





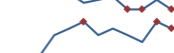










Data Insights: Jobs

Friday, October 7, 2022

Today's jobs data: what you need to know

Non-farm payrolls	Change Sep: +263	Revision Aug: unch	Revision Jul: +11	
Private payrolls	Change Sep: +288	Revision Aug: -33	Revision Jul: -29	
Employment	Change Sep: +204			
Unemployment	Change Sep: -261			
Long-term unemployment	Change Sep: -44			
Civilian labor force	Change Sep: -57	0.58 million above trend	More than all leavers unemployed	
Unemployment rate	Sep: 3.49%	Change Sep: -0.16%		
Underemployment rate	Sep: 6.7%	Change Sep: -0.3%		
Participation rate	Sep: 62.3%	Change Sep: -0.1%		
UE adjusted for participation	Sep: 8.9%	Change Sep: -0.00%		
Average weeks unemployed	Sep: 20.2	Change Sep: -2.1		
% longterm unemployed	Sep: 18.5%	Change Sep: -0.3%		
Aggregate hours worked index	Sep: 113.2	Change Sep: +0.2%	Revision Aug: +0	
Average hourly earnings	Sep: +0.31%	Change Sep: +0.03%	Revision Aug: -0.10%	
Aggregate weekly earnings	Sep: 175.7	Change Sep: +0.5%	Revision Aug: +0.4	
Monthly job-finding probability	Sep: 40.2%	Change Sep: +7.0%		
Monthly separation probability	Sep: 1.6%	Change Sep: -0.1%		
% involuntary part-time	Sep: 2.4%	Change Sep: -0.2%		
"Household" vs "Payroll" jobs	Change Sep: -251			

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 jobs data: a deeper dive

Non-farm payrolls SA	Change Sep: +263	Revision May: unch	Revision Apr: +11	
Non-farm payrolls NSA	Change Sep: +431	Revision May: +75	Revision Apr: -5	
Birth-death adjustment	Change Sep: -172			
Employment	Change Sep: +204			
Unemployment rate	Sep: 3.49%	Change Sep: -0.16%		
White employment	Change Sep: +200			
White unemployment rate	Sep: 3.1%	Change Sep: -0.1%		
Black employment	Change Sep: +238			
Black unemployment rate	Sep: 5.8%	Change Sep: -0.6%		
Hispanic employment	Change Sep: -69			
Hispanic unemployment rate	Sep: 3.8%	Change Sep: -0.7%		
Asian employment	Change Sep: +58			
Asian unemployment rate	Sep: 2.5%	Change Sep: -0.3%		
HS only employment	Change Sep: -110			
HS only unemployment rate	Sep: 3.5%	Change Sep: -0.8%		
Men employment	Change Sep: +542			
Men unemployment rate	Sep: 3.6%	Change Sep: -0.2%		
Women employment	Change Sep: -338			
Women unemployment rate	Sep: 3.4%	Change Sep: -0.1%		

Source: Bureau of Labor Statistics, TrendMacro calculations

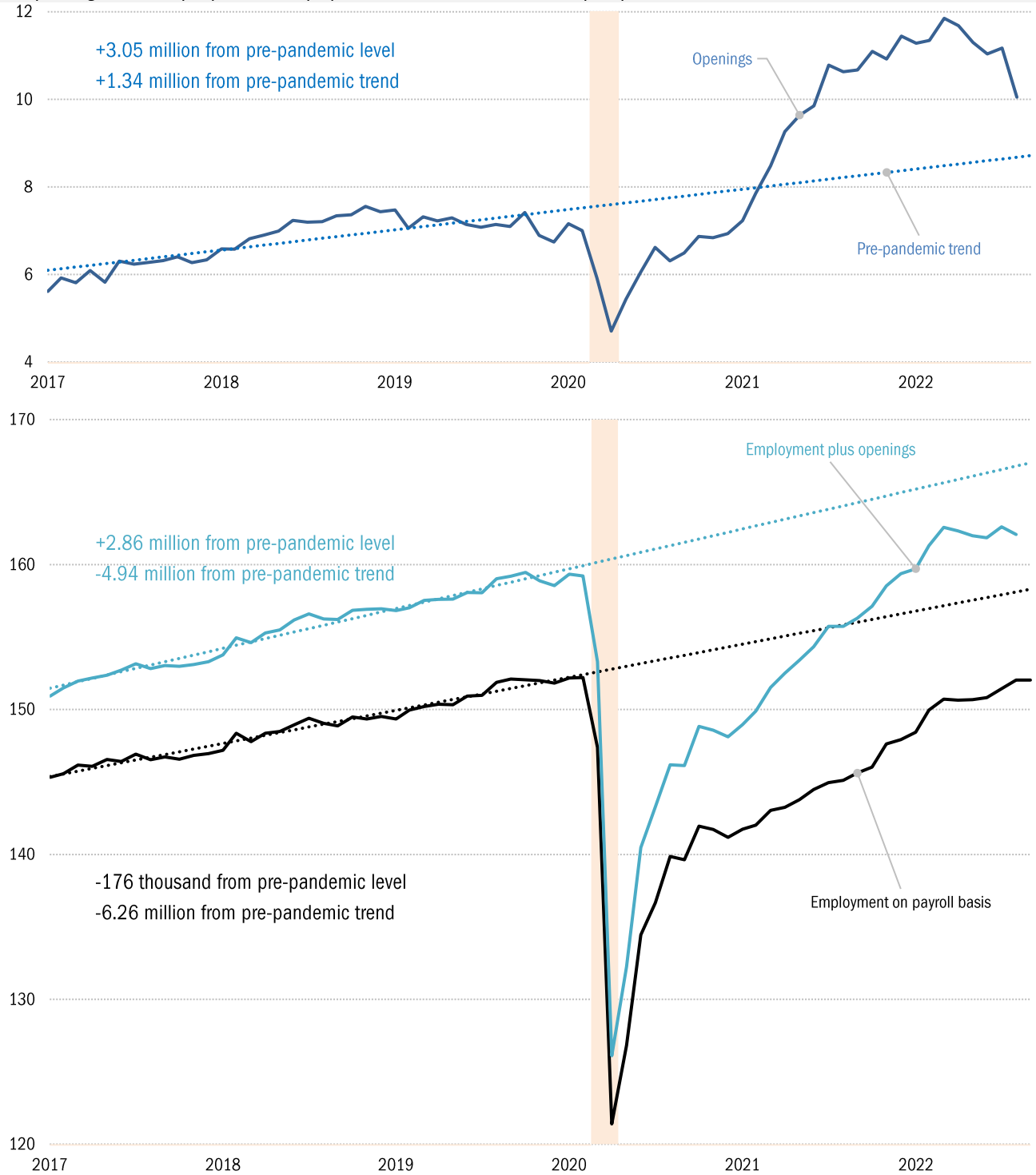
TrendMacro Payroll Model based on contemporaneous labor market statistics

ADP Payrolls	ISM Manu Employ Index	ISM Services Employ Index	Change continuing claims	Initial claims	Challenger Layoffs	NFIB Hiring Plans	NFIB Employ
+208	48.7	53	-28	228	29,989	23	-8
Model estimate	Actual	Actual beat(+) or miss (-)					
+164	+263	+99					

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

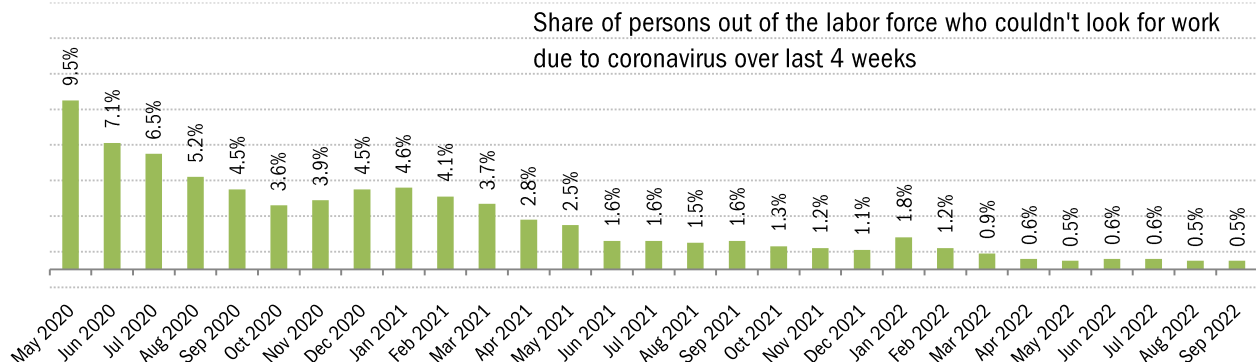
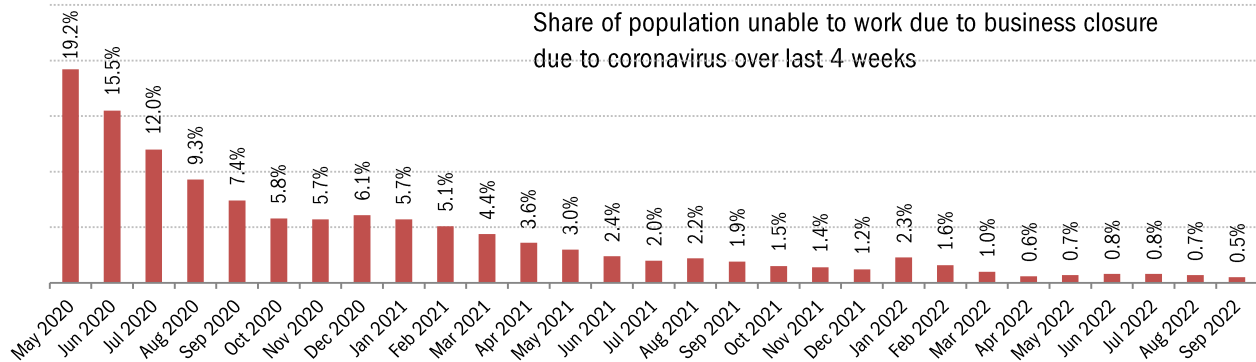
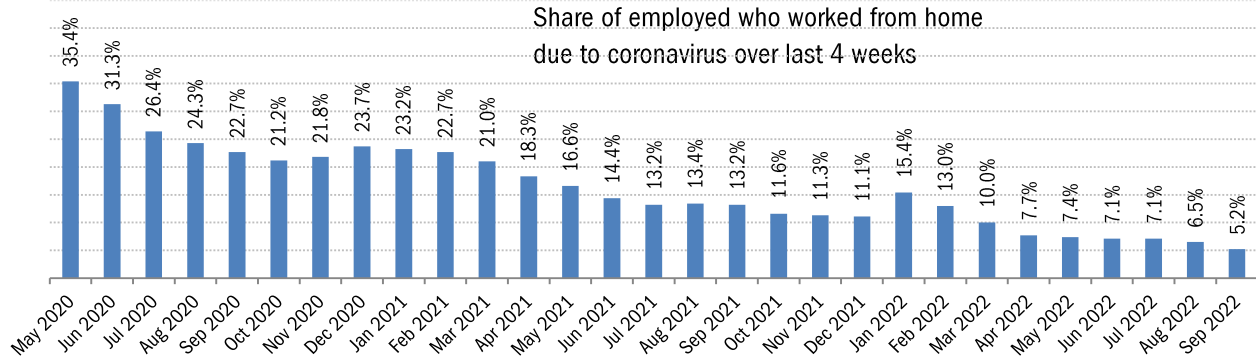
Is the labor market tight or slack?

Job openings and employment (on payroll basis, millions) versus pre-pandemic trends ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

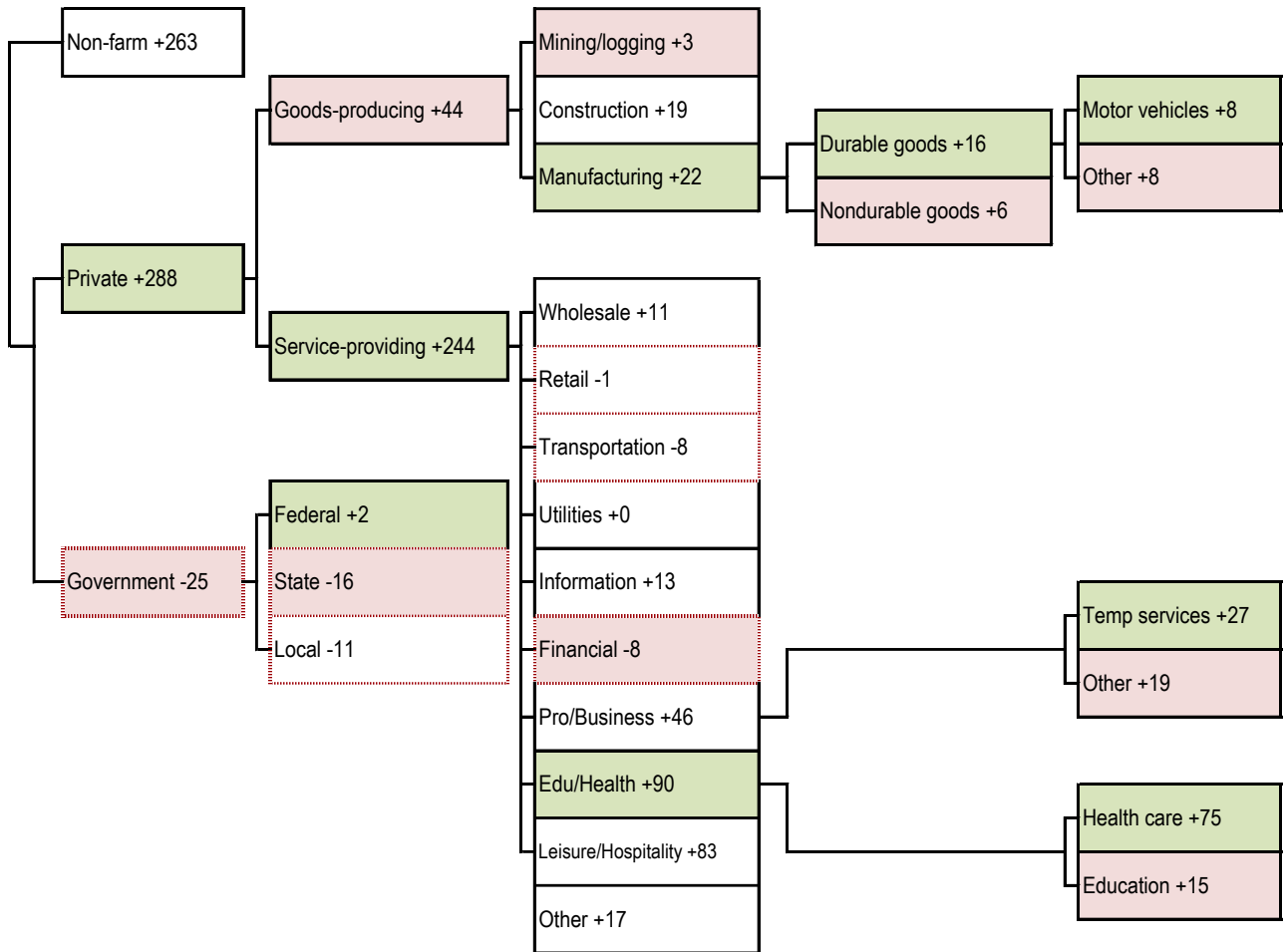
Labor market adaptation to pandemic conditions



Source: [BLS](#) TrendMacro calculations

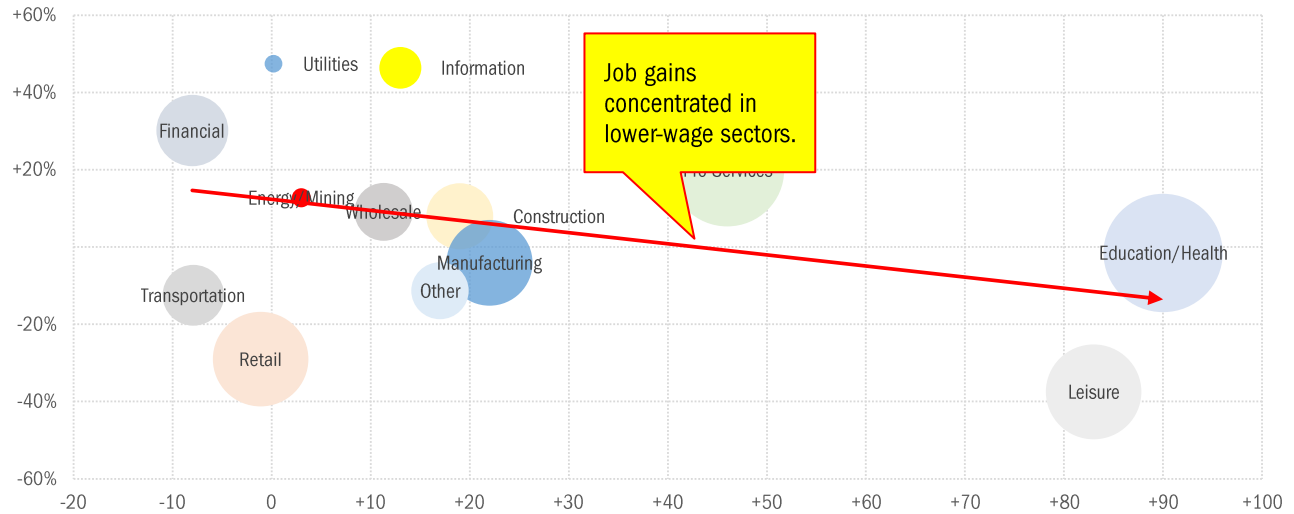
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

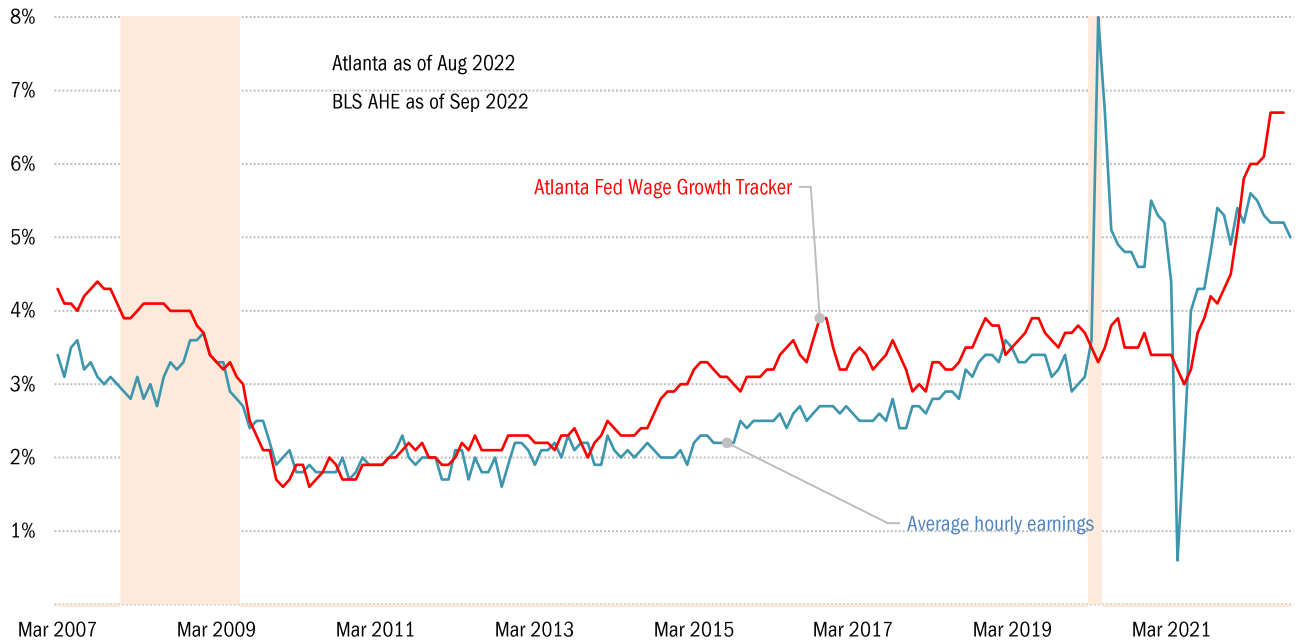
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

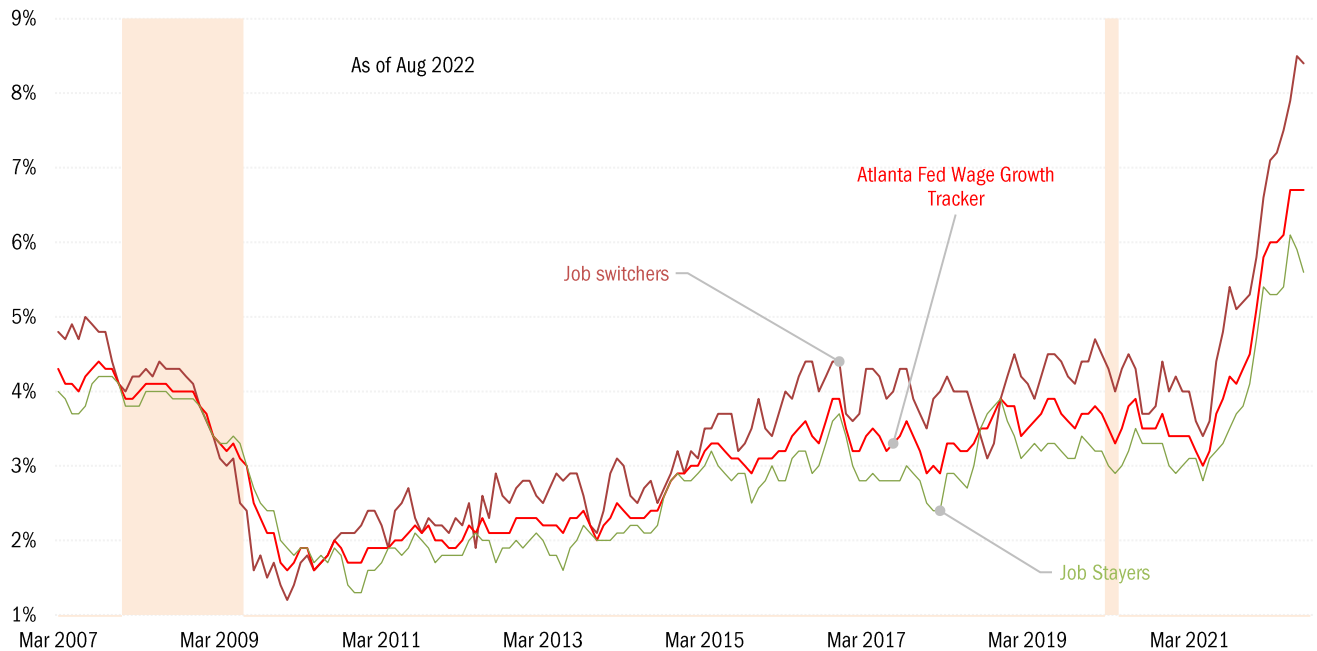
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ■ Recession



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

The wages of dynamism

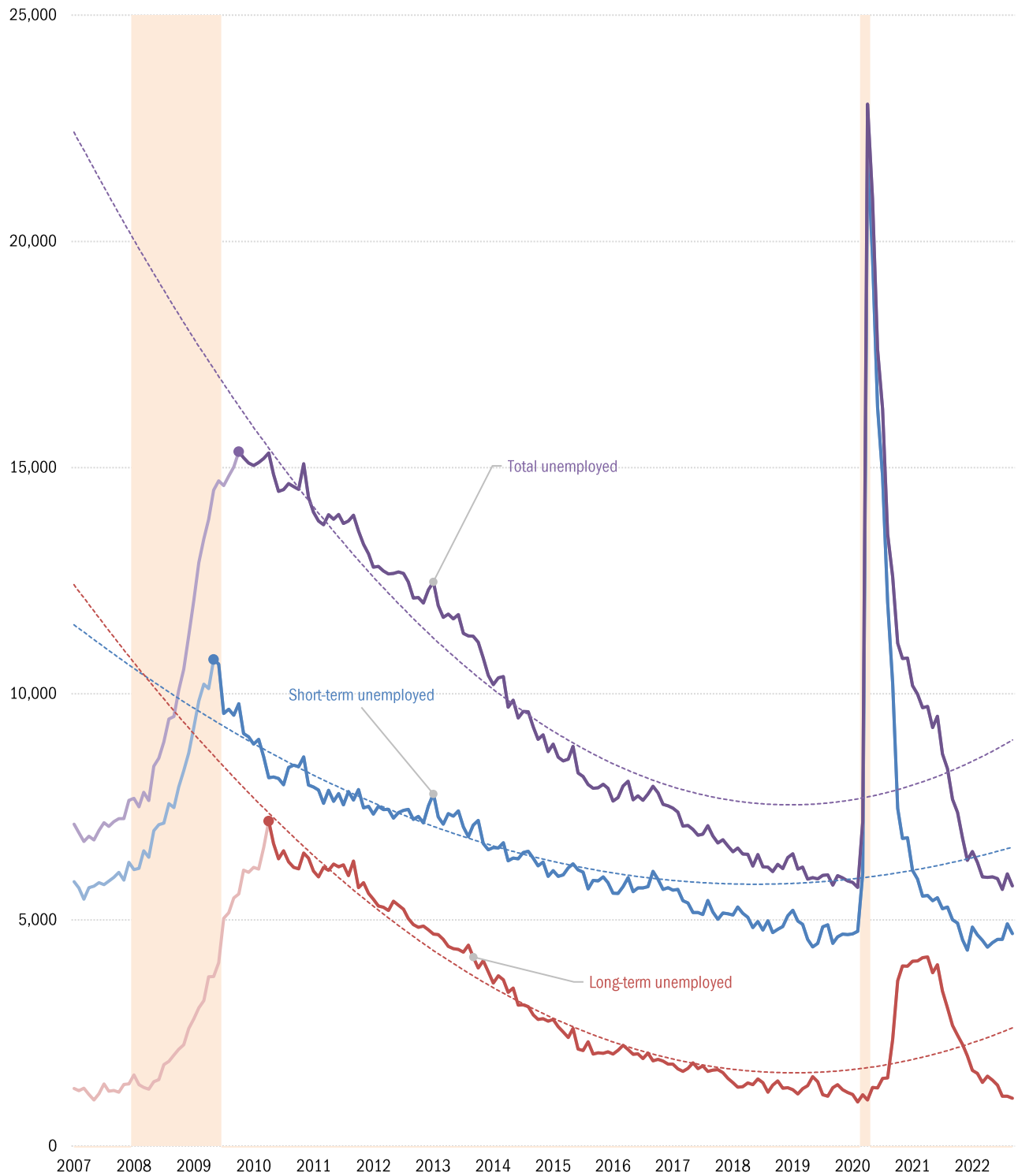
YOY wage growth for steady employees, versus those who change jobs ■ Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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

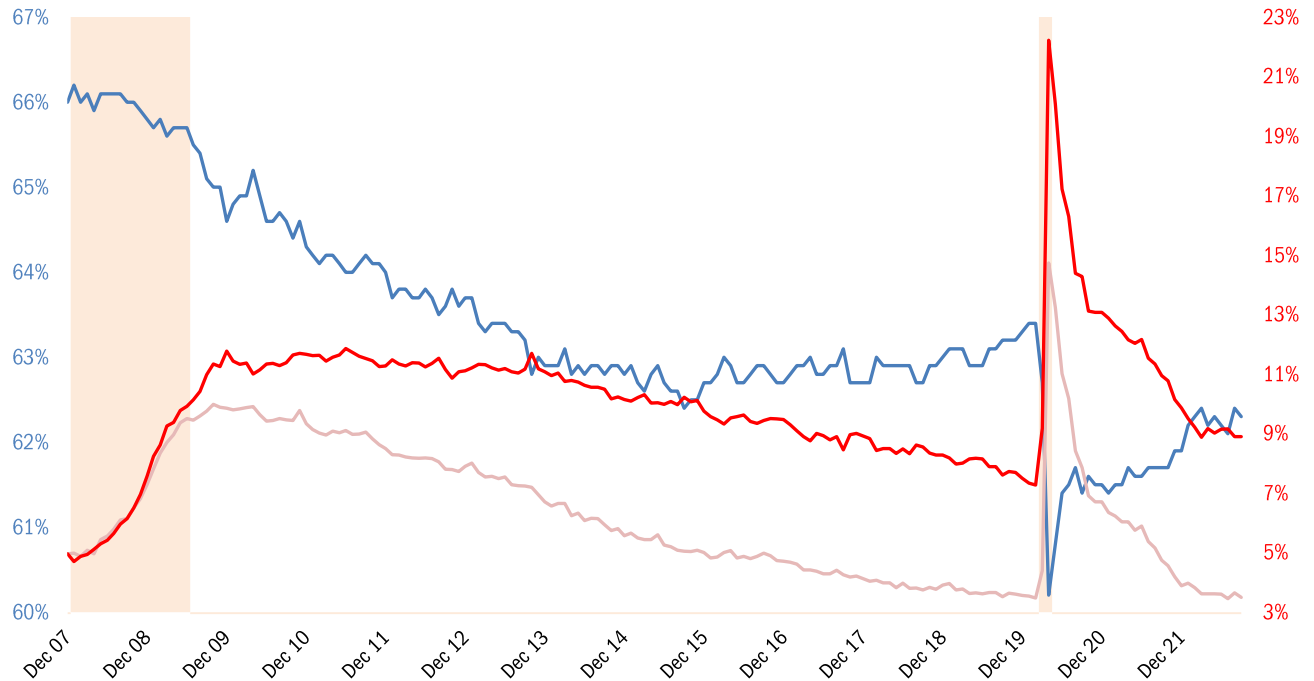
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

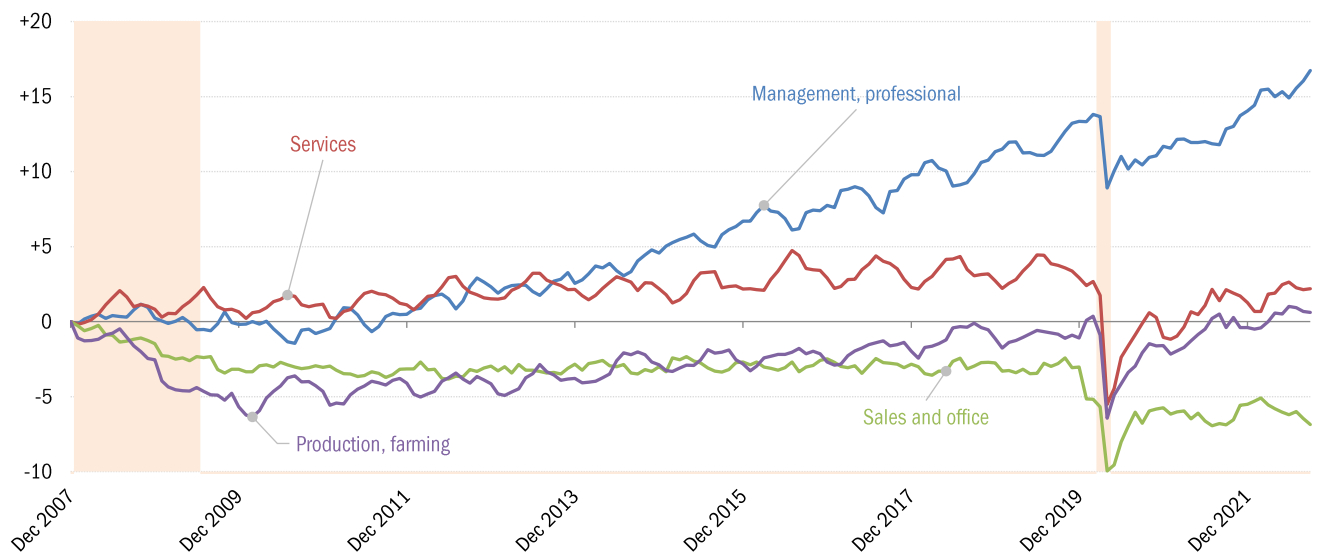
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the long boom and the virus crisis

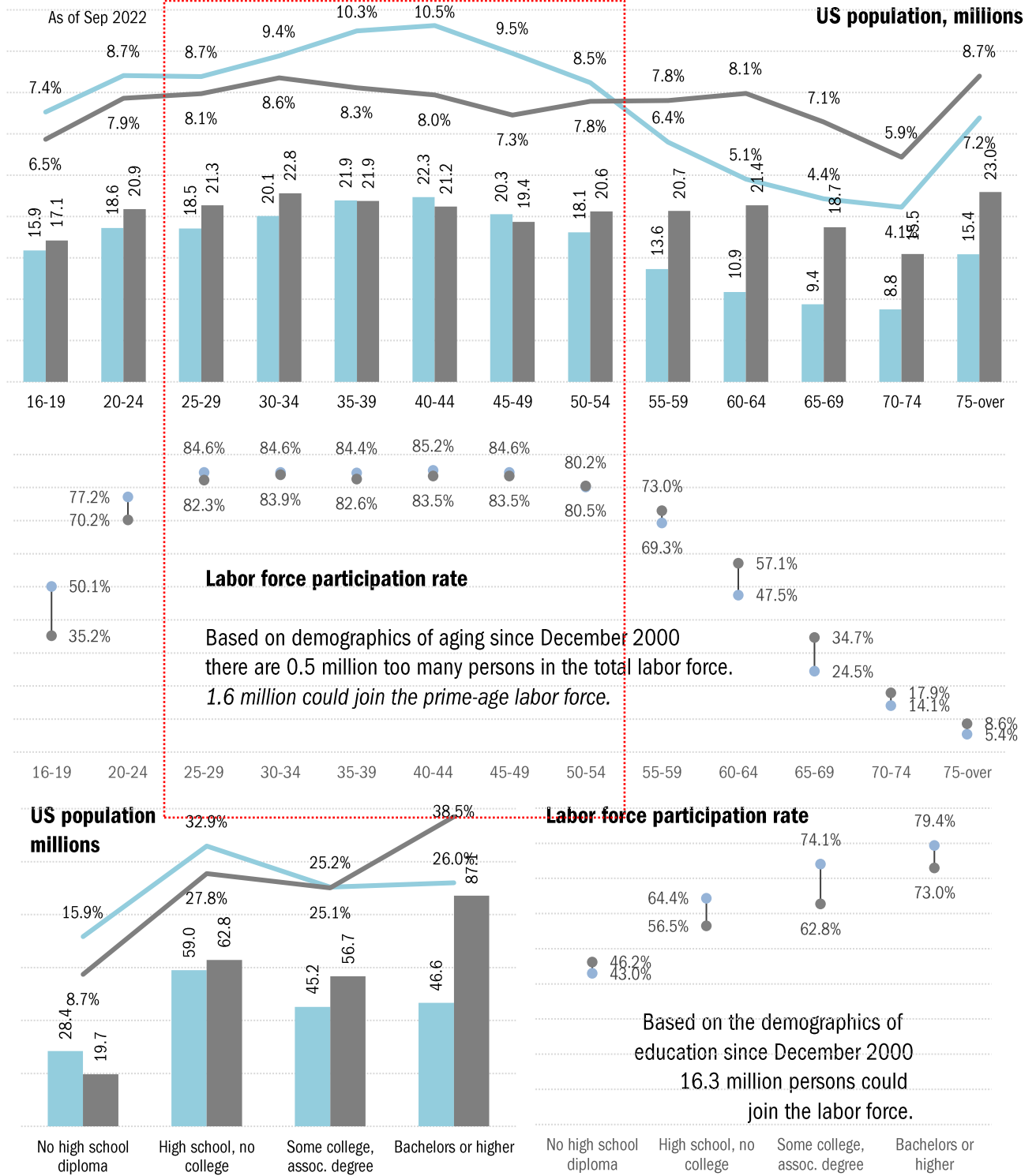
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

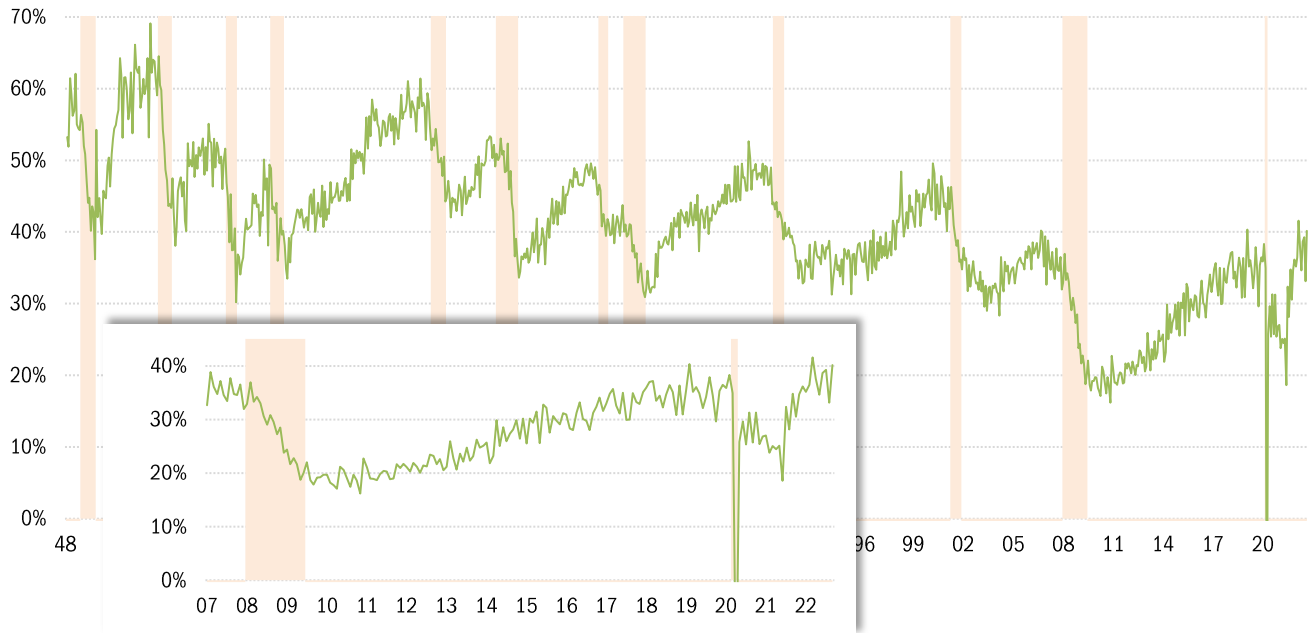
By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

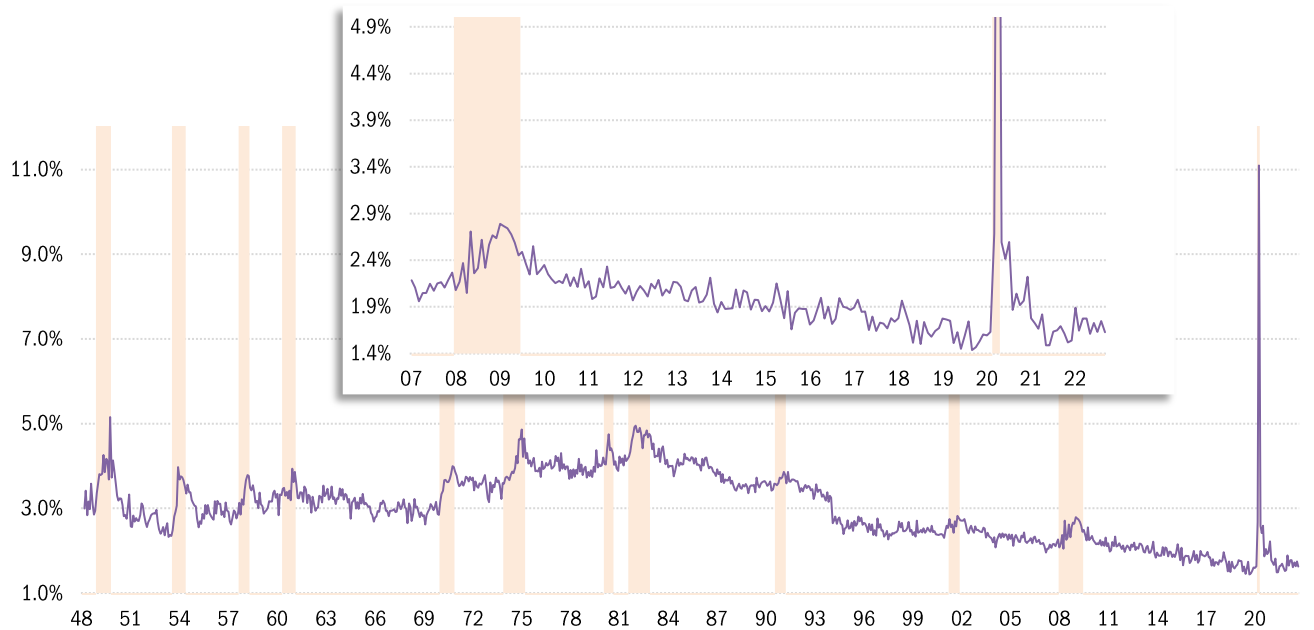
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

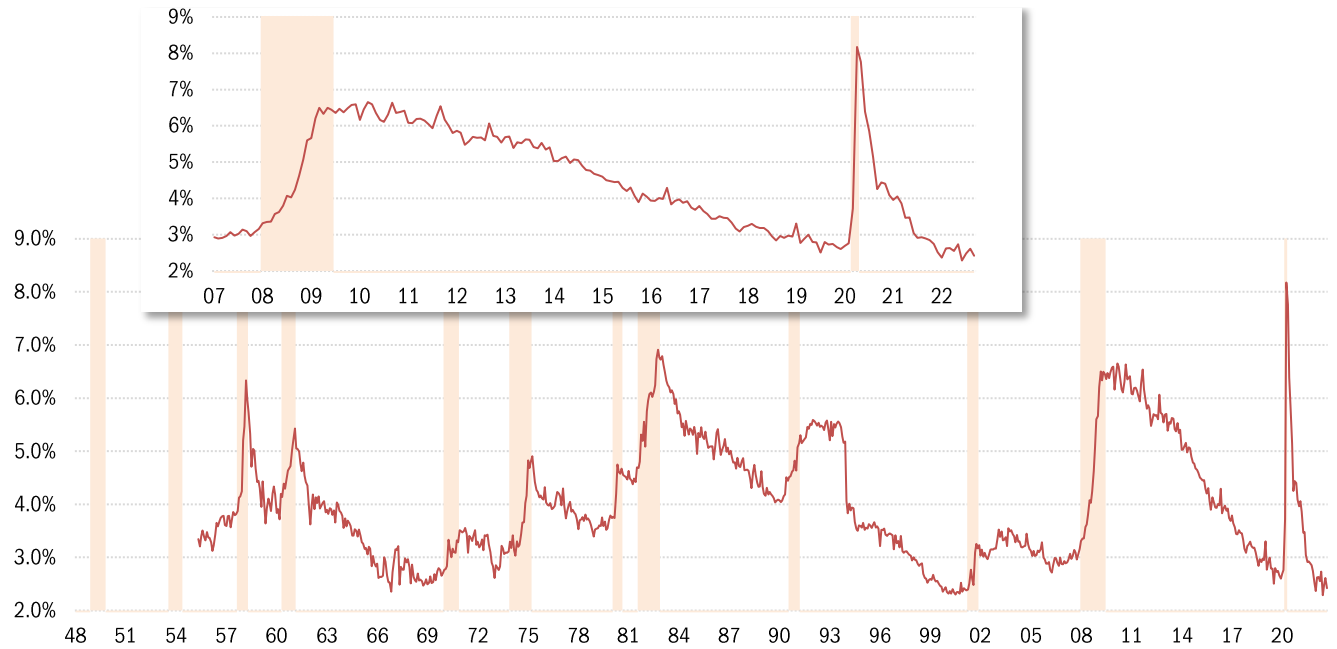
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

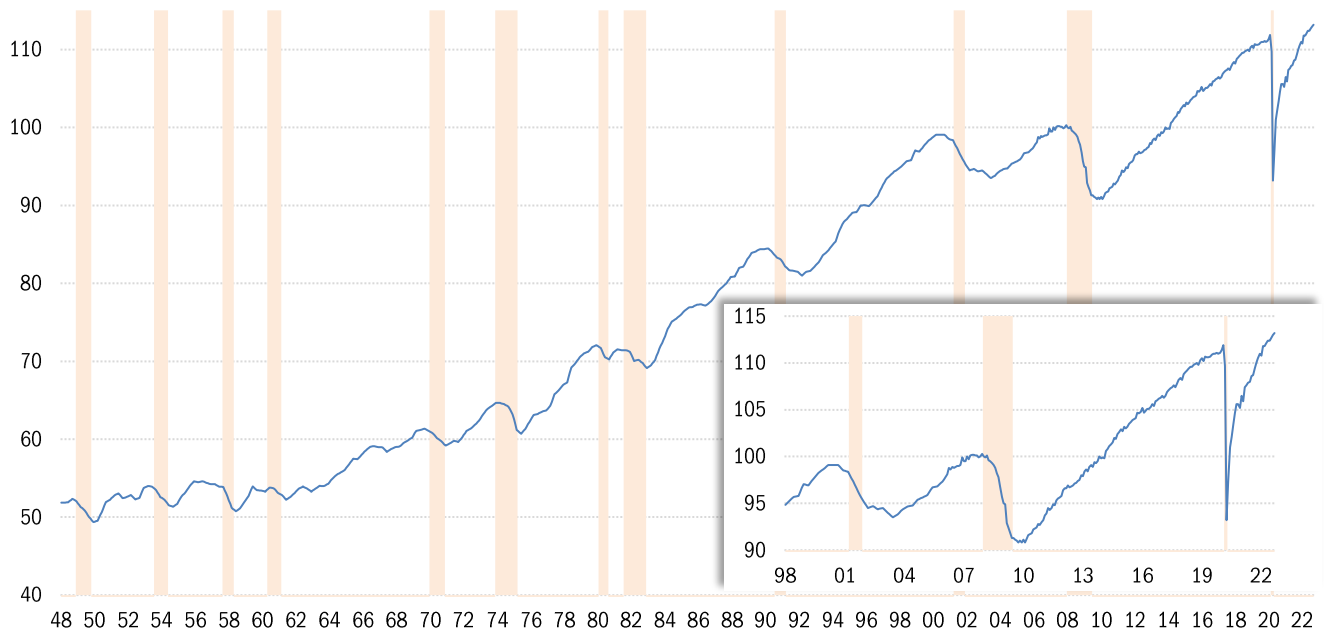
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



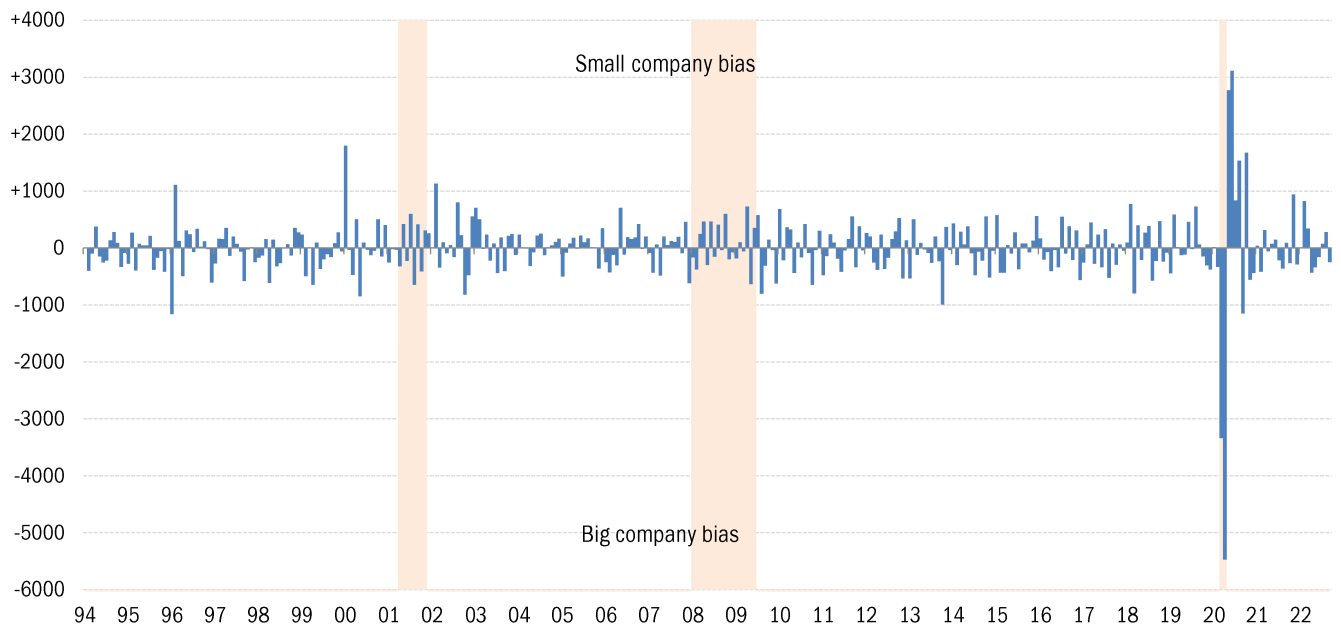
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



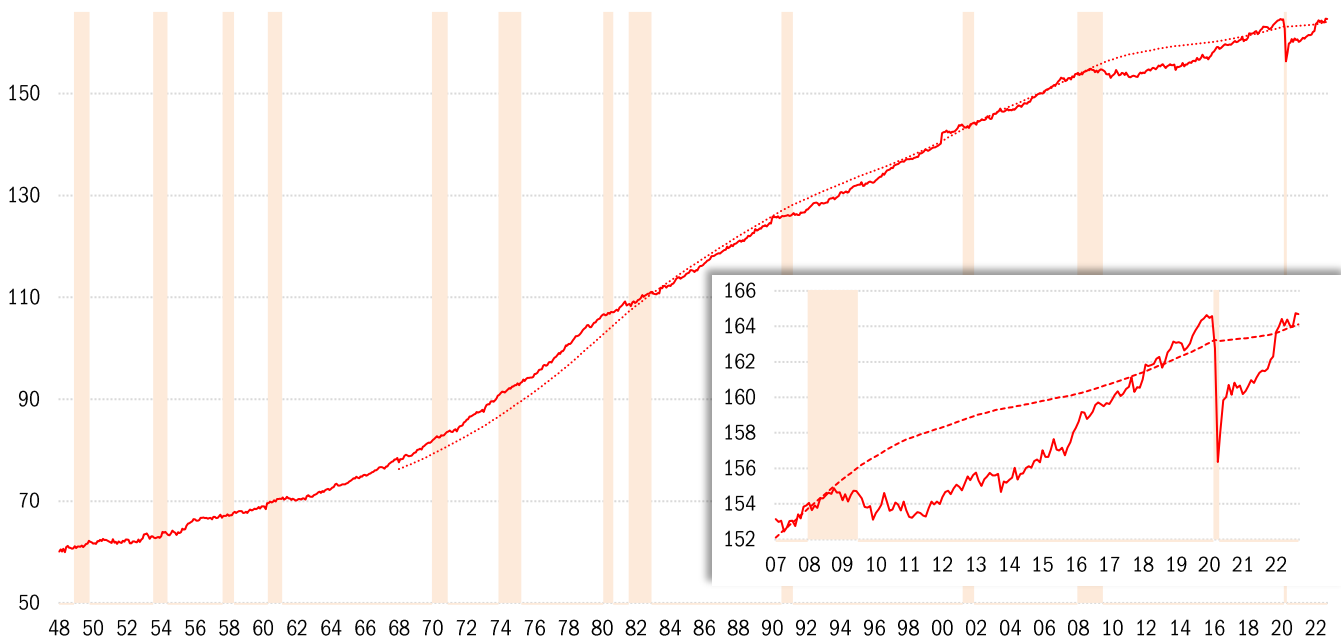
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



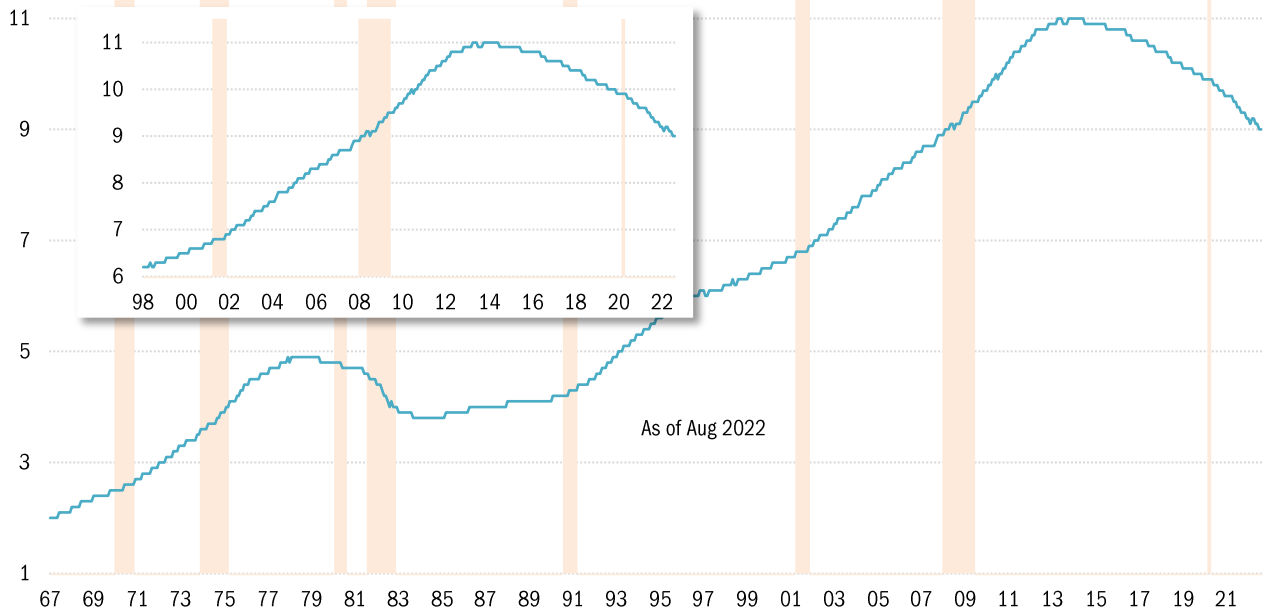
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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



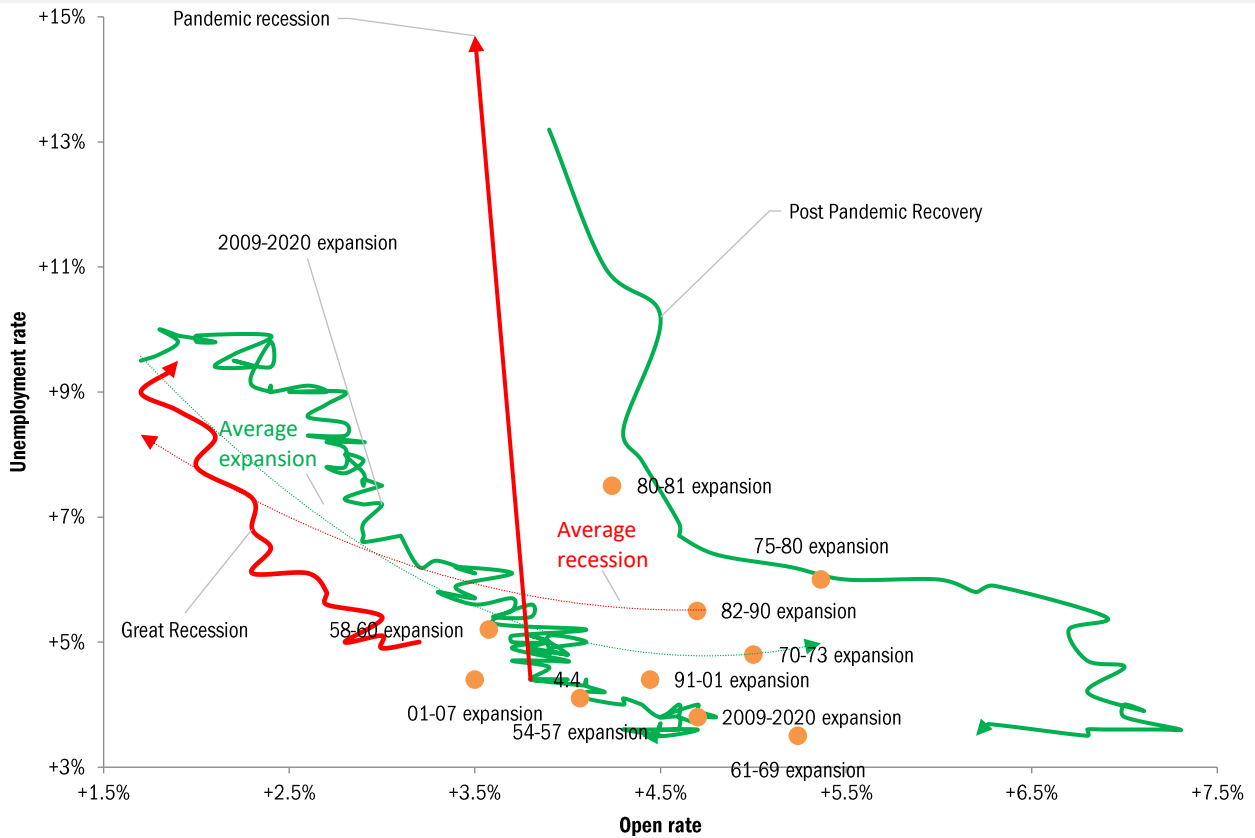
Source: BLS Current Population Survey, TrendMacro calculations

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



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

— Expansion — Recession ● Expansion extreme open rate (and matching UE rate), from 1954 to present



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