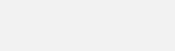


Data Insights: Jobs

Friday, November 4, 2022

Today's jobs data: what you need to know

Non-farm payrolls	Change Oct: +261	Revision Sep: +52	Revision Aug: -23	
Private payrolls	Change Oct: +233	Revision Sep: +31	Revision Aug: -42	
Employment	Change Oct: -328			
Unemployment	Change Oct: +306			
Long-term unemployment	Change Oct: +205			
Civilian labor force	Change Oct: -22	0.49 million above trend	More than all leavers employed	
Unemployment rate	Oct: 3.68%	Change Oct: +0.19%		
Underemployment rate	Oct: 6.8%	Change Oct: +0.1%		
Participation rate	Oct: 62.2%	Change Oct: -0.1%		
UE adjusted for participation	Oct: 9.2%	Change Oct: +0.32%		
Average weeks unemployed	Oct: 20.8	Change Oct: +0.6		
% longterm unemployed	Oct: 19.5%	Change Oct: +1.0%		
Aggregate hours worked index	Oct: 113.4	Change Oct: +0.2%	Revision Sep: +0	
Average hourly earnings	Oct: +0.37%	Change Oct: +0.06%	Revision Sep: -0.10%	
Aggregate weekly earnings	Oct: 176.7	Change Oct: +0.6%	Revision Sep: +0.1	
Monthly job-finding probability	Oct: 33.1%	Change Oct: -7.0%		
Monthly separation probability	Oct: 1.7%	Change Oct: +0.1%		
% involuntary part-time	Oct: 2.3%	Change Oct: -0.1%		
"Household" vs "Payroll" jobs	Change Oct: -1002			

Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's jobs data: a deeper dive

Non-farm payrolls SA	Change Oct: +261	Revision Jun: +52	Revision May: -23	
Non-farm payrolls NSA	Change Oct: +1172	Revision Jun: +92	Revision May: +32	
Birth-death adjustment	Change Oct: +455			
Employment	Change Oct: -328			
Unemployment rate	Oct: 3.68%	Change Oct: +0.19%		
White employment	Change Oct: -251			
White unemployment rate	Oct: 3.2%	Change Oct: 0.1%		
Black employment	Change Oct: -30			
Black unemployment rate	Oct: 5.9%	Change Oct: 0.1%		
Hispanic employment	Change Oct: -36			
Hispanic unemployment rate	Oct: 4.2%	Change Oct: 0.4%		
Asian employment	Change Oct: -51			
Asian unemployment rate	Oct: 2.9%	Change Oct: 0.4%		
HS only employment	Change Oct: -329			
HS only unemployment rate	Oct: 3.8%	Change Oct: 0.3%		
Men employment	Change Oct: -16			
Men unemployment rate	Oct: 3.7%	Change Oct: 0.1%		
Women employment	Change Oct: -312			
Women unemployment rate	Oct: 3.7%	Change Oct: 0.3%		

Source: Bureau of Labor Statistics, TrendMacro calculations

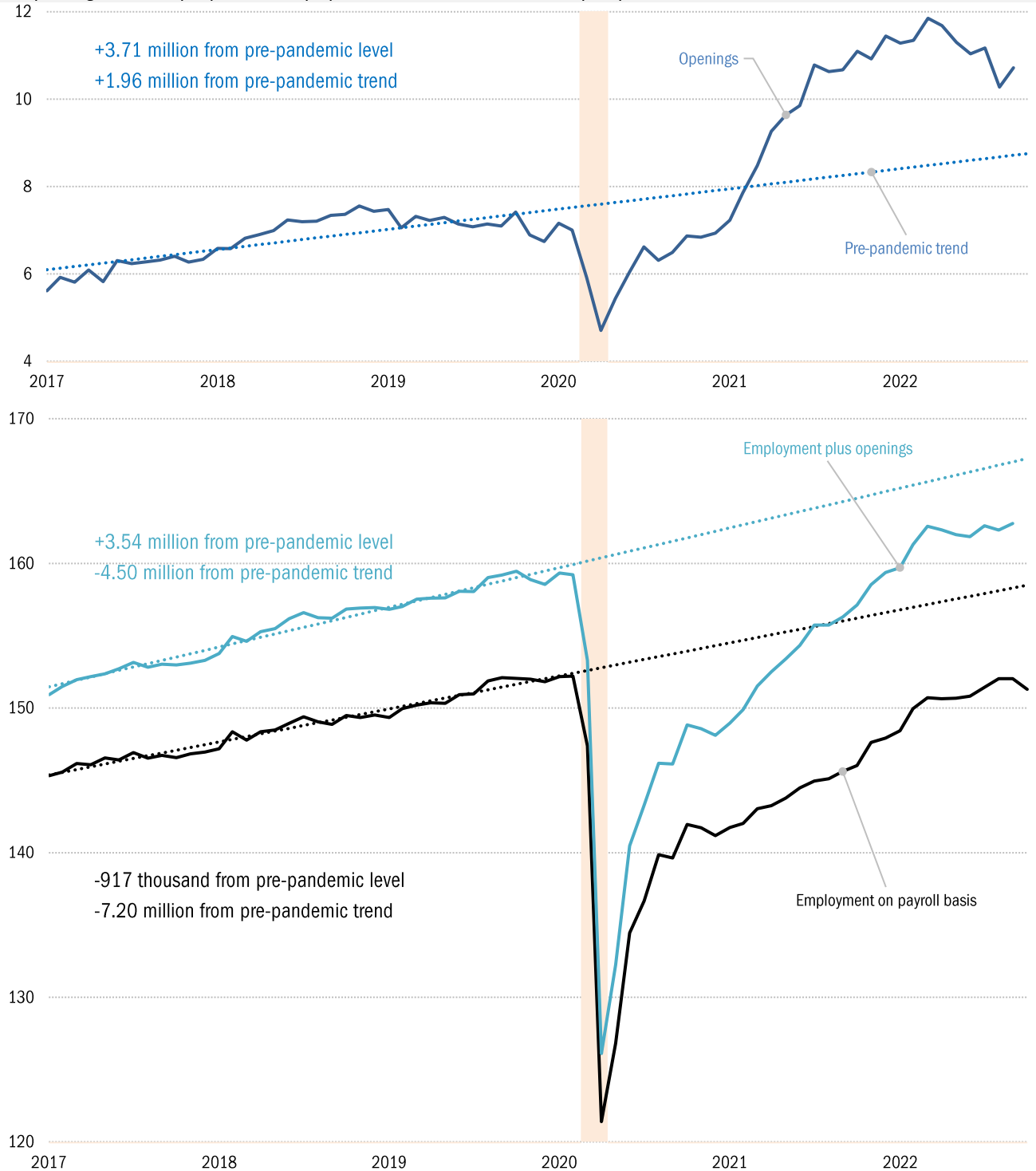
TrendMacro Payroll Model based on contemporaneous labor market statistics

ADP Payrolls	ISM Manu Employ Index	ISM Services Employ Index	Change continuing claims	Initial claims	Challenger Layoffs	NFIB Hiring Plans	NFIB Employ
+239	50	49.1	-38	219	33,843	20	-4
Model estimate	Actual	Actual beat(+) or miss (-)					
+186	+261	+75					

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

Is the labor market tight or slack?

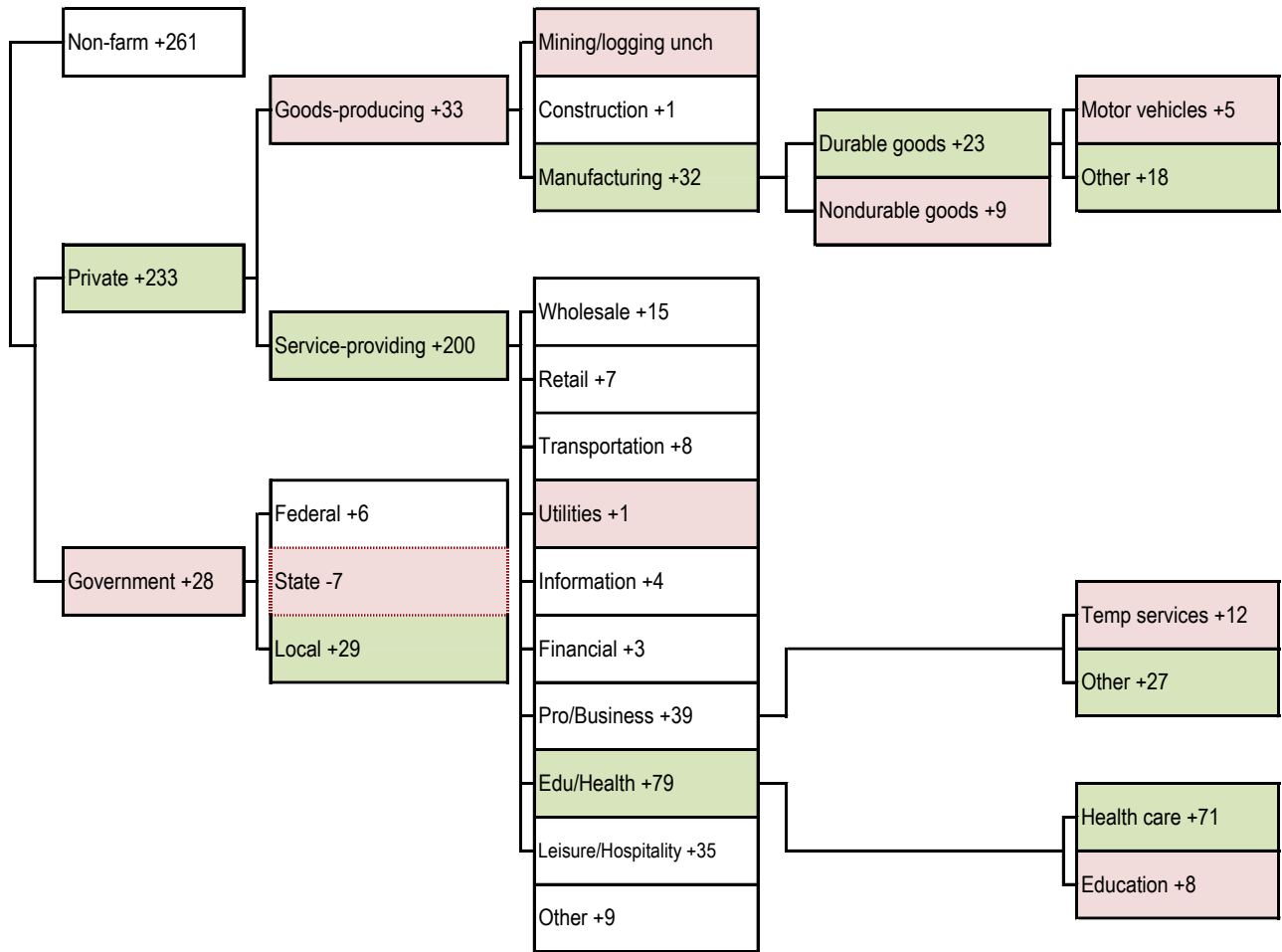
Job openings and employment (on payroll basis, millions) versus pre-pandemic trends ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

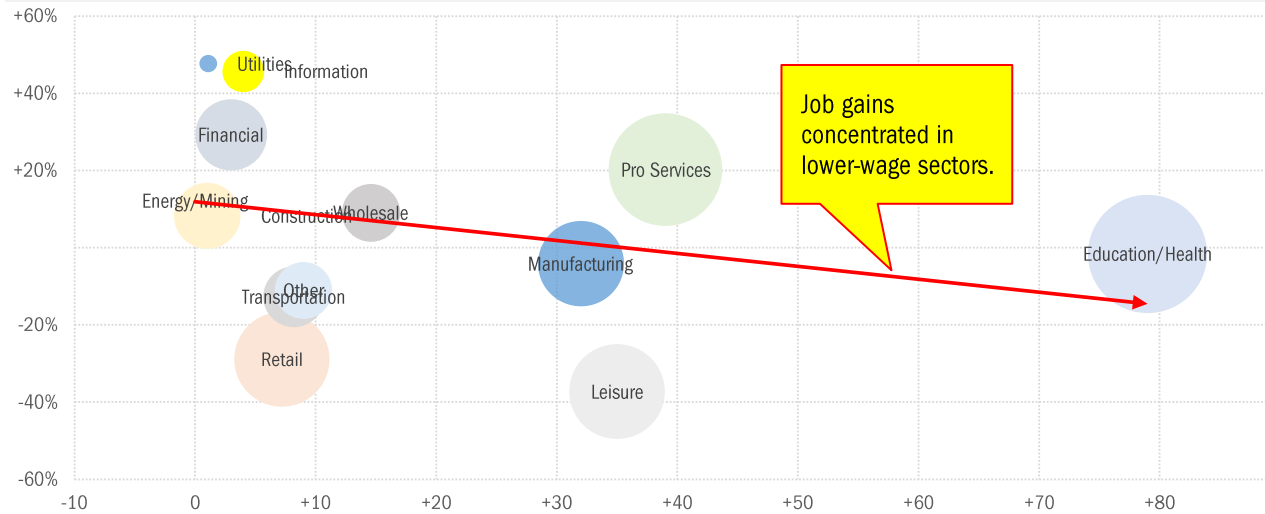
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

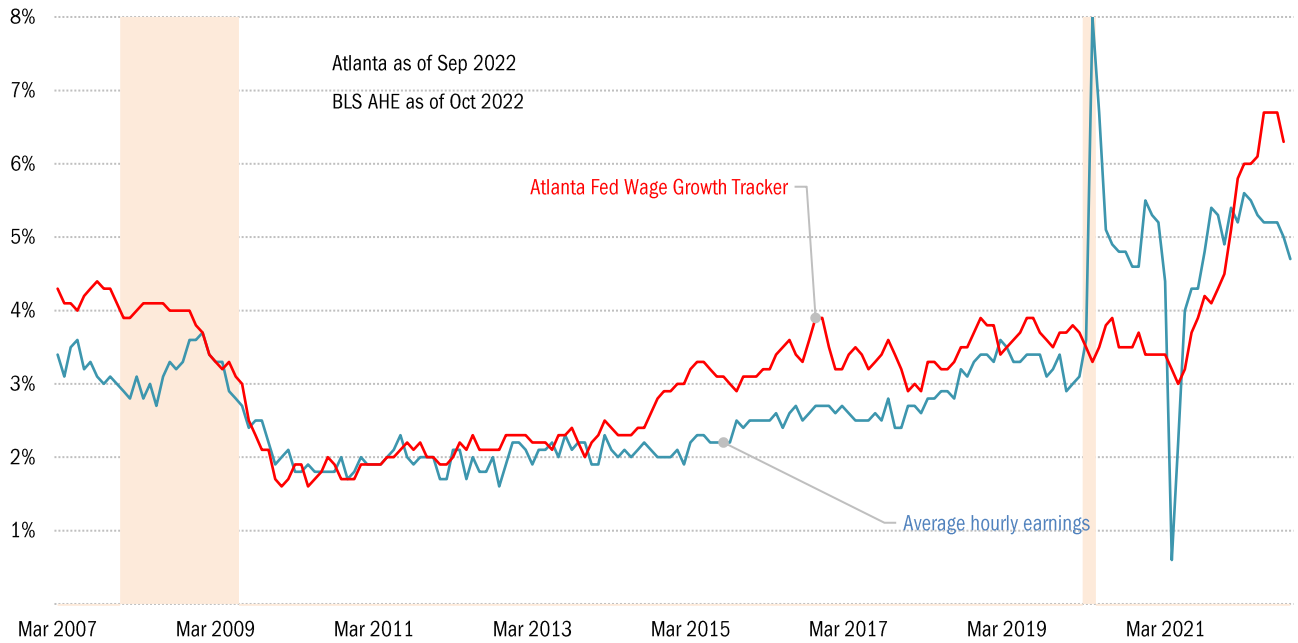
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

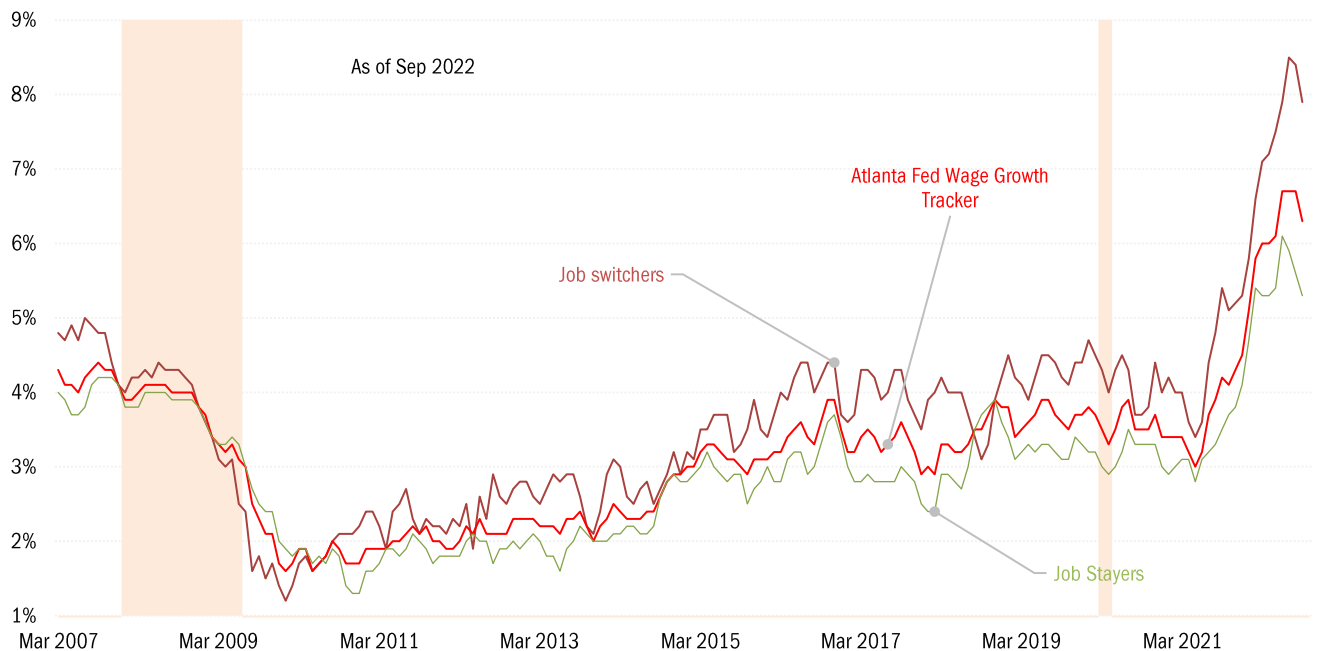
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ■ Recession



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

The wages of dynamism

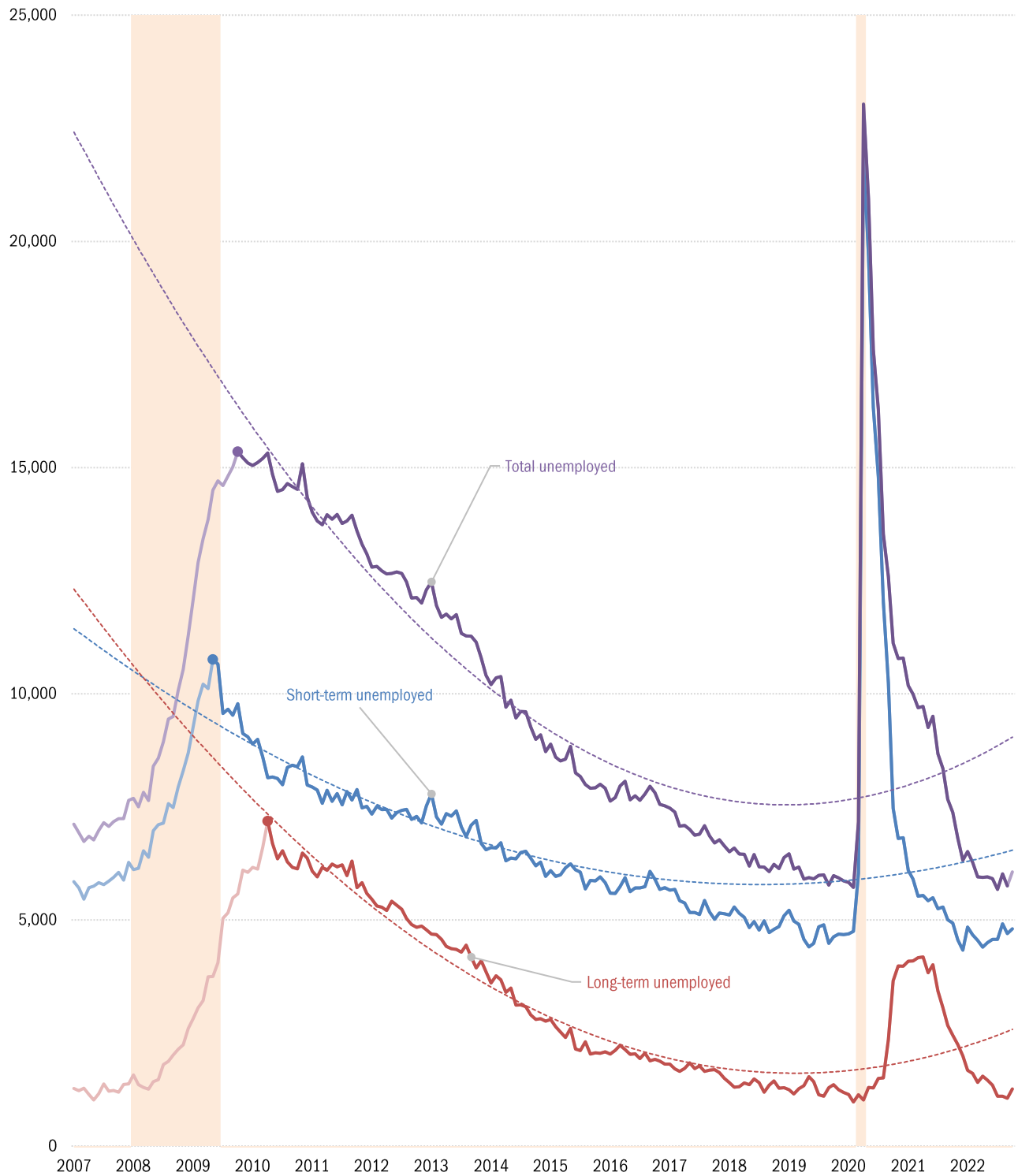
YOY wage growth for steady employees, versus those who change jobs ■ Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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

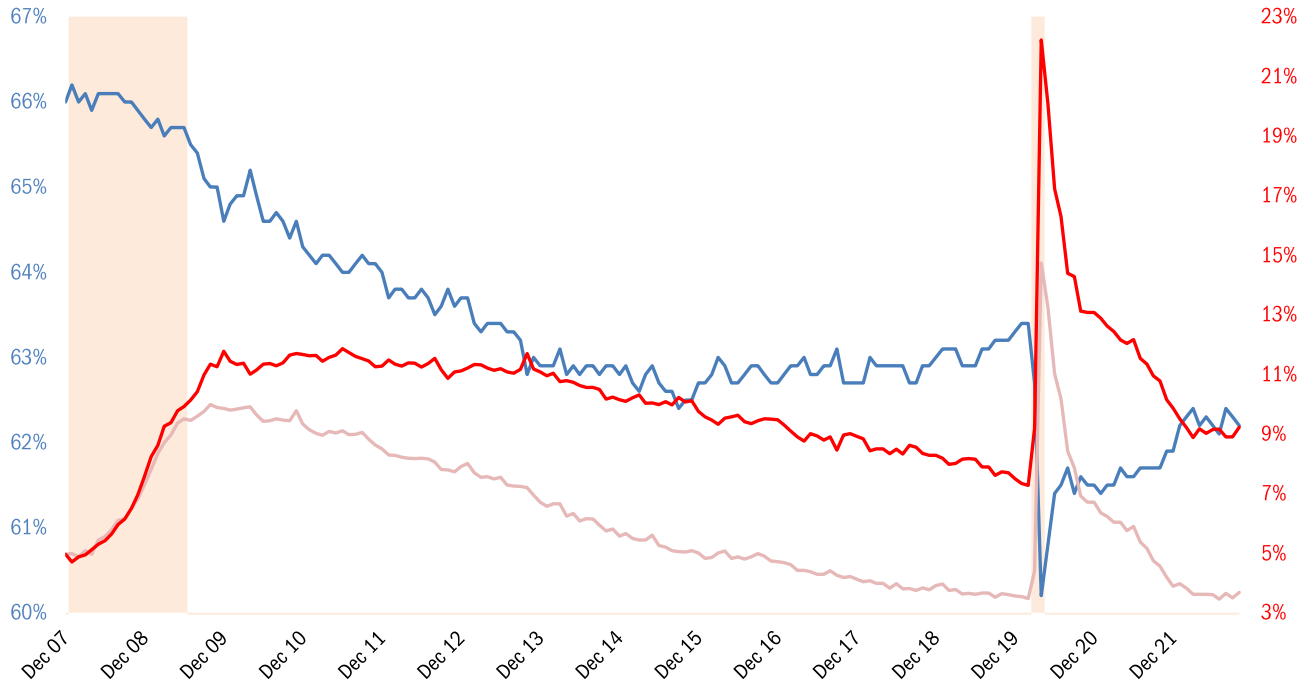
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

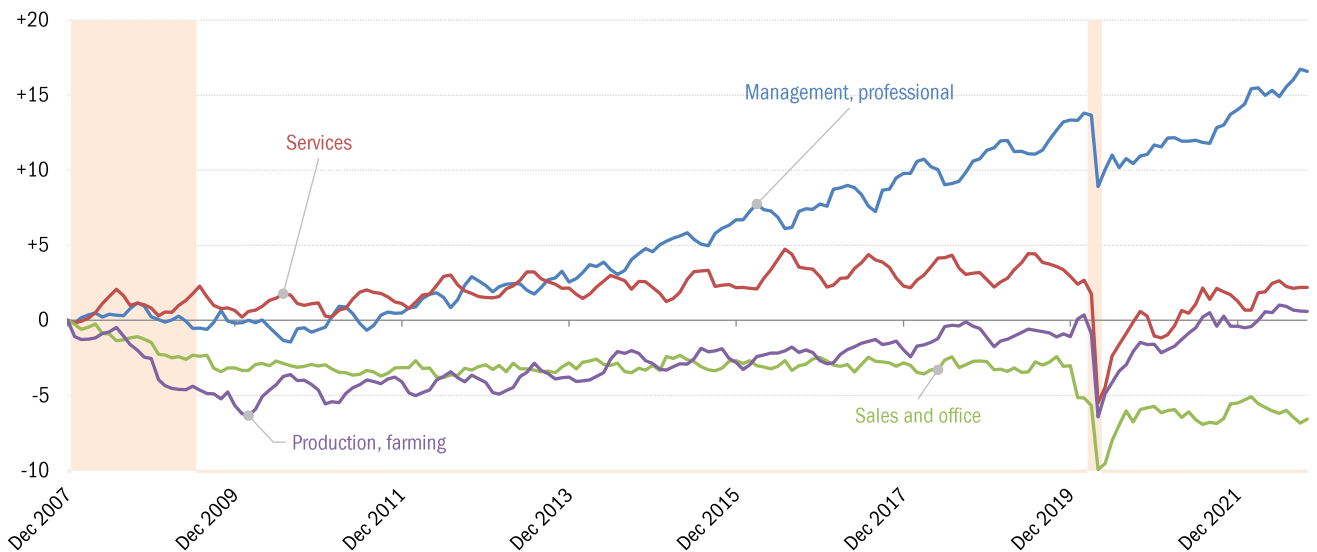
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the long boom and the virus crisis

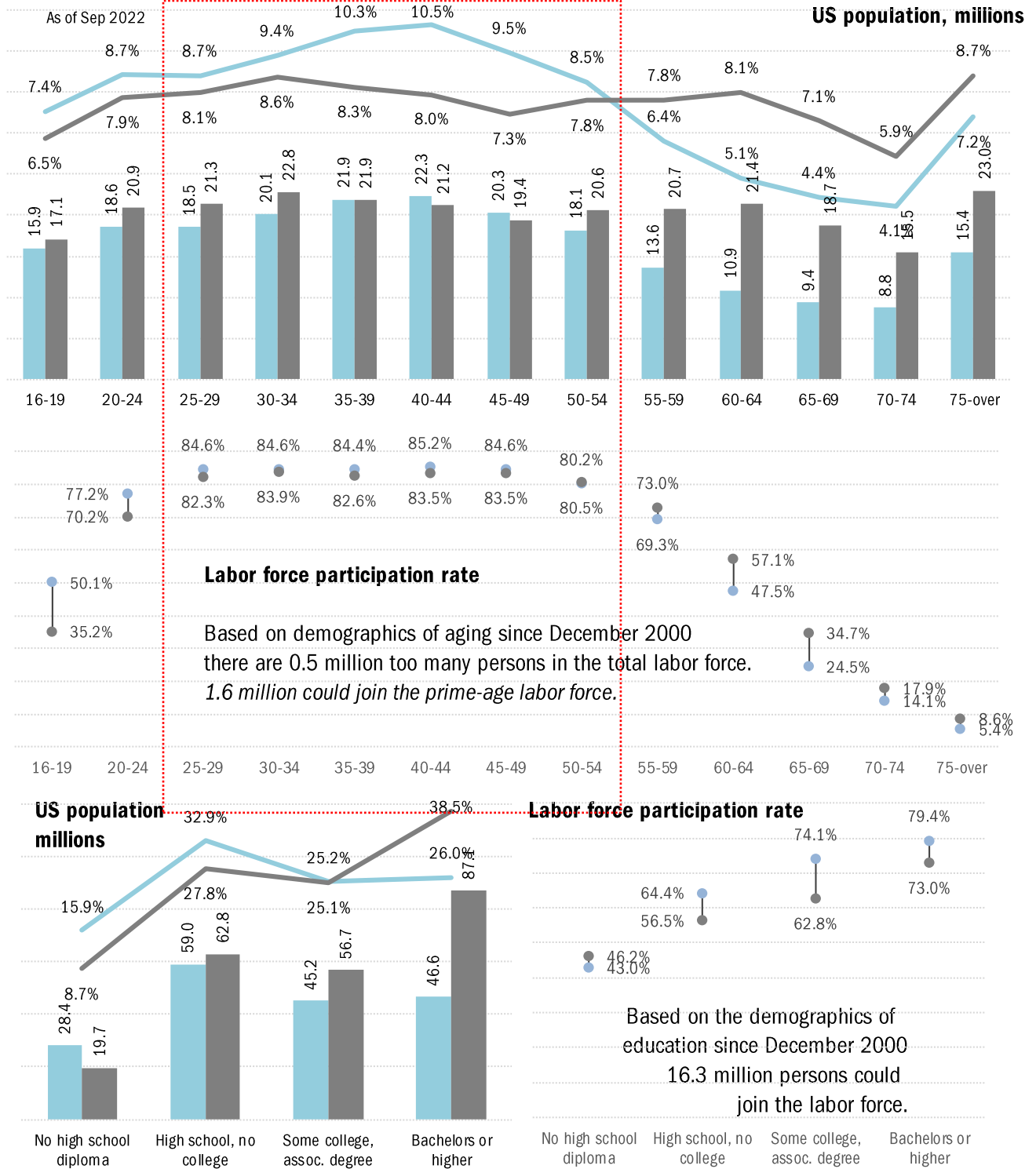
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

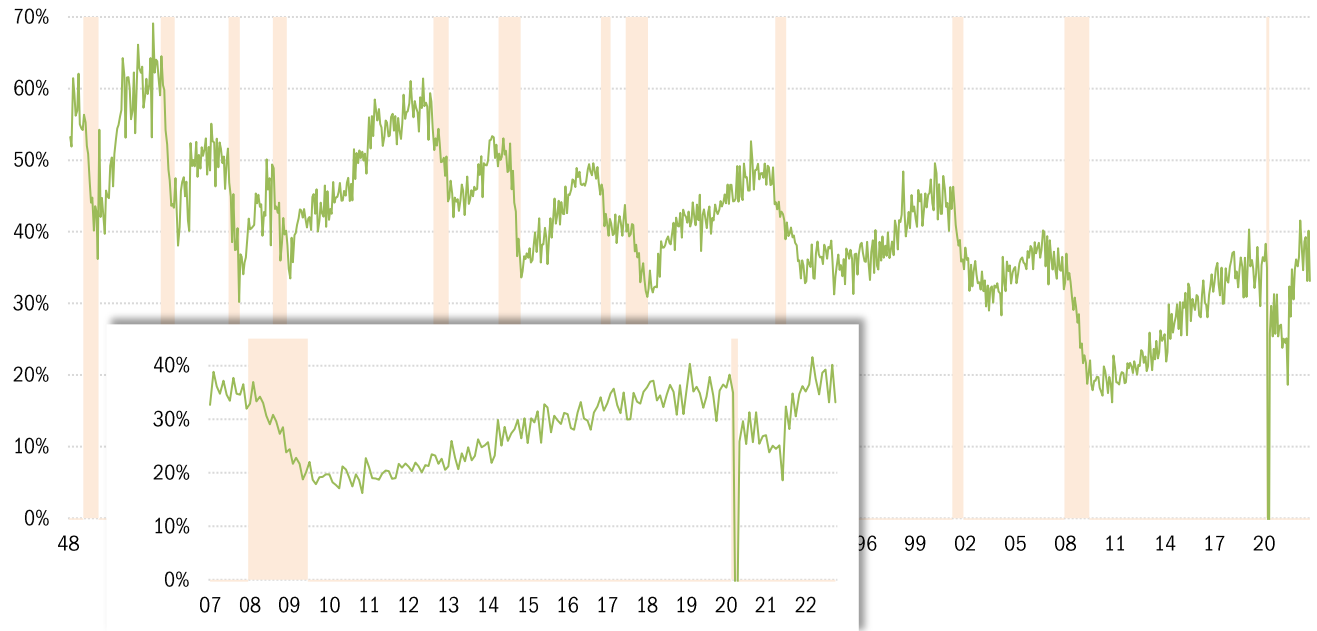
By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

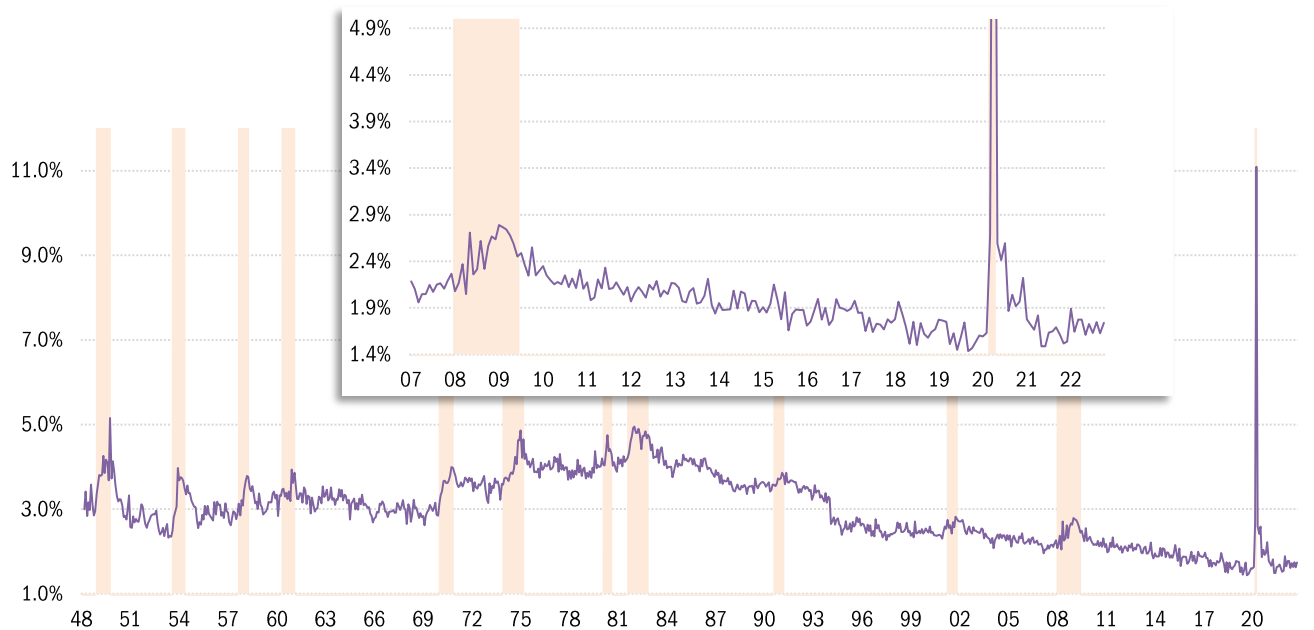
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

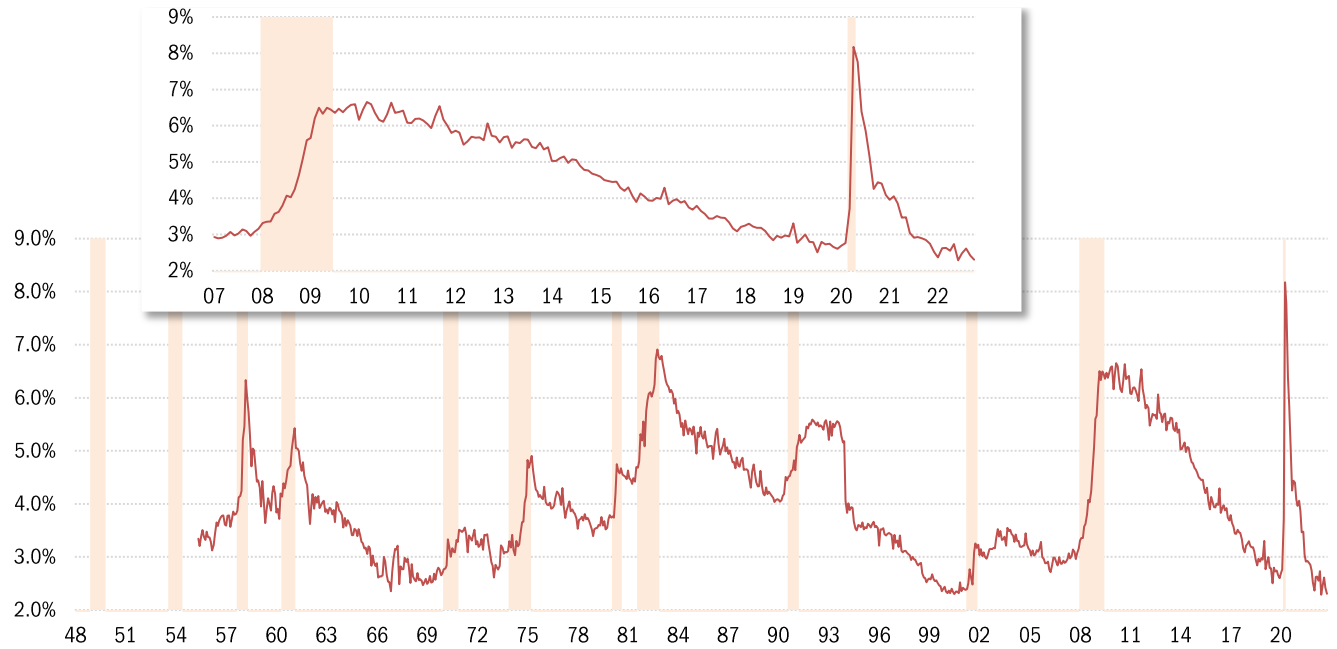
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

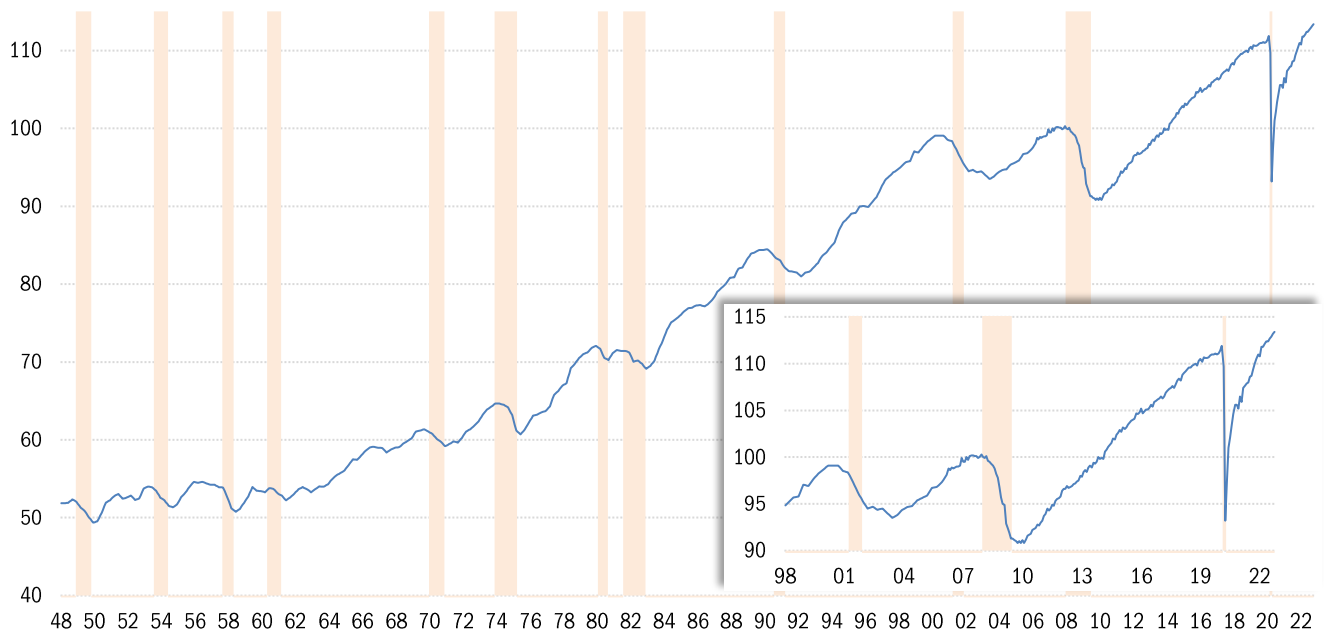
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



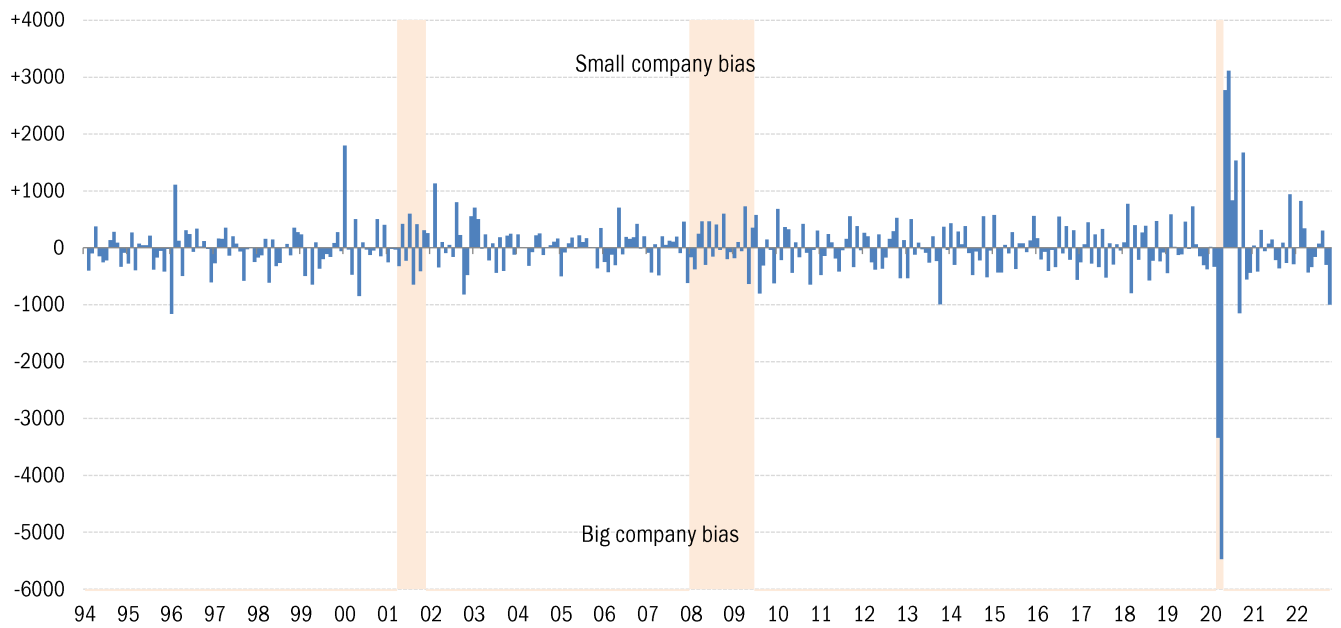
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



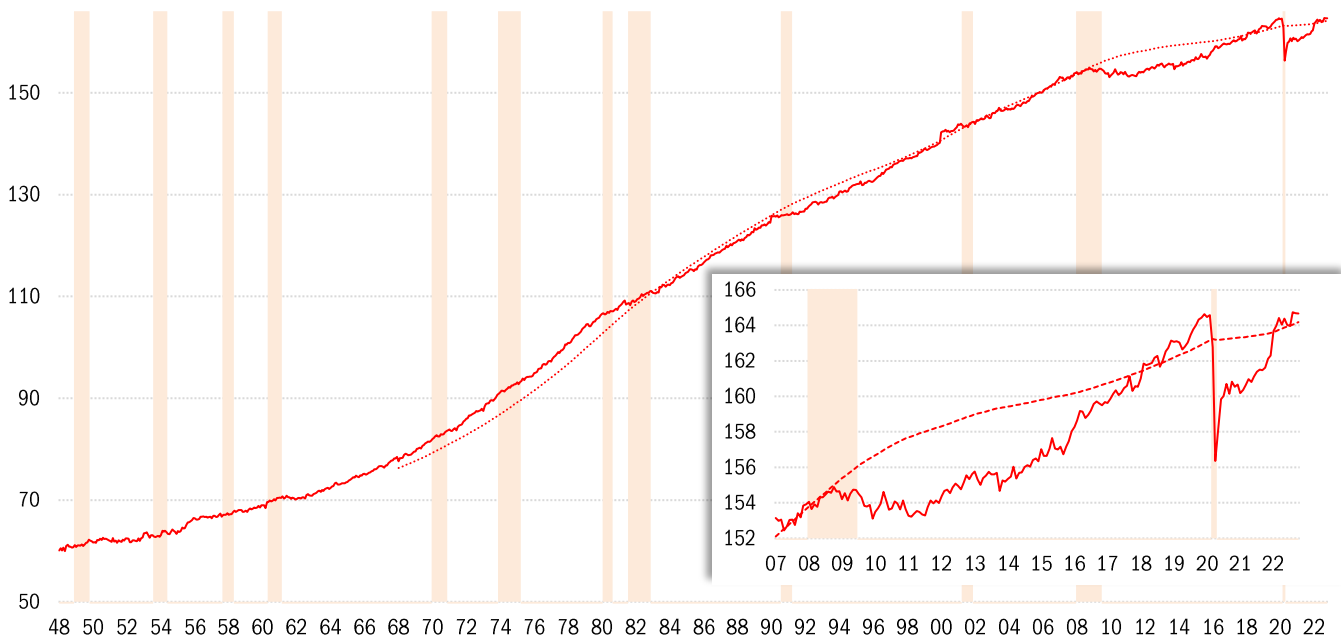
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



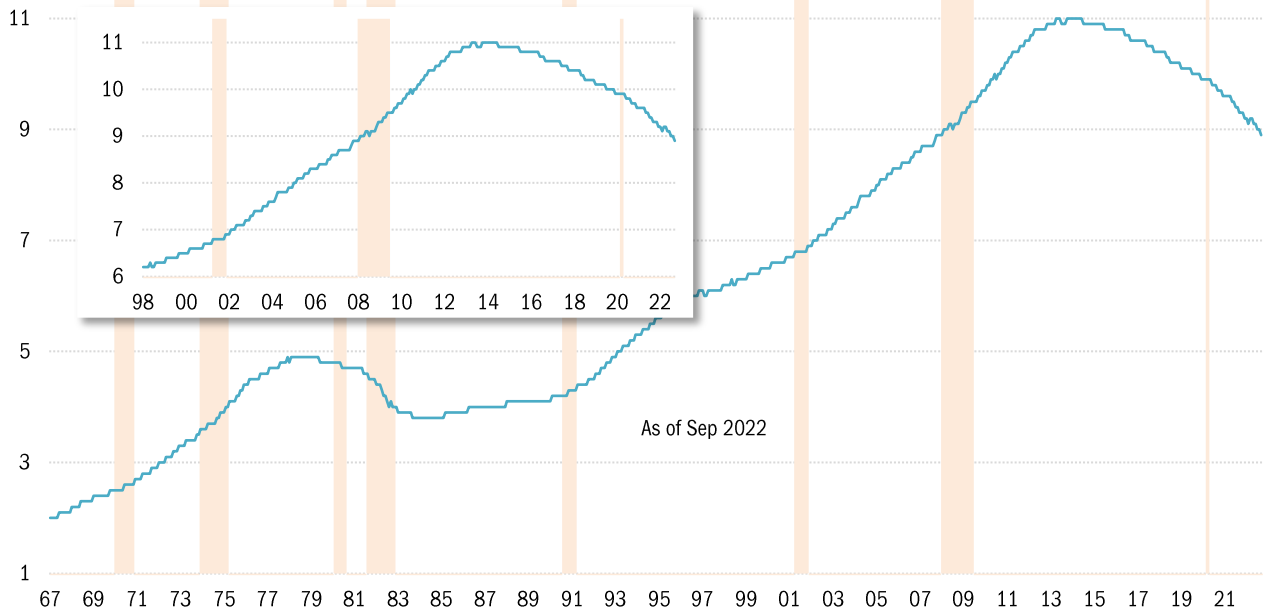
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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



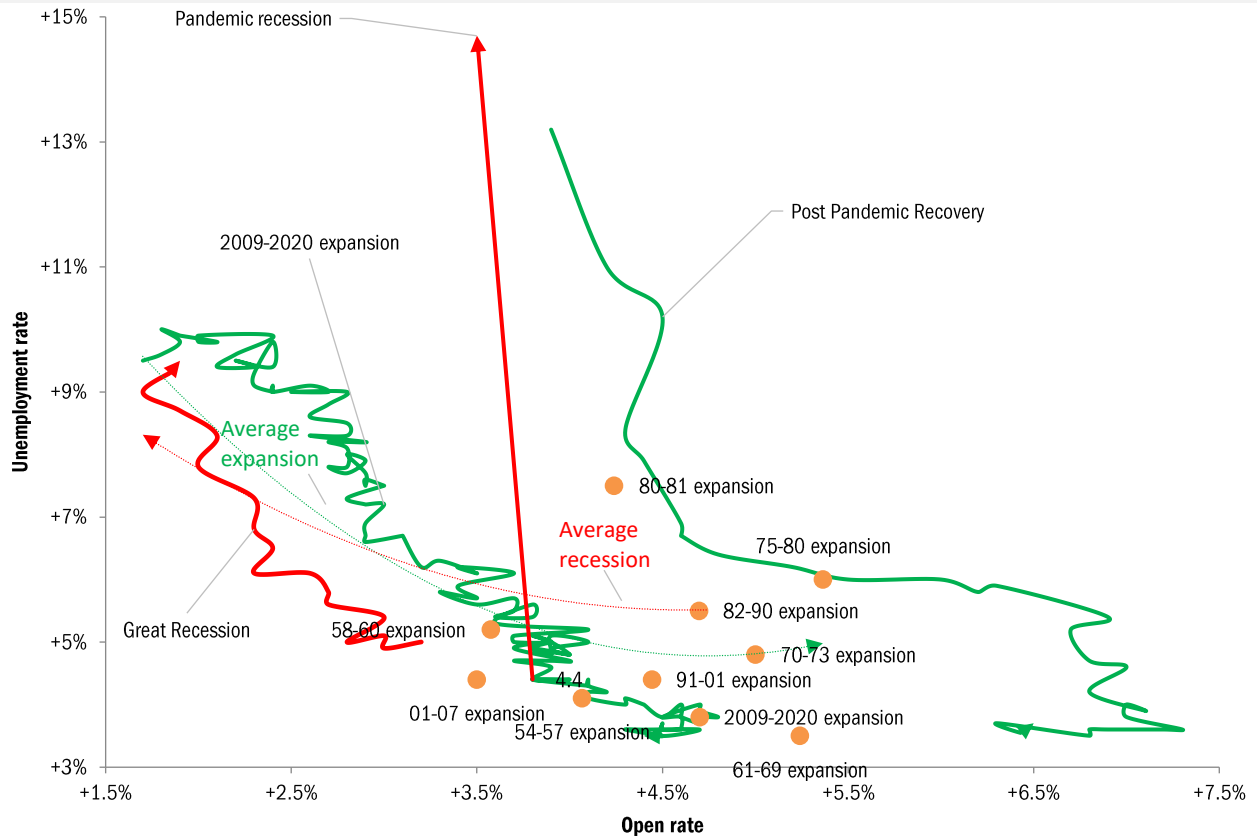
Source: BLS Current Population Survey, TrendMacro calculations

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