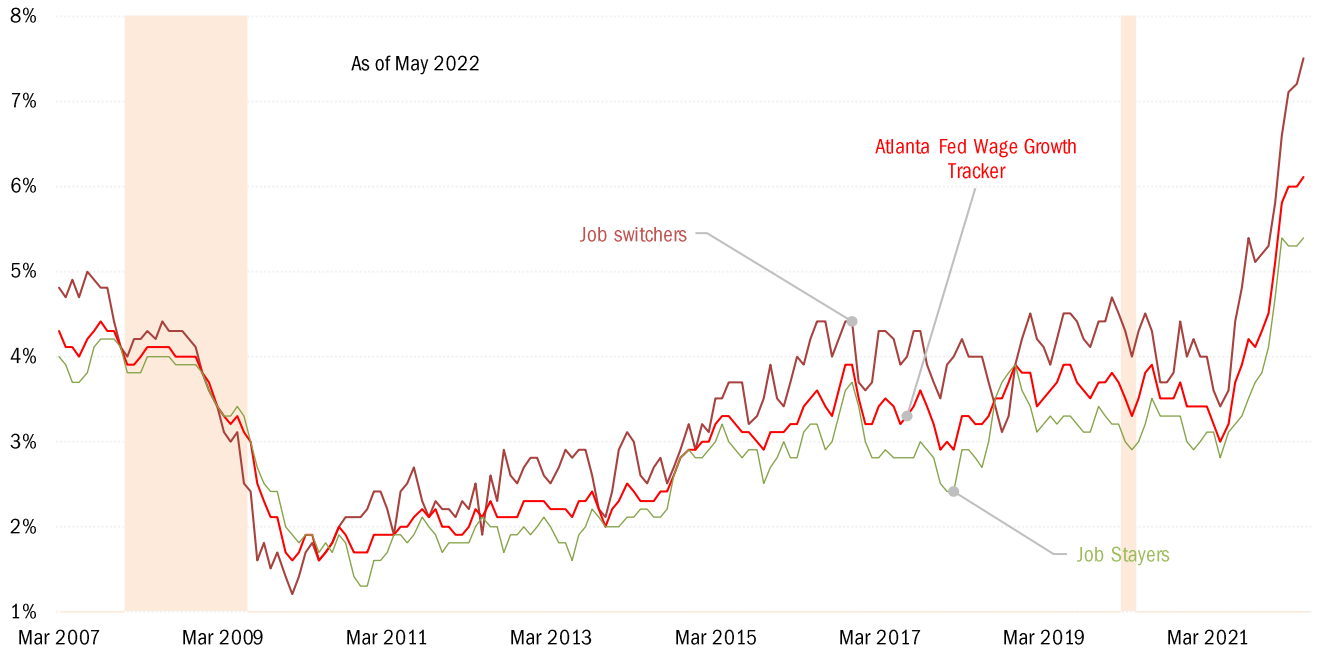
YOY average hourly earnings growth Atlanta Fed Wage Growth Index Recession



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

The wages of dynamism

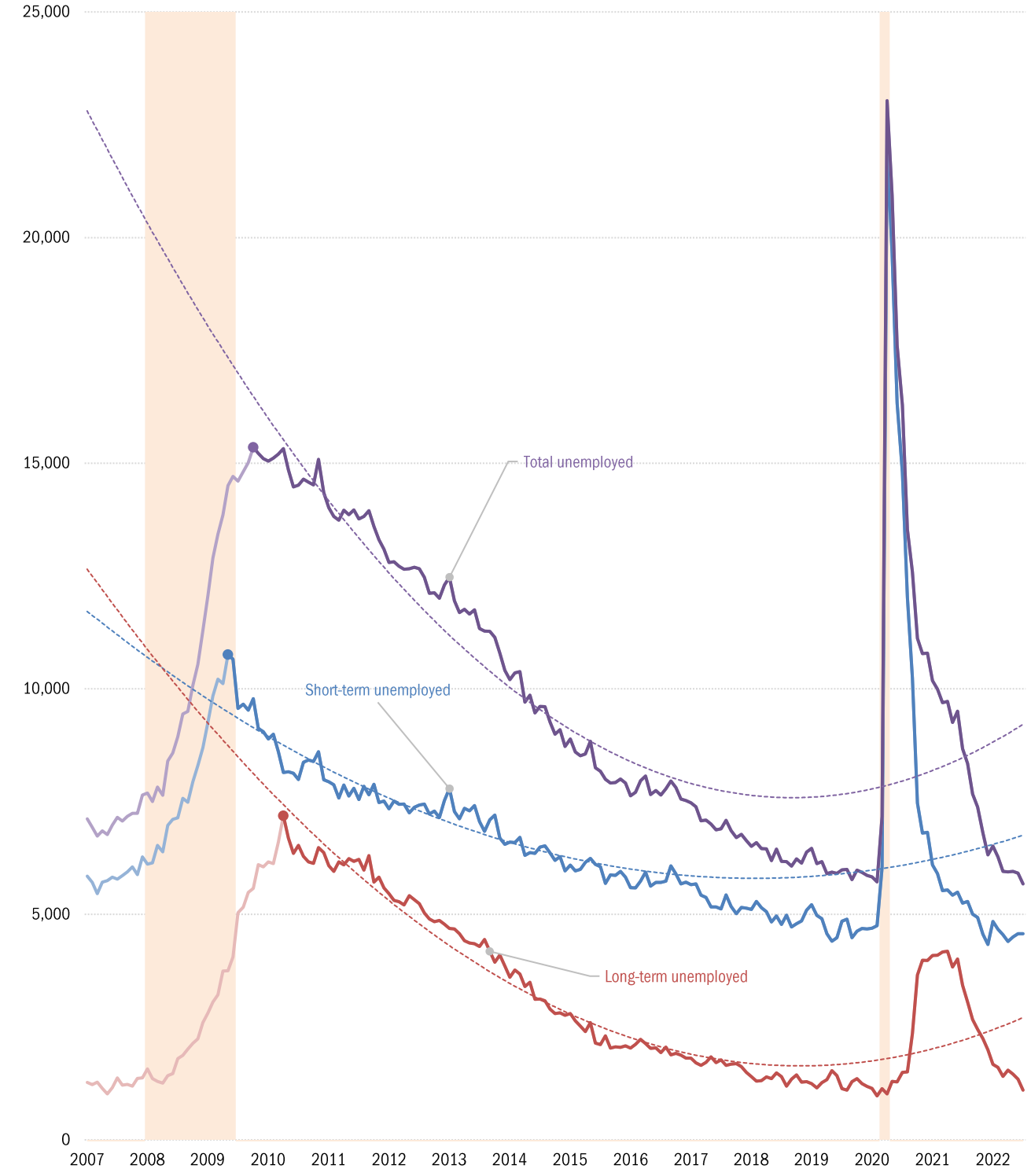
YOY wage growth for steady employees, versus those who change jobs Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

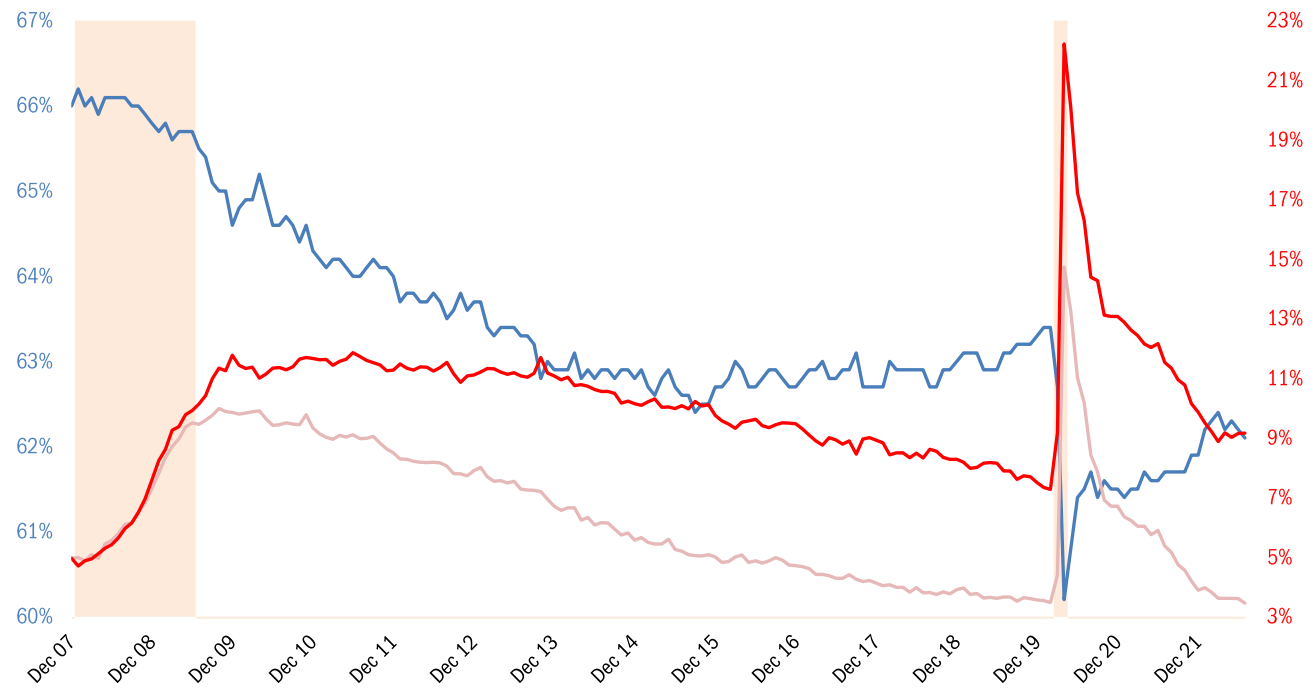
The Great Recession, the jobless recovery, the long boom, and then the virus

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



Source: BLS Current Population Survey, TrendMacro calculations

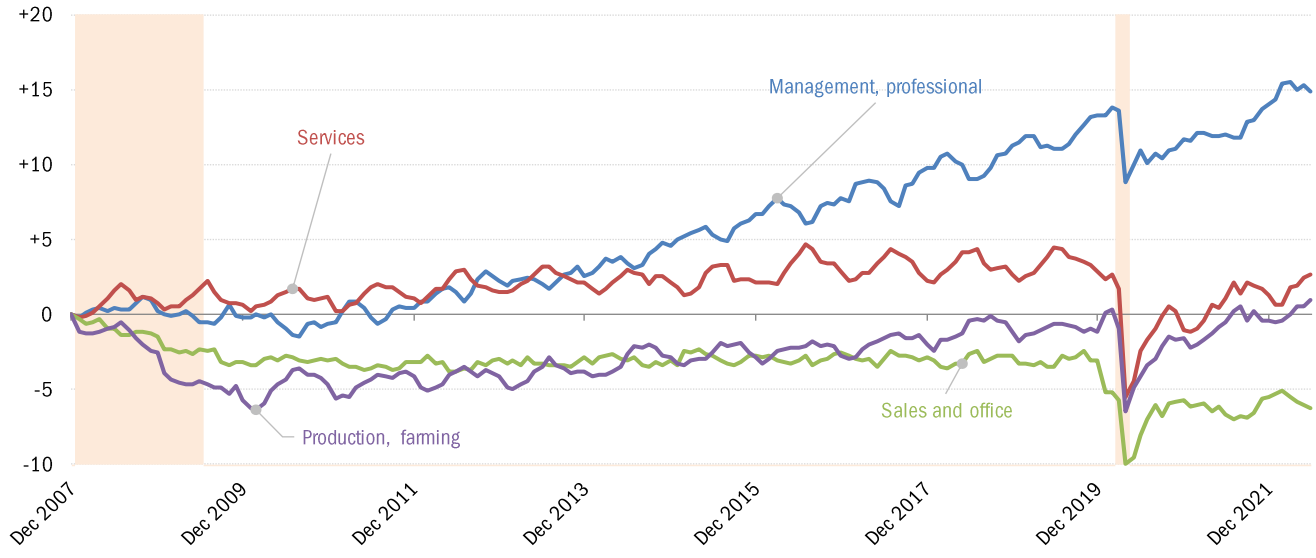
Unemployment rate normalized for participation rate December 2007



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the long boom and the virus crisis

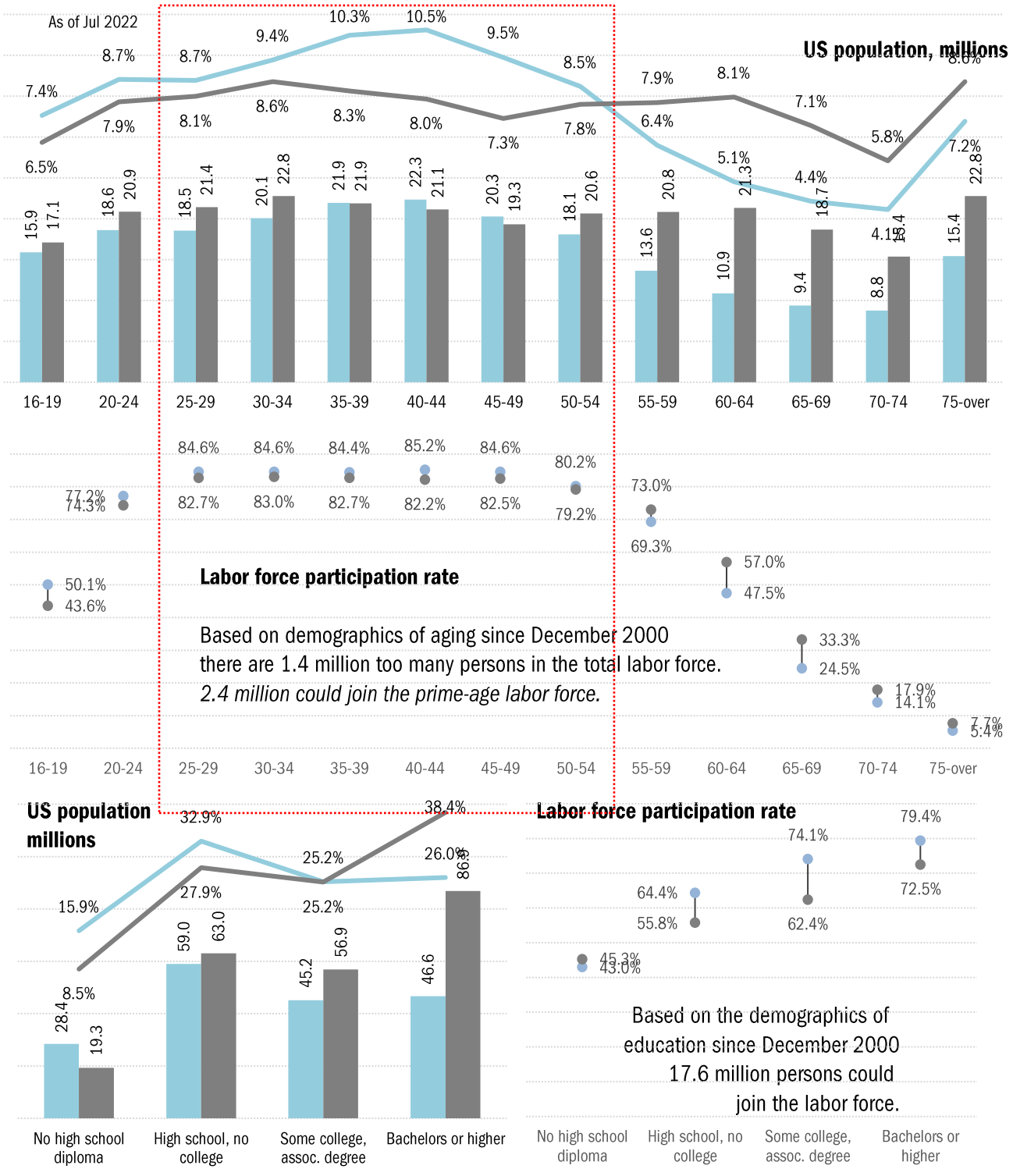
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

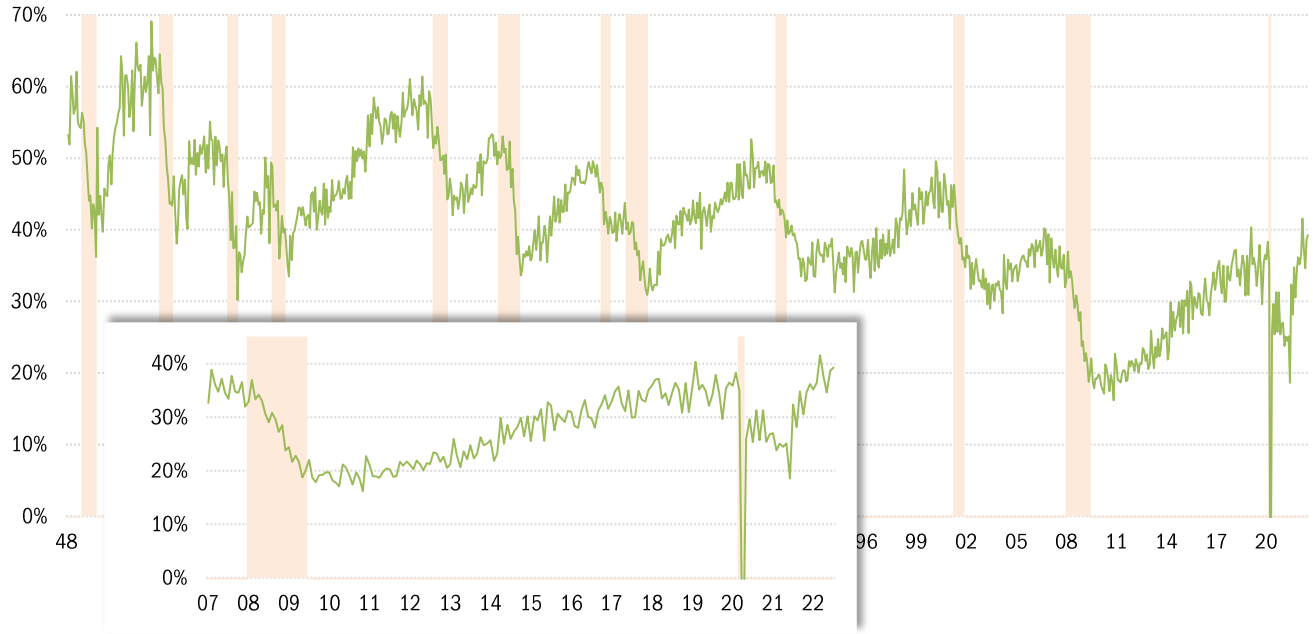
By age and education bracket: Dec 2000, peak in the labor force participation rate Latest Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

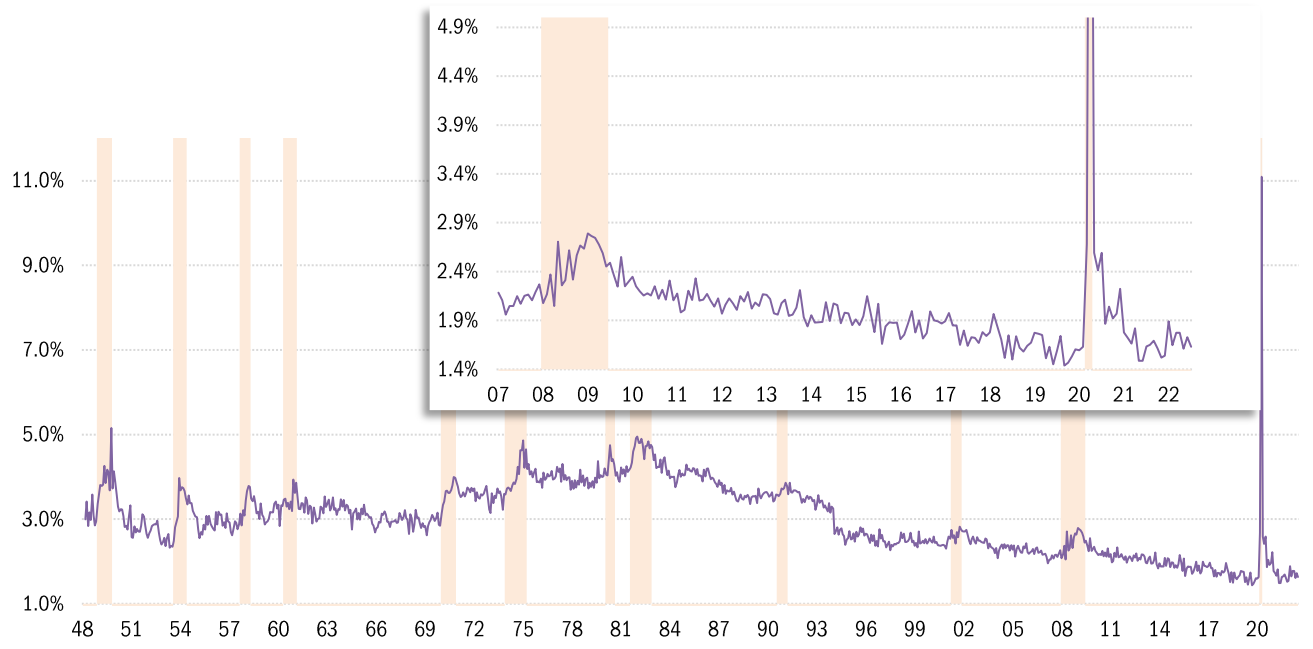
Chance of an unemployed person becoming employed in one month (per Shimer 2005) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

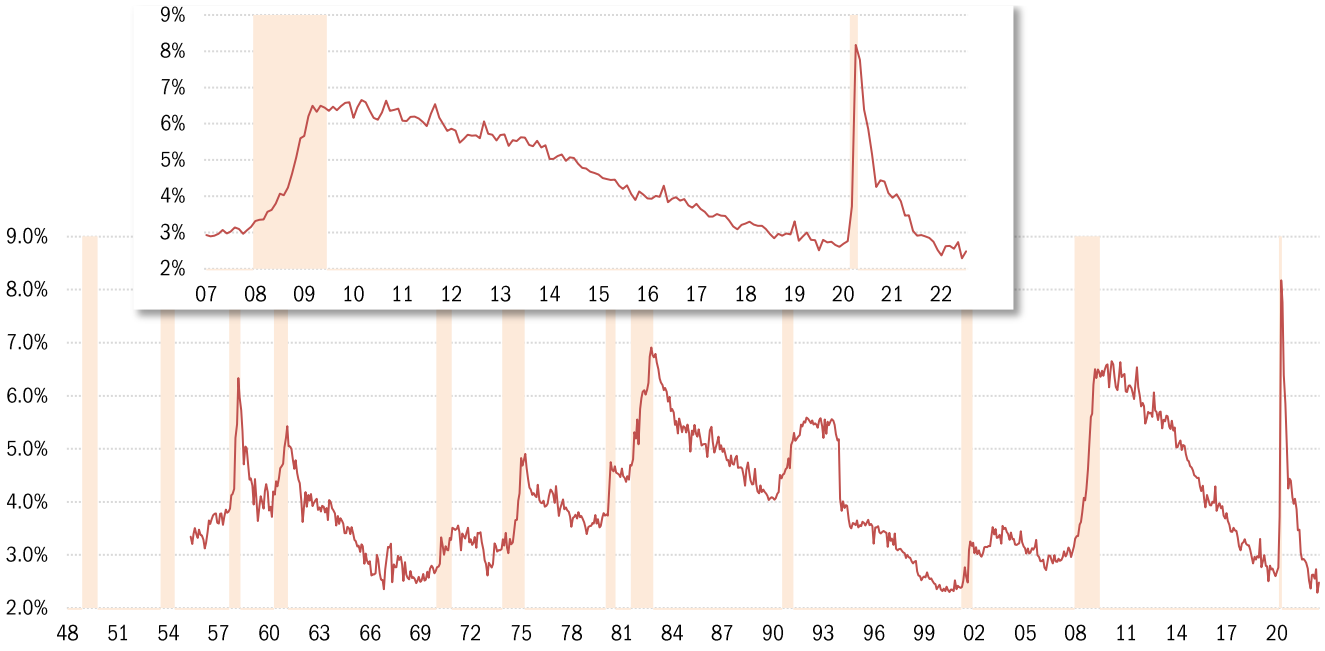
Chance of an employed person becoming unemployed in one month (per Shimer 2005) Recession



Source: BLS Current Population Survey, TrendMacro calculations

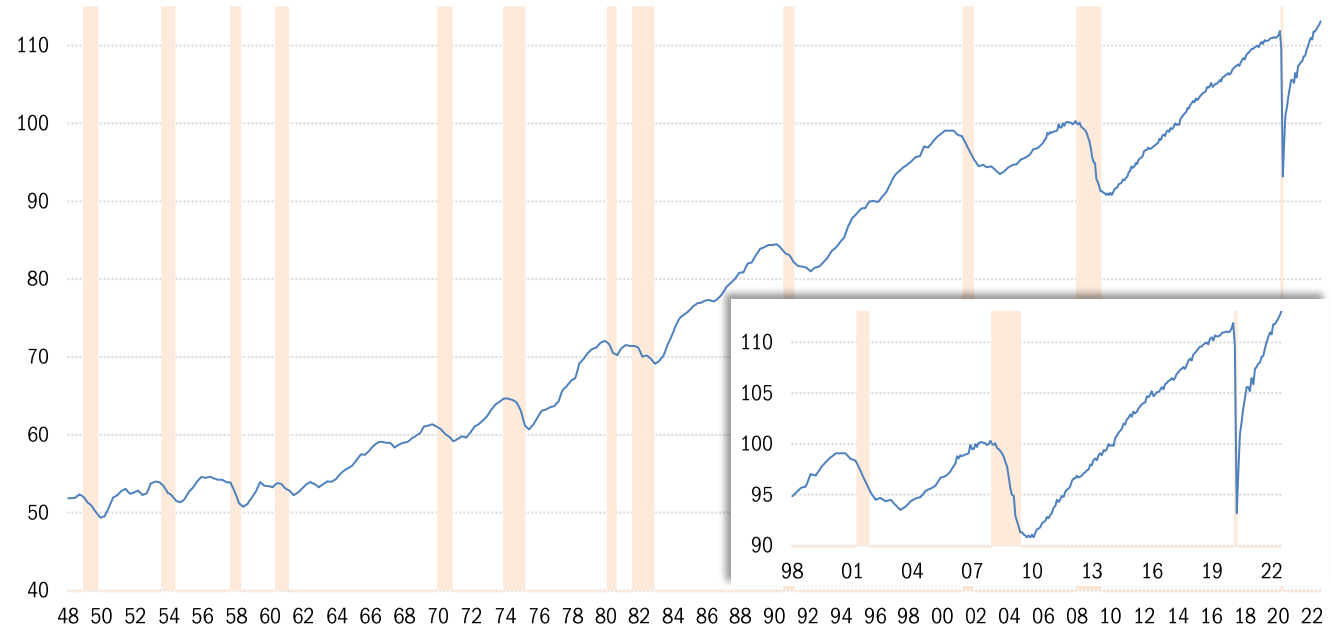
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work Recession



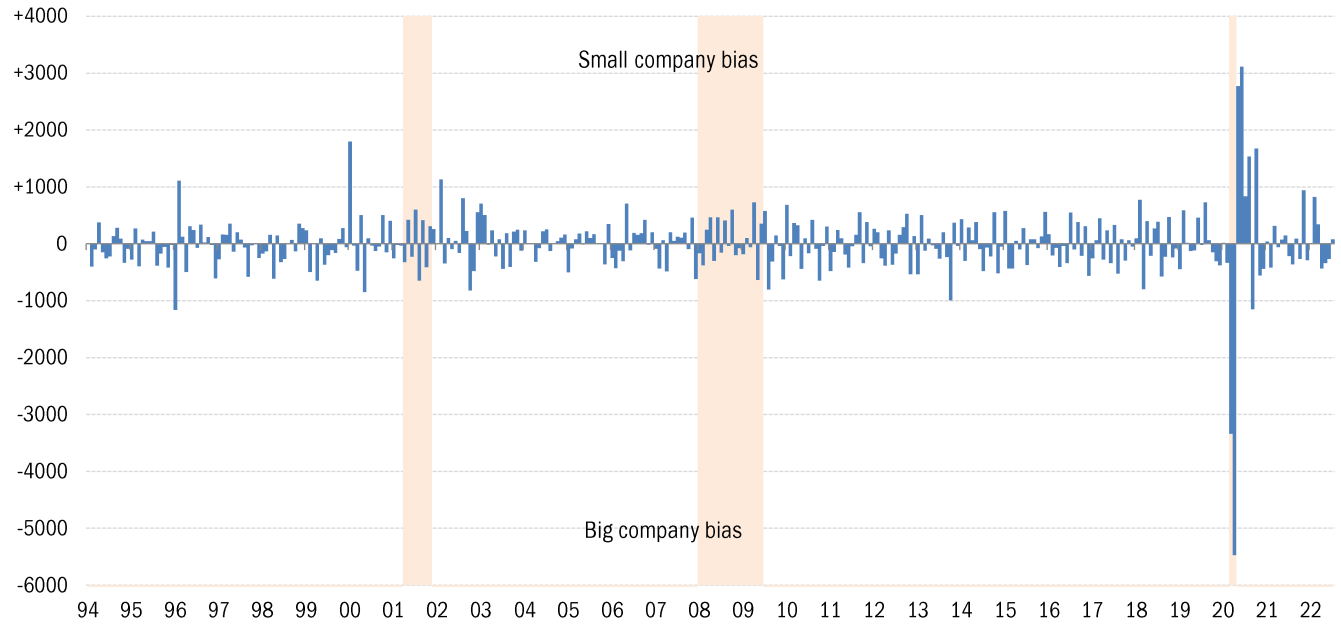
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index Recession



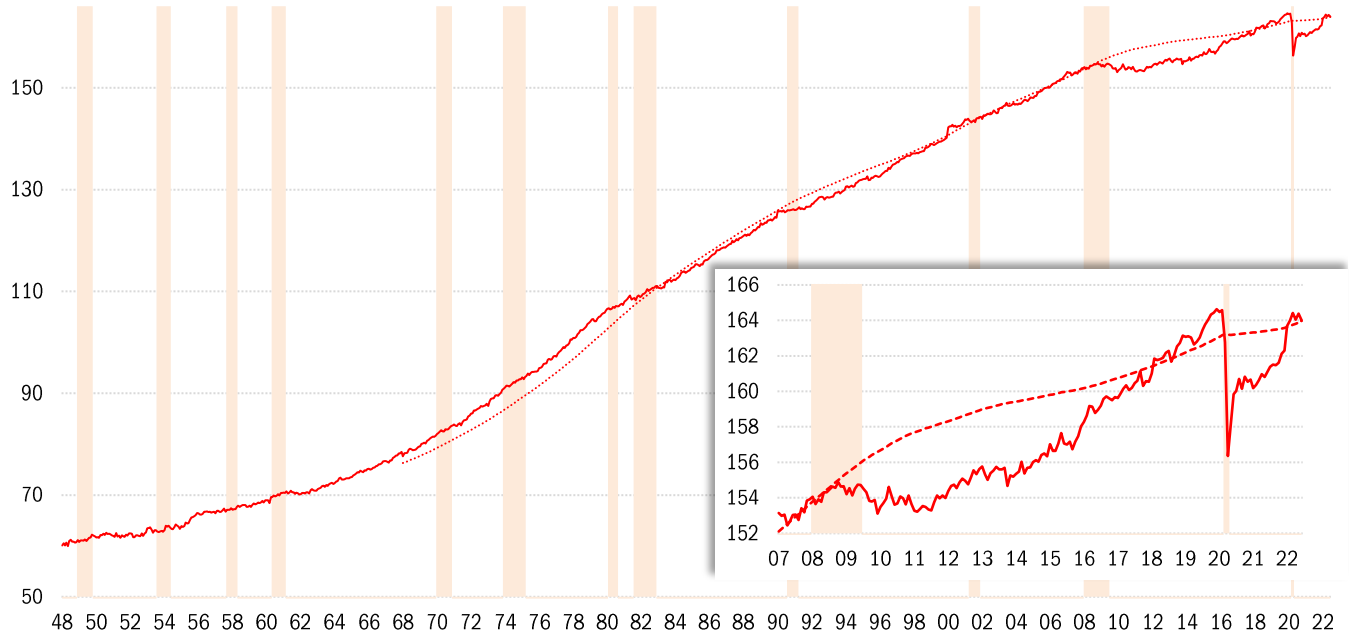
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



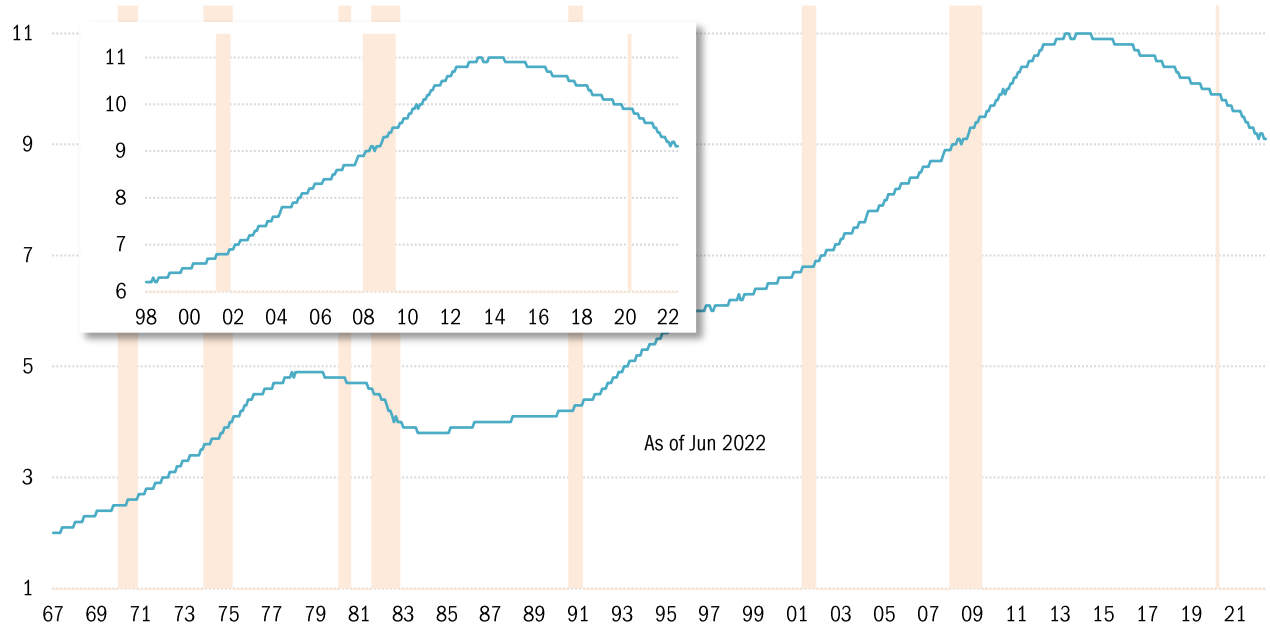
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

Civilian labor force versus 20-year trend, millions

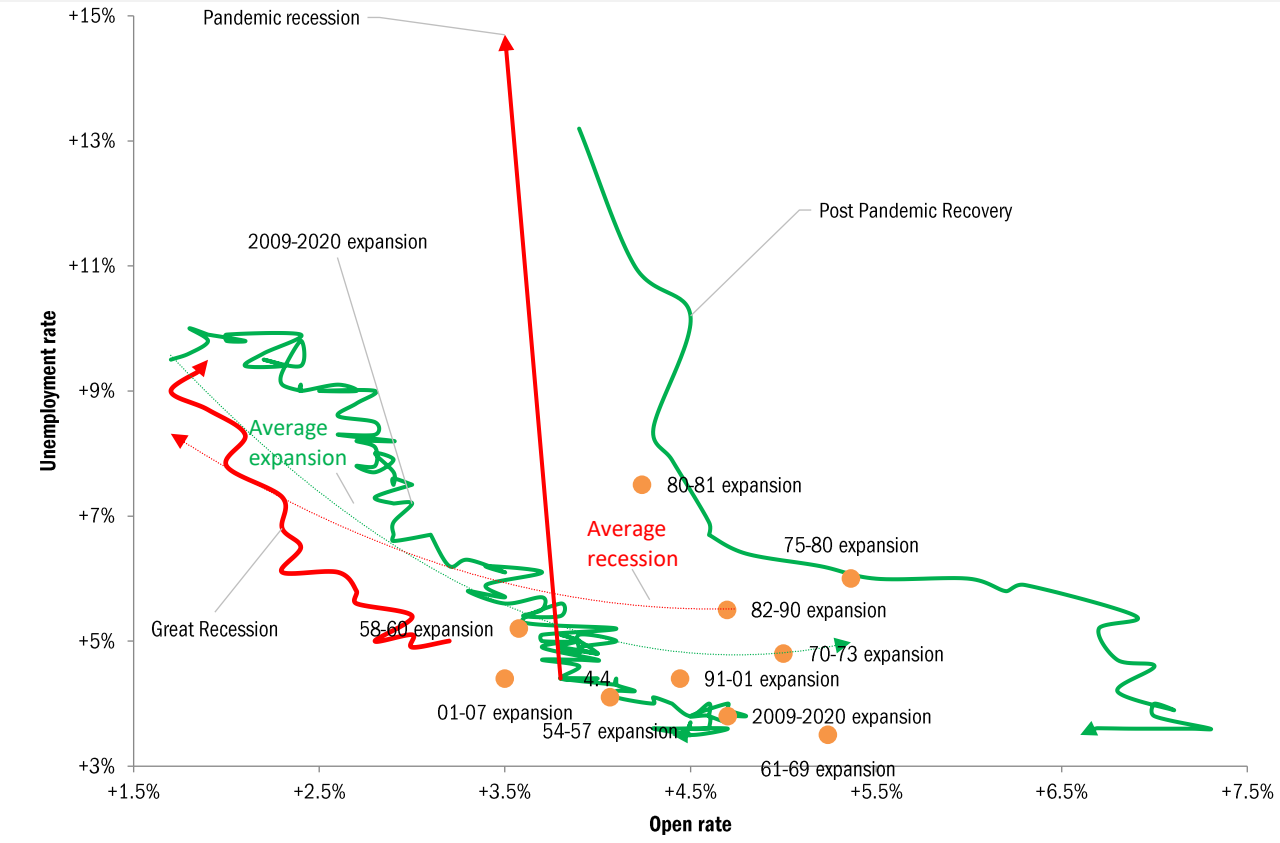


Source: BLS Current Population Survey, TrendMacro calculations

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



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



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