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Data Insights: Jobs
Friday, December 2, 2022

Today's jobs data: what you need to know

Metric						
Non-farm payrolls	Change Nov:	+263	Revision Oct:	+23	Revision Sep:	-46
Private payrolls	Change Nov:	+221	Revision Oct:	+15	Revision Sep:	-64
Employment	Change Nov:	-138				
Unemployment	Change Nov:	-48				
Long-term unemployment	Change Nov:	+7				
Civilian labor force	Change Nov:	-186	0.25 million above trend	25.8% of leavers unemployed		
Unemployment rate	Nov:	3.65%	Change Nov:	-0.03%		
Underemployment rate	Nov:	6.7%	Change Nov:	-0.1%		
Participation rate	Nov:	62.1%	Change Nov:	-0.1%		
UE adjusted for participation	Nov:	9.3%	Change Nov:	+0.12%		
Average weeks unemployed	Nov:	21.4	Change Nov:	+0.6		
% longterm unemployed	Nov:	20.6%	Change Nov:	+1.1%		
Aggregate hours worked index	Nov:	113.2	Change Nov:	-0.2%	Revision Oct:	unch
Average hourly earnings	Nov:	+0.55%	Change Nov:	+0.09%	Revision Oct:	-0.04%
Aggregate weekly earnings	Nov:	177.7	Change Nov:	+0.5%	Revision Oct:	+0.1
Monthly job-finding probability	Nov:	37.8%	Change Nov:	+4.7%		
Monthly separation probability	Nov:	1.7%	Change Nov:	-0.0%		
% involuntary part-time	Nov:	2.3%	Change Nov:	+0.0%		
"Household" vs "Payroll" jobs	Change Nov:	-35				

Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's jobs data: a deeper dive

Non-farm payrolls SA	Change Nov:	+263	Revision Jul:	+23	Revision Jun:	-46
Non-farm payrolls NSA	Change Nov:	+574	Revision Jul:	+40	Revision Jun:	+7
Birth-death adjustment	Change Nov:	+14				

Employment	Change Nov:	-138		
Unemployment rate	Nov:	3.65%	Change Nov:	-0.03%
White employment	Change Nov:	-347		
White unemployment rate	Nov:	3.2%	Change Nov:	0.0%
Black employment	Change Nov:	+154		
Black unemployment rate	Nov:	5.7%	Change Nov:	-0.2%
Hispanic employment	Change Nov:	-63		
Hispanic unemployment rate	Nov:	3.9%	Change Nov:	-0.3%
Asian employment	Change Nov:	-83		
Asian unemployment rate	Nov:	2.7%	Change Nov:	-0.2%
HS only employment	Change Nov:	-13		
HS only unemployment rate	Nov:	3.8%	Change Nov:	0.0%
Men employment	Change Nov:	-55		
Men unemployment rate	Nov:	3.7%	Change Nov:	0.0%
Women employment	Change Nov:	-83		
Women unemployment rate	Nov:	3.6%	Change Nov:	-0.1%

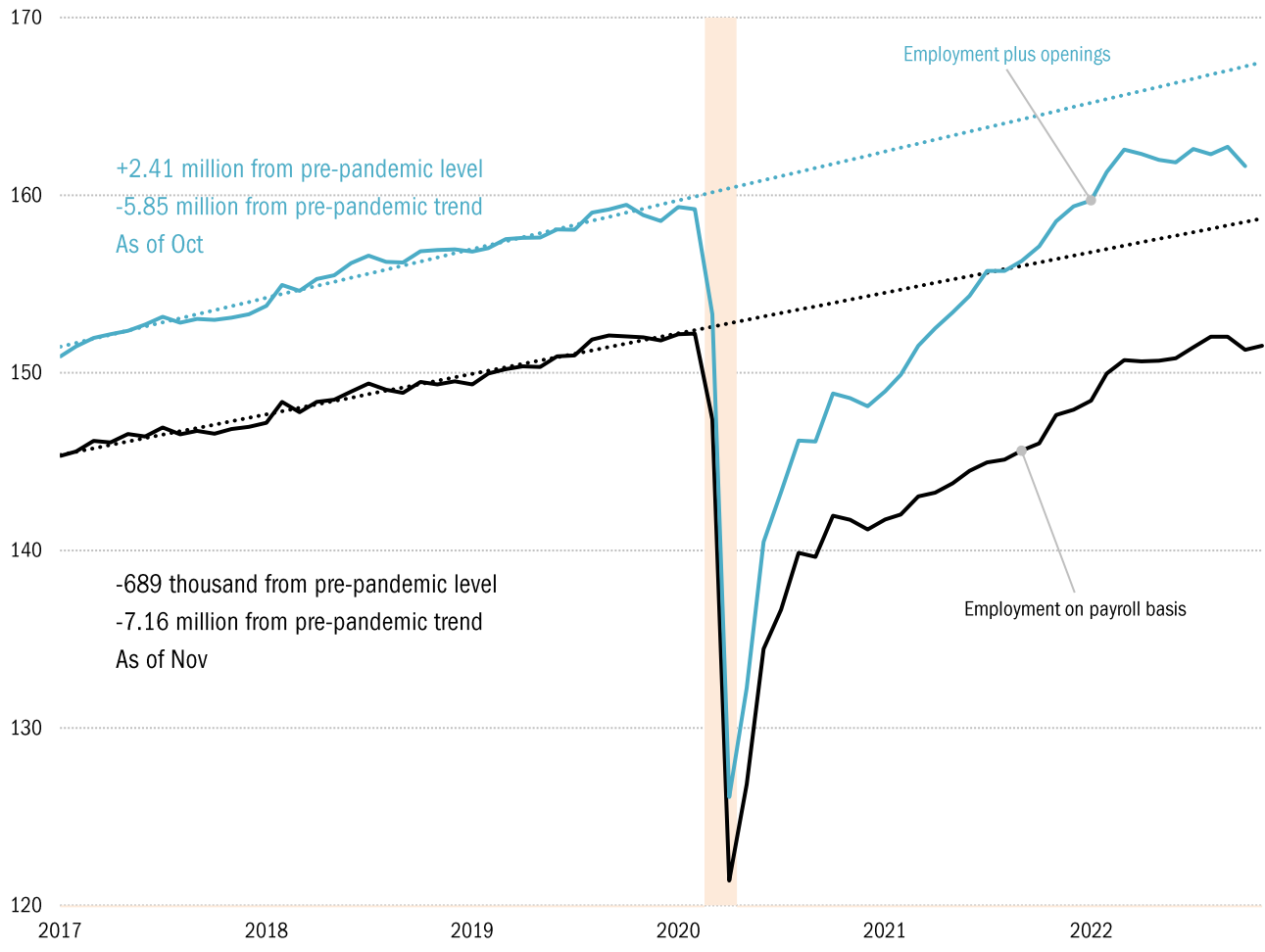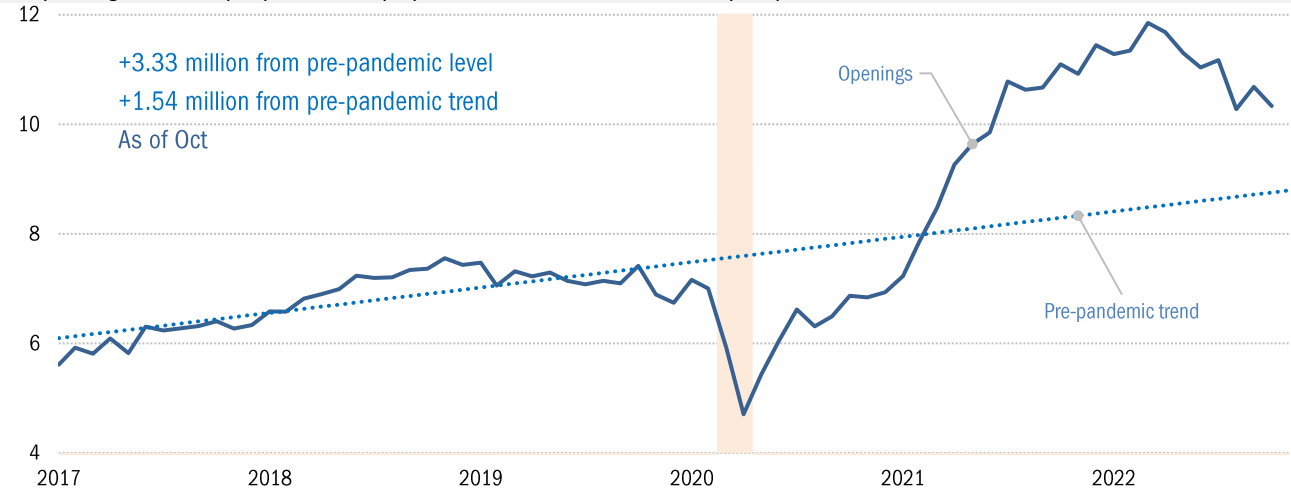Source: Bureau of Labor Statistics, TrendMacro calculations

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
+127	48.4	49.1	+134	218	76,835	18	-2

Model estimate	Actual	Actual beat(+) or miss (-)					
+136	+263	+127					

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

+3.33 million from pre-pandemic level
+1.54 million from pre-pandemic trend
As of Oct

Openings

Pre-pandemic trend

+2.41 million from pre-pandemic level
-5.85 million from pre-pandemic trend
As of Oct

Employment plus openings

-689 thousand from pre-pandemic level
-7.16 million from pre-pandemic trend
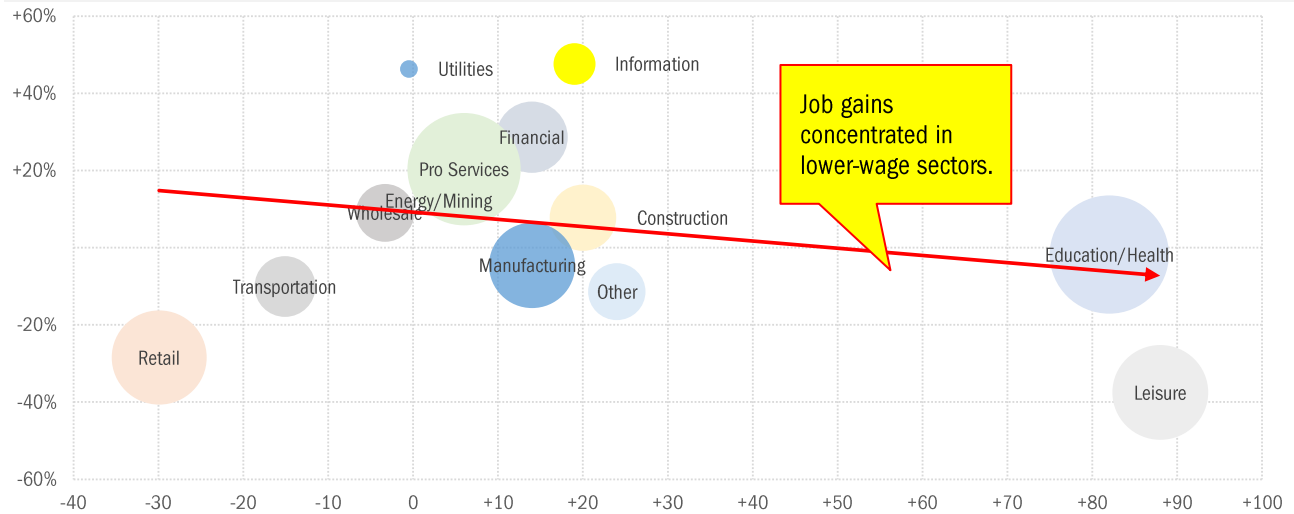As of Nov

Employment on payroll basis

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

Non-farm +263

Private +221

Goods-producing +37

Mining/logging +3

Construction +20

Manufacturing +14

Durable goods +11

Nondurable goods +3

Motor vehicles +2

Other +9

Service-providing +184

Wholesale -3

Retail -30

Transportation -15

Utilities -1

Information +19

Financial +14

Pro/Business +6

Temp services -17

Other +23

Edu/Health +82

Health care +68

Education +14

Leisure/Hospitality +88

Other +24

Government +42

Federal -1

State +11

Local +32

Where is the pay coming from?

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

Utilities · Information · Financial · Pro Services · Energy/Mining · Wholesale · Construction · Manufacturing · Other · Transportation · Retail · Education/Health · Leisure

Job gains concentrated in lower-wage sectors.

Solving the wage-growth puzzle
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ▨ Recession

Atlanta as of Oct 2022

BLS AHE as of Nov 2022

Atlanta Fed Wage Growth Tracker

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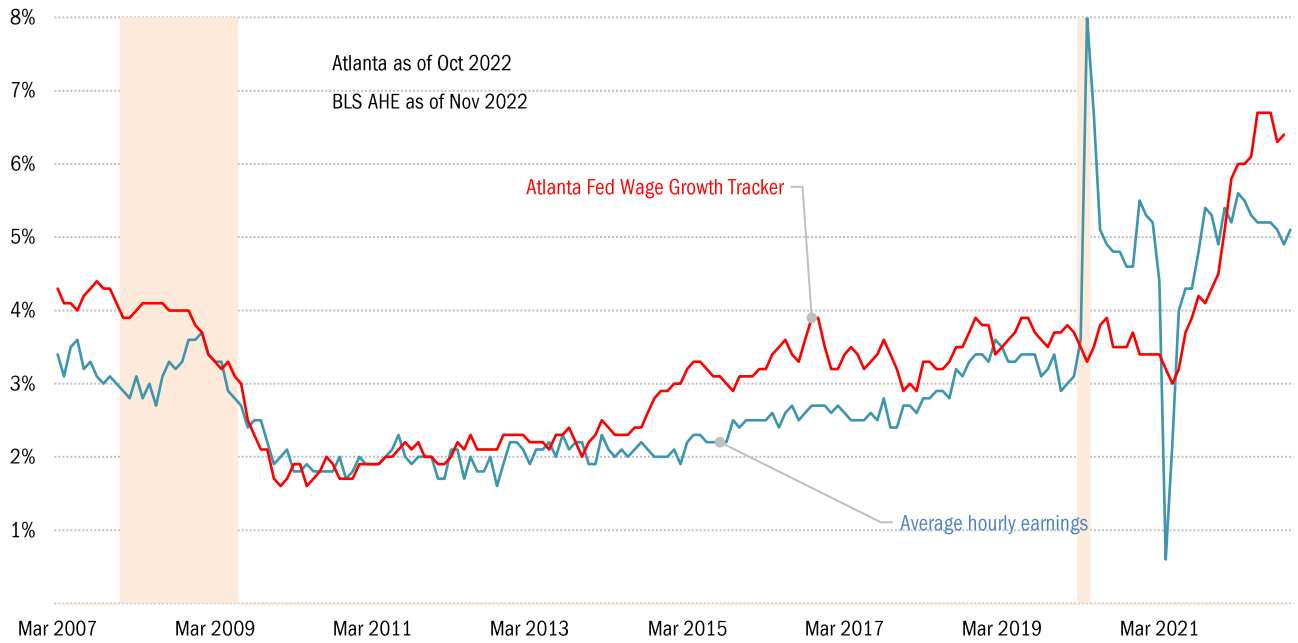
Source: BLS Current Employment Statistics, Atlanta Federal Reserve Bank, TrendMacro calculations

The wages of dynamism
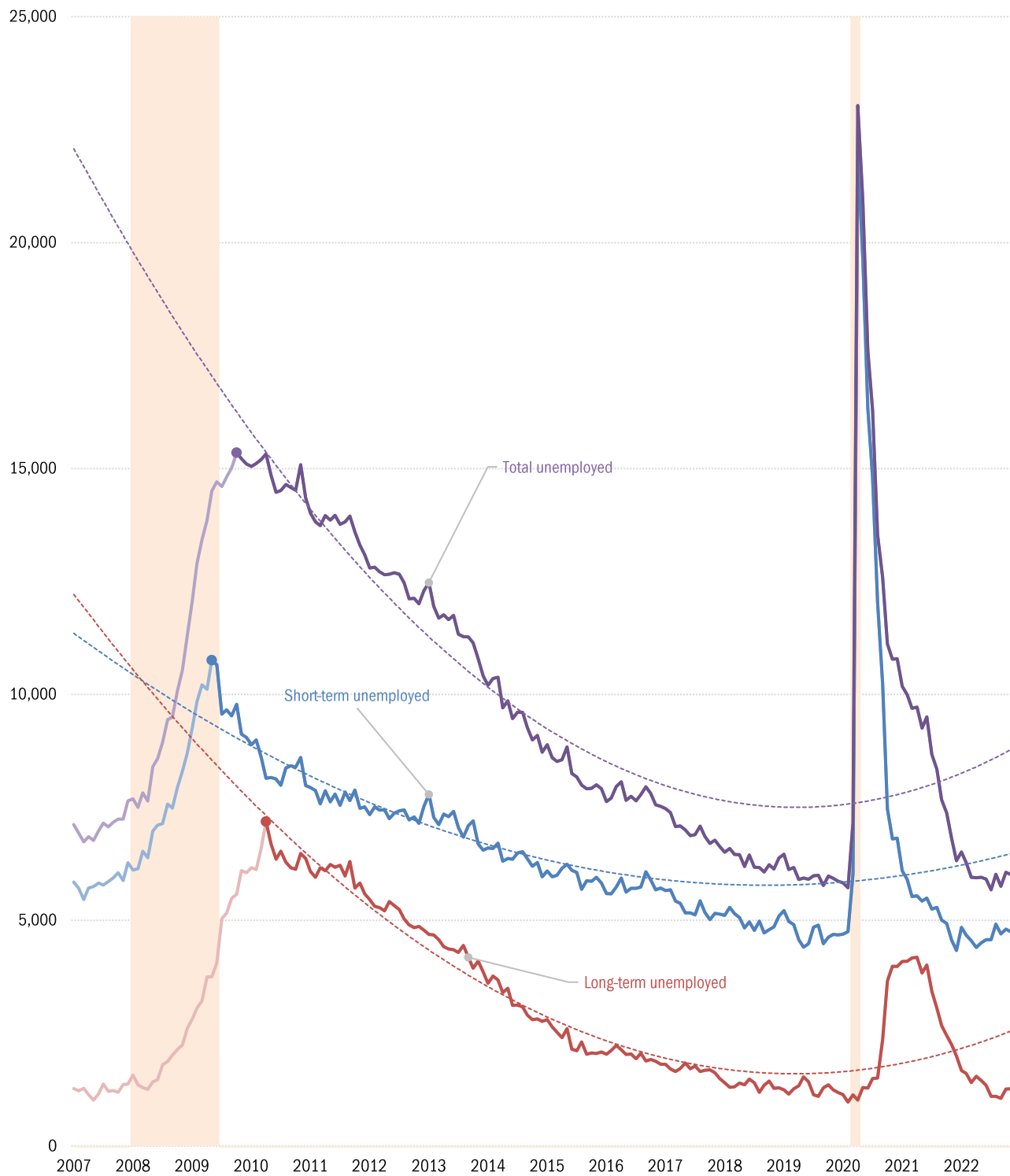YOY wage growth for steady employees, versus those who change jobs ▨ Recession

As of Oct 2022

Atlanta Fed Wage Growth Tracker

Job switchers

Job Stayers
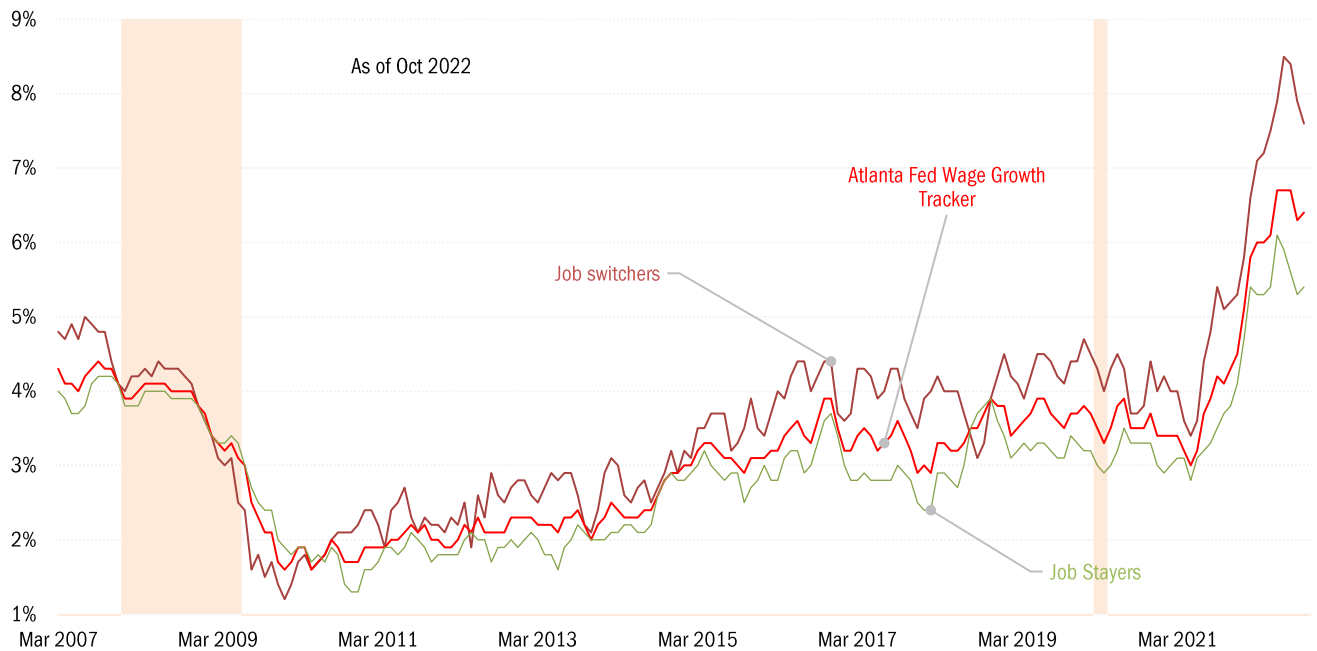
Source: Atlanta Federal Reserve Bank, TrendMacro calculations

The Great Recession, the jobless recovery, the long boom, and then the virus
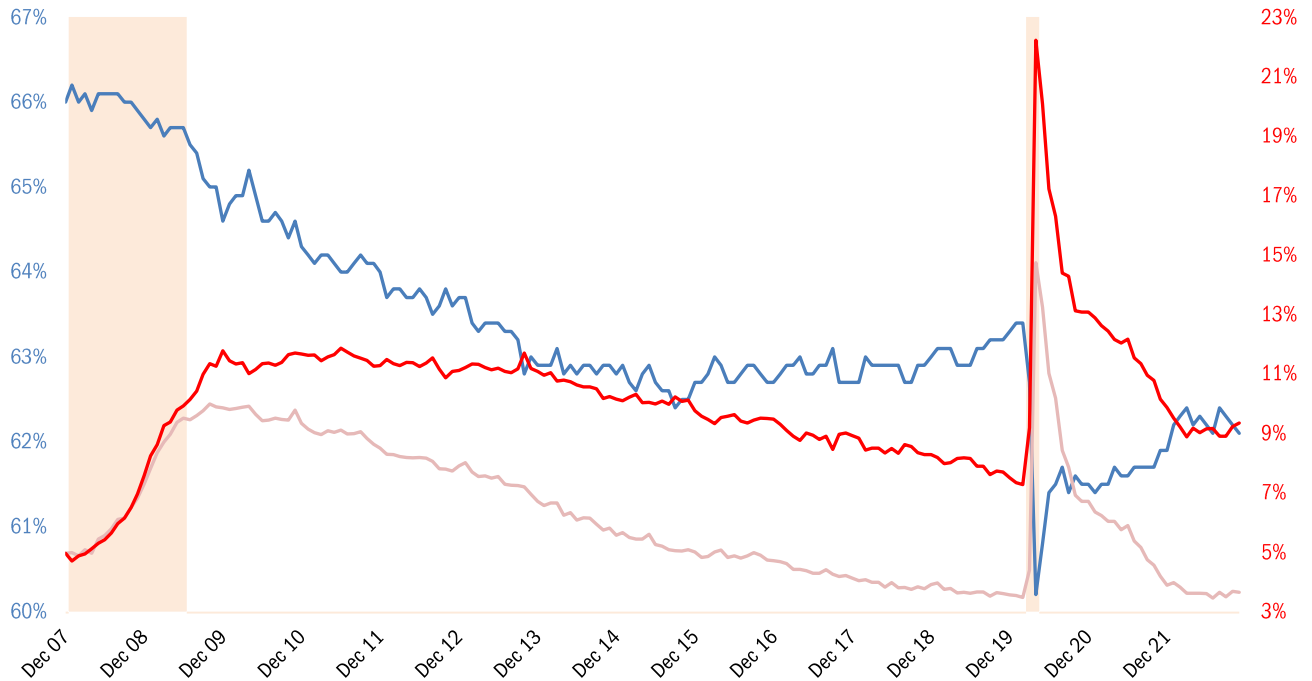Unemployment: thousands   Short-term = <27 weeks   Long-term = >27 weeks

Source: BLS Current Population Survey, TrendMacro calculations

## Unemployment rate normalized for participation rate December 2007

Legend: **—** Unemployment rate normalized for participation rate December 2007   **—** Participation rate   **—** Headline unemployment rate   ▦ Recession

Source: BLS Current Population Survey, TrendMacro calculations

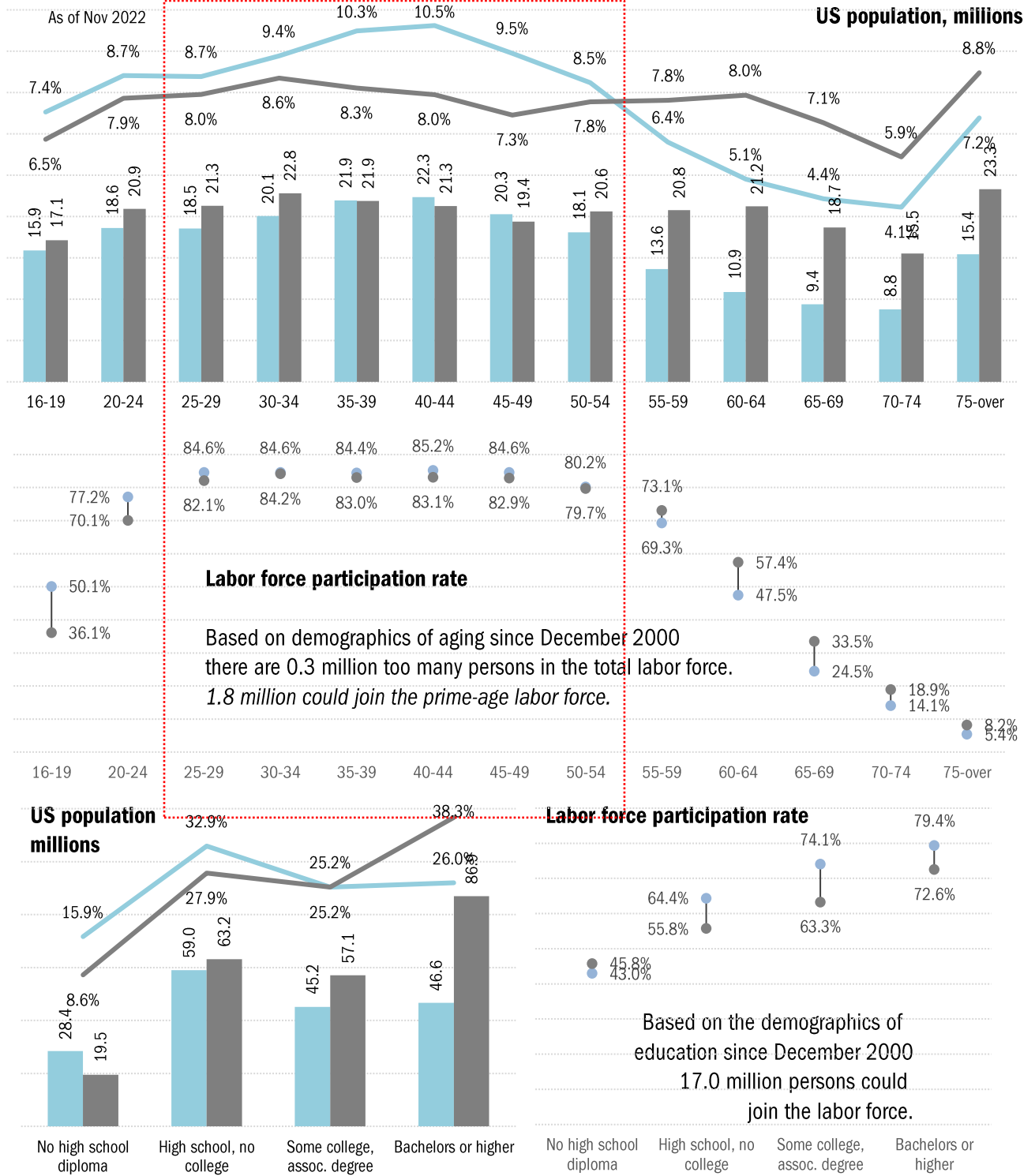## Winner and losers in the long boom and the virus crisis
Change in total payrolls from prior business cycle peak, millions
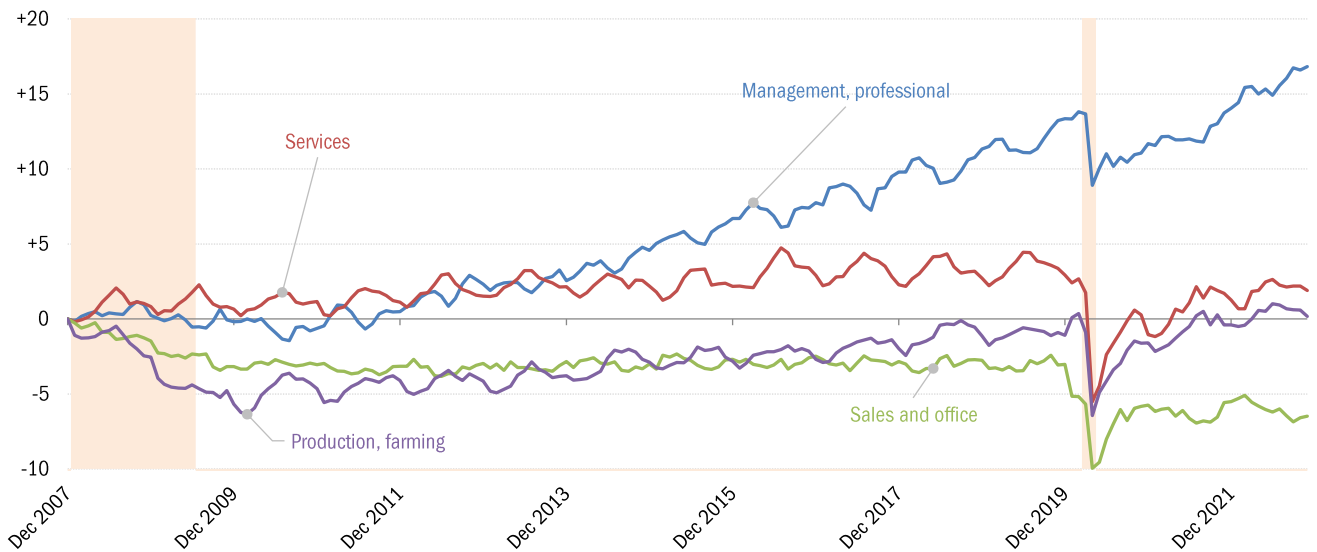
Source: BLS, NBER, TrendMacro calculations

# 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

US population, millions

As of Nov 2022

Top line percentages (blue): 7.4% 8.7% 8.7% 9.4% 10.3% 10.5% 9.5% 8.5% 7.8% 8.0% 7.1% 5.9% 7.2%

Gray line percentages: 6.5% 7.9% 8.0% 8.6% 8.3% 8.0% 7.3% 7.8% 6.4% 5.1% 4.4% 4.1% 8.8%

Bar values by age bracket:
- 16-19: 15.9 / 17.1
- 20-24: 18.6 / 20.9
- 25-29: 18.5 / 21.3
- 30-34: 20.1 / 22.8
- 35-39: 21.9 / 21.9
- 40-44: 22.3 / 21.3
- 45-49: 20.3 / 19.4
- 50-54: 18.1 / 20.6
- 55-59: 13.6 / 20.8
- 60-64: 10.9 / 21.2
- 65-69: 9.4 / 18.7
- 70-74: 8.8 / 15.5
- 75-over: 15.4 / 23.3

Age brackets: 16-19, 20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, 75-over

Labor force participation rate

- 16-19: 50.1% / 36.1%
- 20-24: 77.2% / 70.1%
- 25-29: 84.6% / 82.1%
- 30-34: 84.6% / 84.2%
- 35-39: 84.4% / 83.0%
- 40-44: 85.2% / 83.1%
- 45-49: 84.6% / 82.9%
- 50-54: 80.2% / 79.7%
- 55-59: 73.1% / 69.3%
- 60-64: 57.4% / 47.5%
- 65-69: 33.5% / 24.5%
- 70-74: 18.9% / 14.1%
- 75-over: 8.2% / 5.4%

Based on demographics of aging since December 2000 there are 0.3 million too many persons in the total labor force. *1.8 million could join the prime-age labor force.*

US population millions

- No high school diploma: 15.9% / 8.6%; 28.4 / 19.5
- High school, no college: 32.9% / 27.9%; 59.0 / 63.2
- Some college, assoc. degree: 25.2% / 25.2%; 45.2 / 57.1
- Bachelors or higher: 38.3% / 26.0%; 46.6 / 86.3

Labor force participation rate

- No high school diploma: 45.8% / 43.0%
- High school, no college: 64.4% / 55.8%
- Some college, assoc. degree: 74.1% / 63.3%
- Bachelors or higher: 79.4% / 72.6%

Based on the demographics of education since December 2000 17.0 million persons could join the labor force.

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
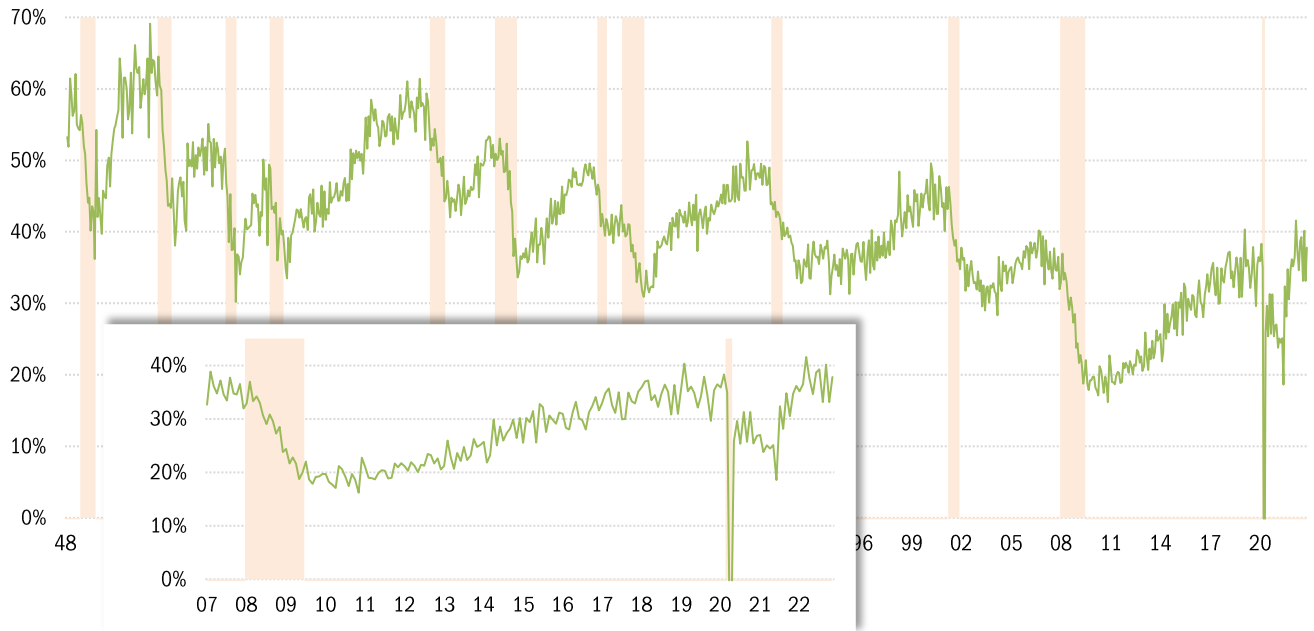
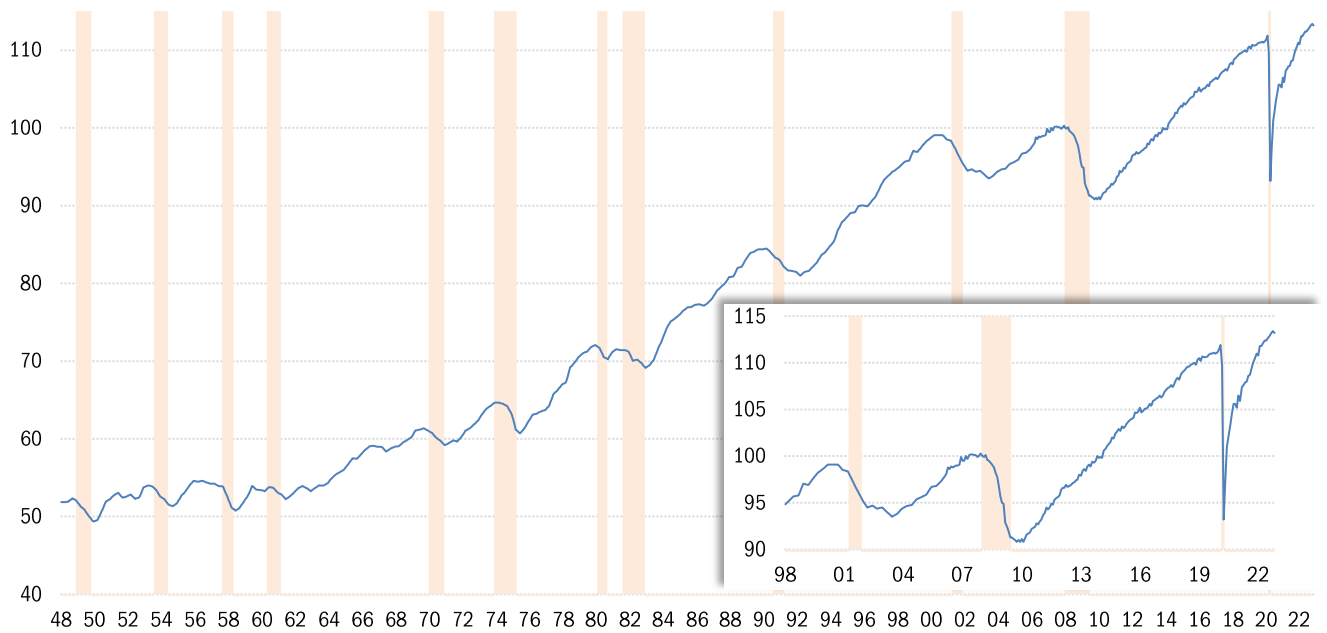Source: BLS Current Population Survey, TrendMacro calculations

Monthly job-separation probability (the inflow rate to unemployment)
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) ▨ Recession
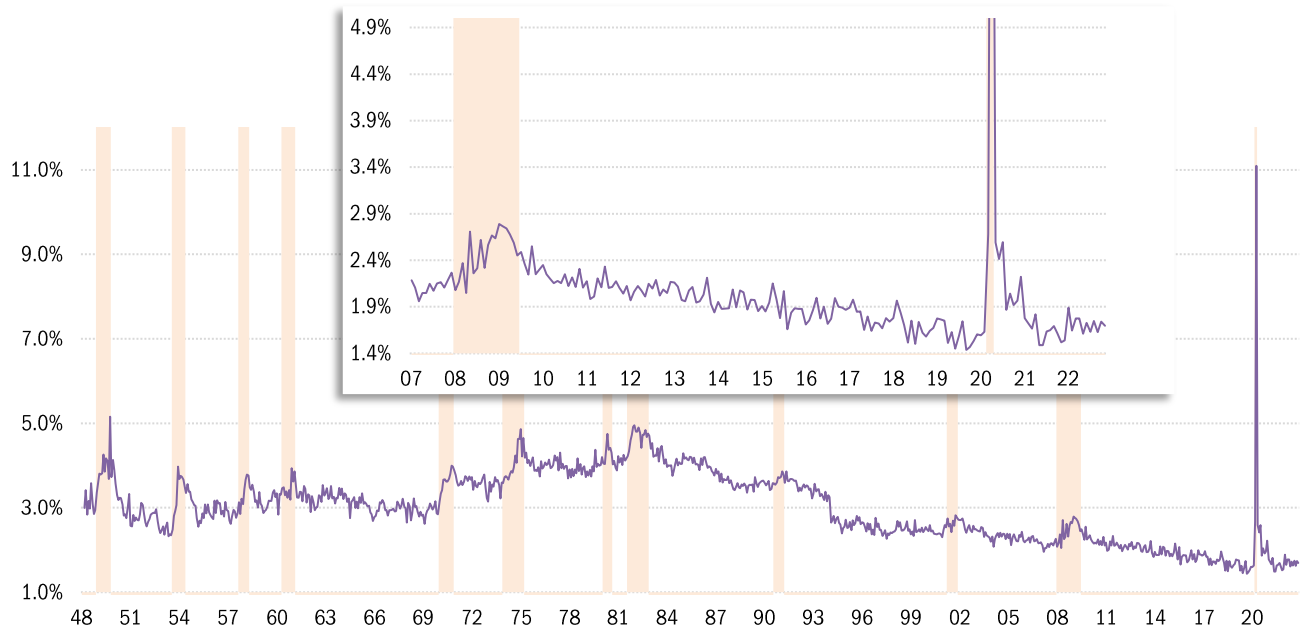
Source: BLS Current Population Survey, TrendMacro calculations

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

Persons available for full-time work ▪ Recession
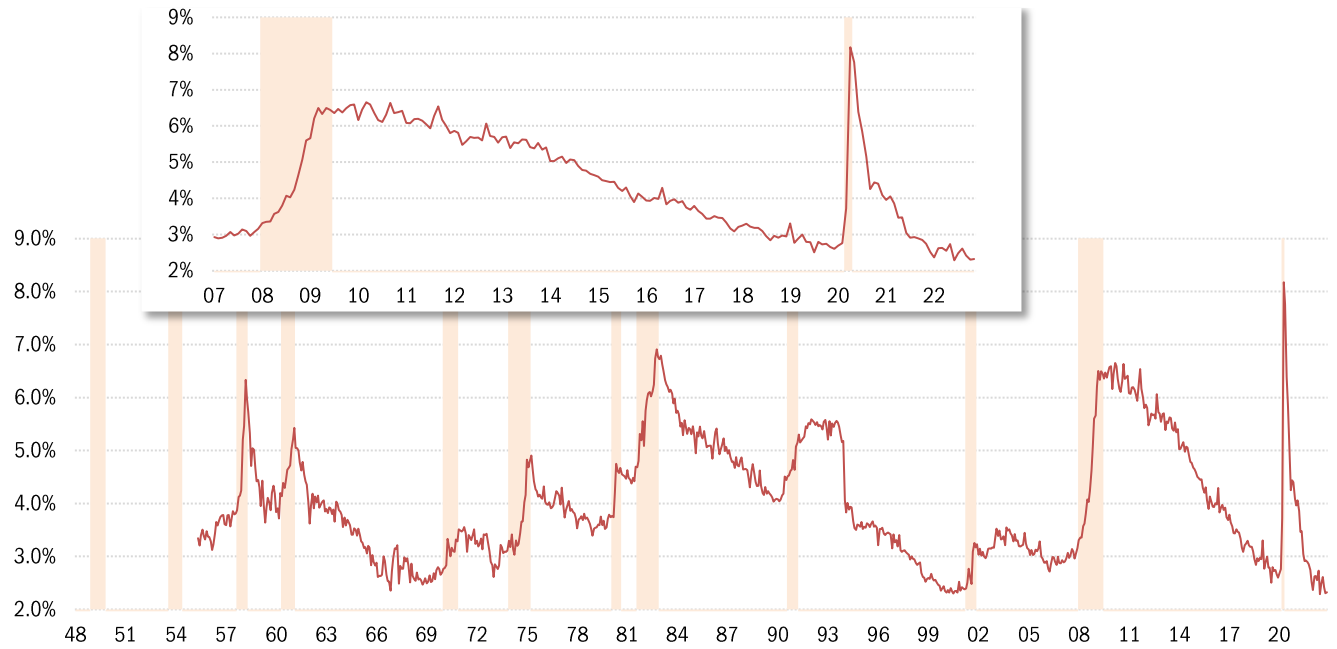
Source: BLS Current Population Survey, TrendMacro calculations

## 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
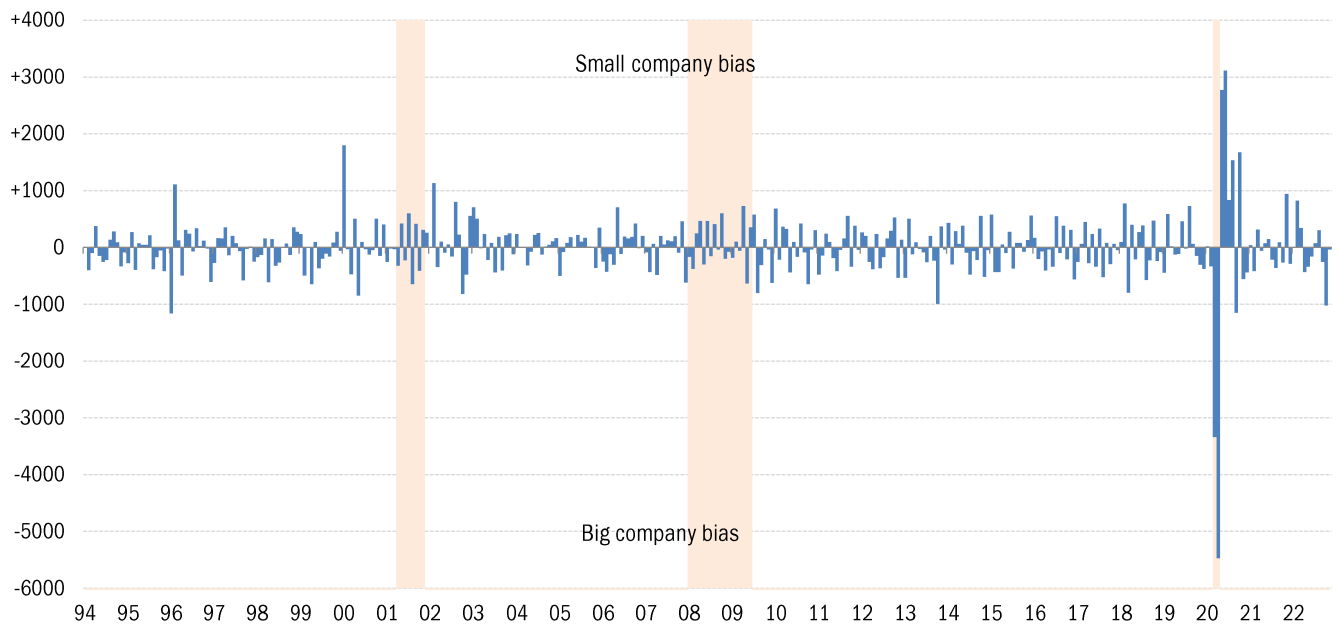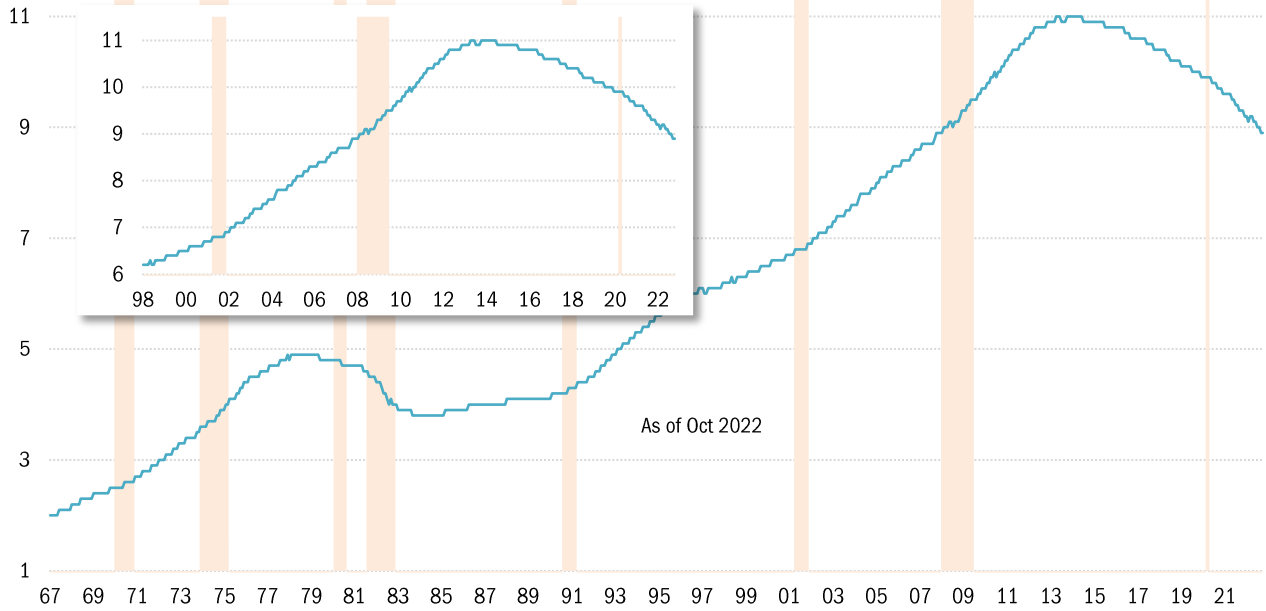

Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

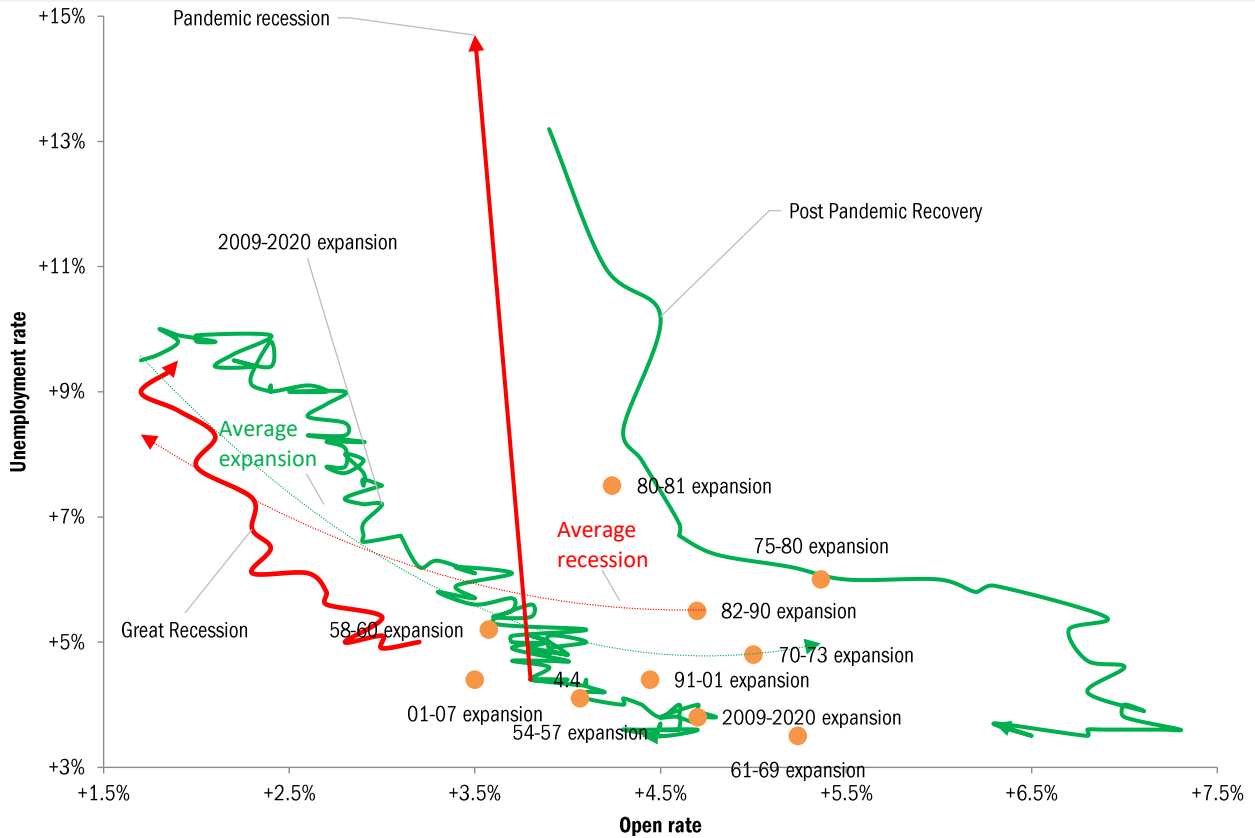# Civilian labor force versus 20-year trend, millions ▢ Recession
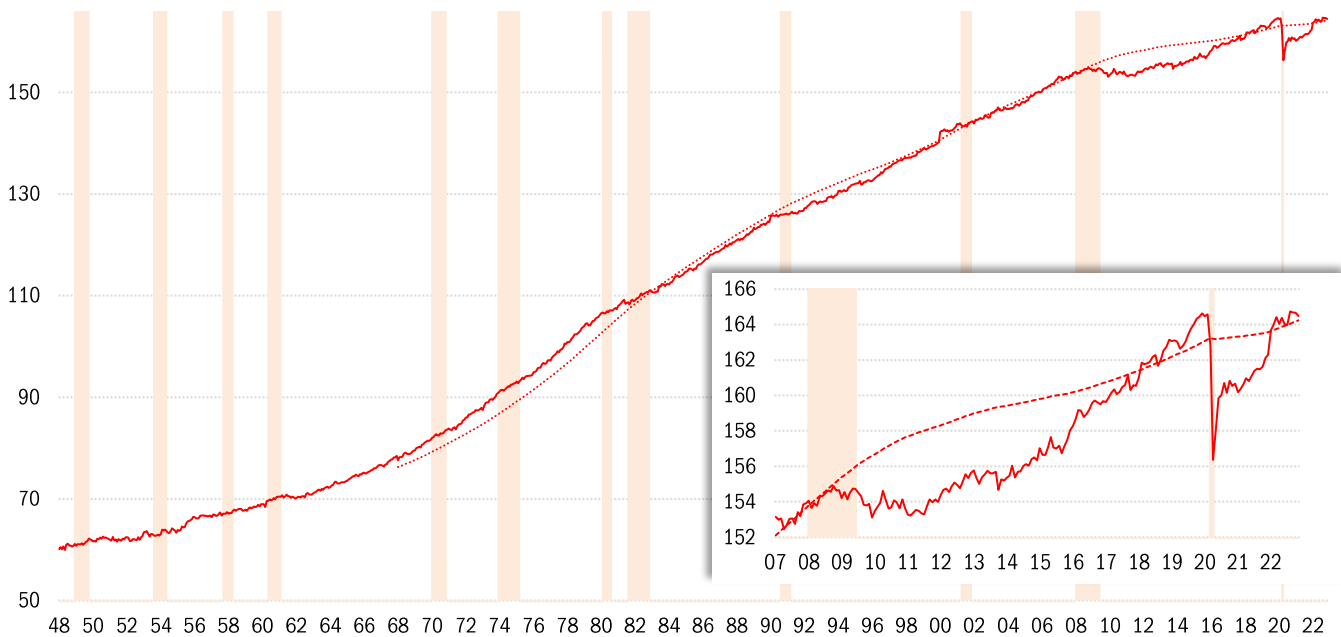
Source: BLS Current Population Survey, TrendMacro calculations

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

As of Oct 2022

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