












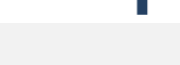



Data Insights: Jobs

Friday, January 6, 2023

Today's jobs data: what you need to know

Non-farm payrolls	Change Dec: +223	Revision Nov: -7	Revision Oct: -21	
Private payrolls	Change Dec: +220	Revision Nov: -19	Revision Oct: -29	
Employment	Change Dec: +717			
Unemployment	Change Dec: -278			
Long-term unemployment	Change Dec: -217			
Civilian labor force	Change Dec: +439	0.67 million above trend	More than all entrants employed	
Unemployment rate	Dec: 3.47%	Change Dec: -0.18%		
Underemployment rate	Dec: 6.5%	Change Dec: -0.2%		
Participation rate	Dec: 62.3%	Change Dec: +0.1%		
UE adjusted for participation	Dec: 8.9%	Change Dec: -0.31%		
Average weeks unemployed	Dec: 19.5	Change Dec: -1.9		
% longterm unemployed	Dec: 18.5%	Change Dec: -1.8%		
Aggregate hours worked index	Dec: 113.1	Change Dec: -0.1%	Revision Nov: unch	
Average hourly earnings	Dec: +0.27%	Change Dec: -0.12%	Revision Nov: +0.12%	
Aggregate weekly earnings	Dec: 177.4	Change Dec: +0.2%	Revision Nov: -0.4	
Monthly job-finding probability	Dec: 41.9%	Change Dec: +3.9%		
Monthly separation probability	Dec: 1.7%	Change Dec: +0.0%		
% involuntary part-time	Dec: 2.4%	Change Dec: +0.1%		
"Household" vs "Payroll" jobs	Change Dec: +603			

Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's jobs data: a deeper dive

Non-farm payrolls SA	Change Dec: +223	Revision Aug: -7	Revision Jul: -21	
Non-farm payrolls NSA	Change Dec: -244	Revision Aug: +40	Revision Jul: -15	
Birth-death adjustment	Change Dec: -56			
Employment	Change Dec: +717			
Unemployment rate	Dec: 3.47%	Change Dec: -0.18%		
White employment	Change Dec: +749			
White unemployment rate	Dec: 3.0%	Change Dec: -0.3%		
Black employment	Change Dec: +50			
Black unemployment rate	Dec: 5.7%	Change Dec: 0.0%		
Hispanic employment	Change Dec: +229			
Hispanic unemployment rate	Dec: 4.1%	Change Dec: 0.1%		
Asian employment	Change Dec: -50			
Asian unemployment rate	Dec: 2.4%	Change Dec: -0.2%		
HS only employment	Change Dec: +368			
HS only unemployment rate	Dec: 3.6%	Change Dec: -0.2%		
Men employment	Change Dec: +323			
Men unemployment rate	Dec: 3.4%	Change Dec: -0.3%		
Women employment	Change Dec: +394			
Women unemployment rate	Dec: 3.6%	Change Dec: 0.0%		

Source: Bureau of Labor Statistics, TrendMacro calculations

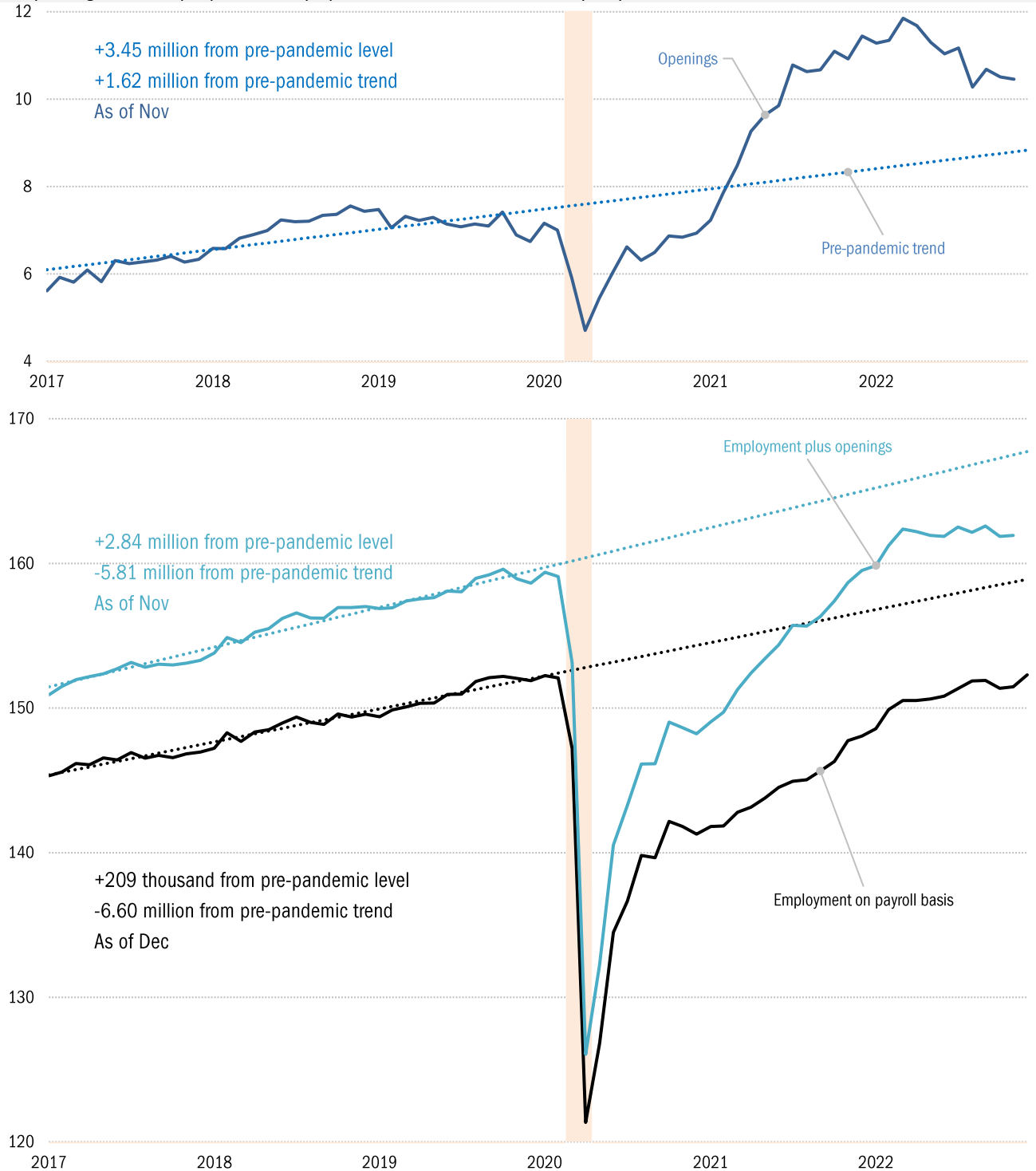
TrendMacro Payroll Model based on contemporaneous labor market statistics

ADP Payrolls	ISM Manu Employ Index	ISM Services Employ Index	Change continuing claims	Initial claims	Challenger Layoffs	NFIB Hiring Plans	NFIB Employ
+235	51.4	51.5	+172	226	43,651	17	-3
Model estimate	Actual	Actual beat(+) or miss (-)					
+196	+223	+27					

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

Is the labor market tight or slack?

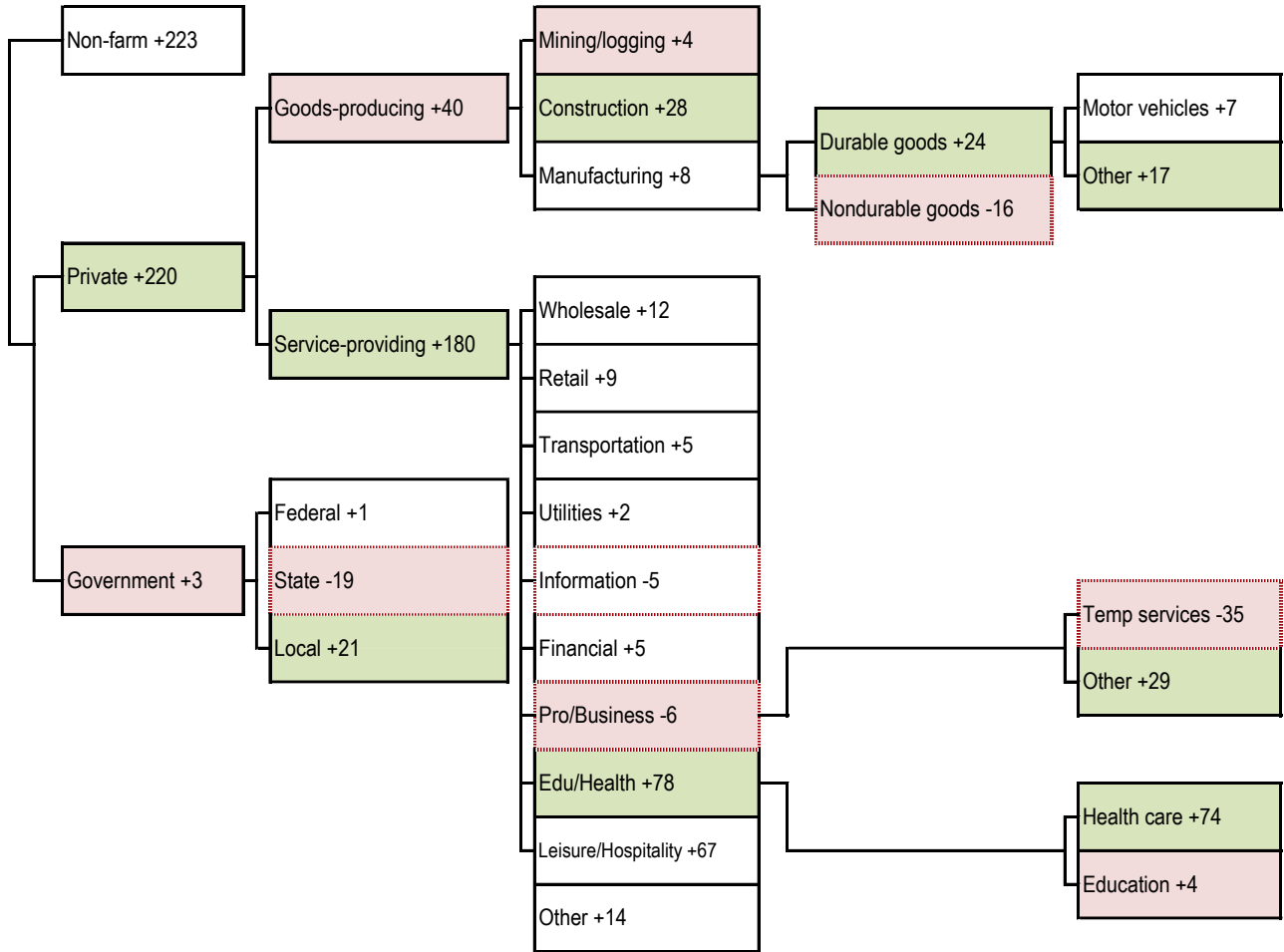
Job openings and employment (on payroll basis, millions) versus pre-pandemic trends ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

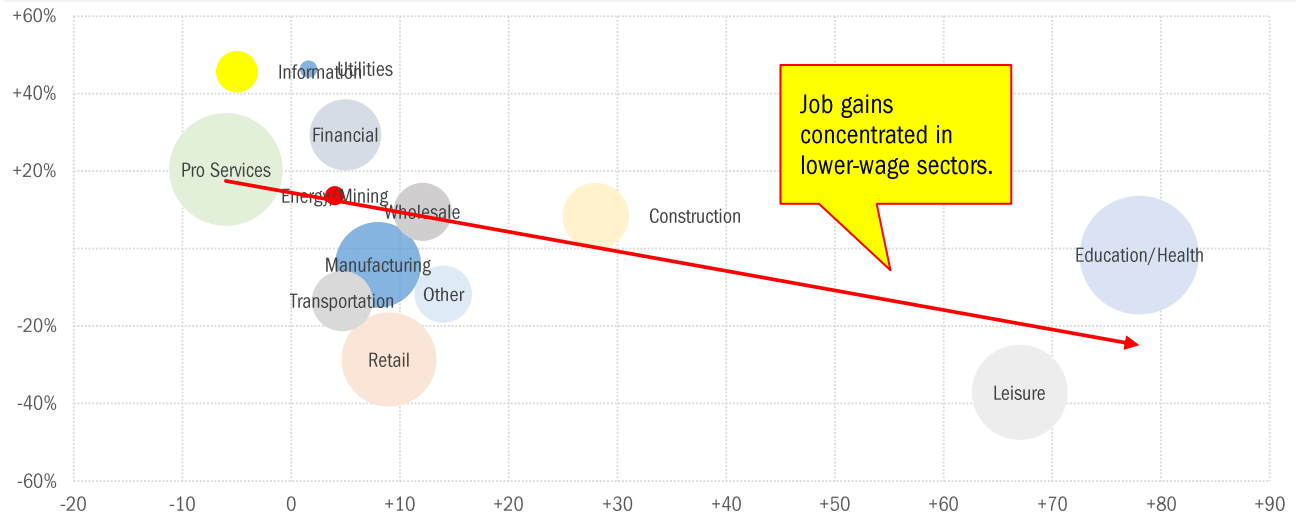
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

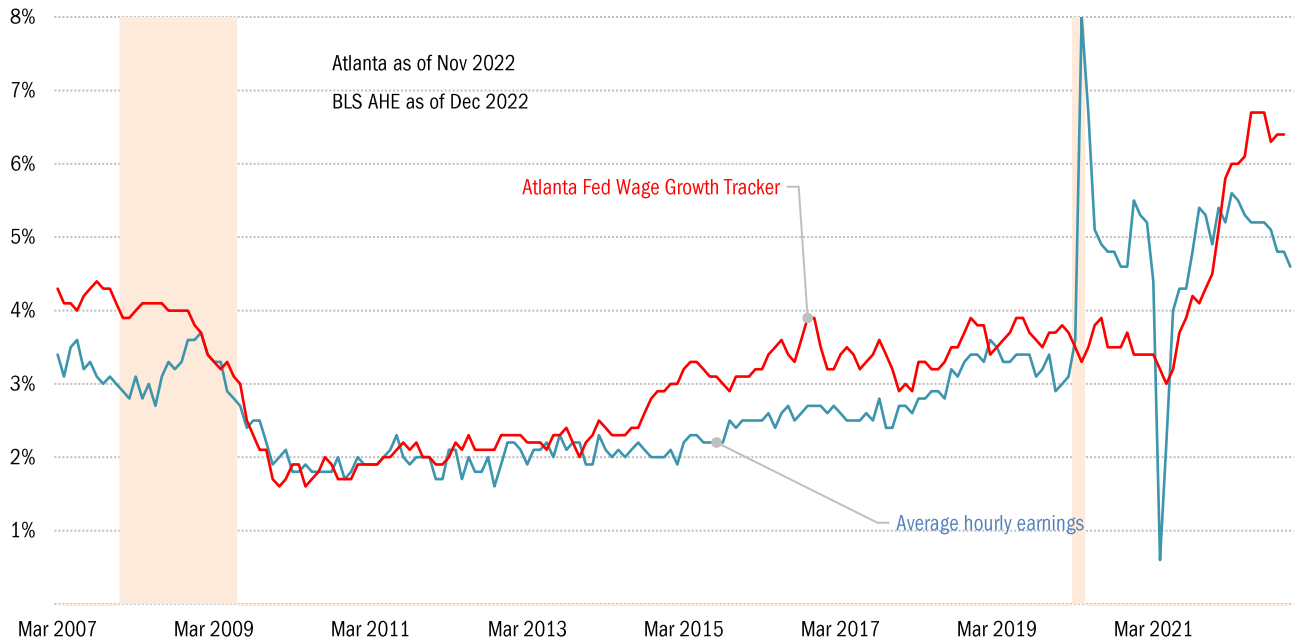
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

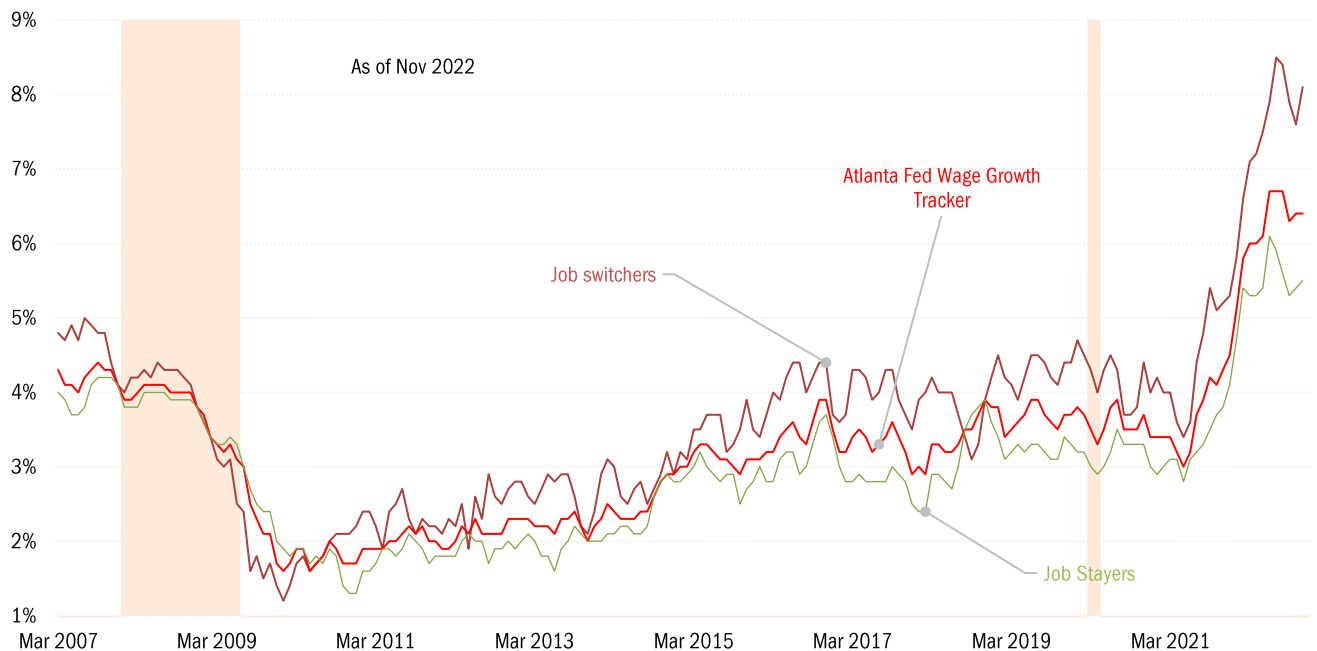
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ■ Recession



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

The wages of dynamism

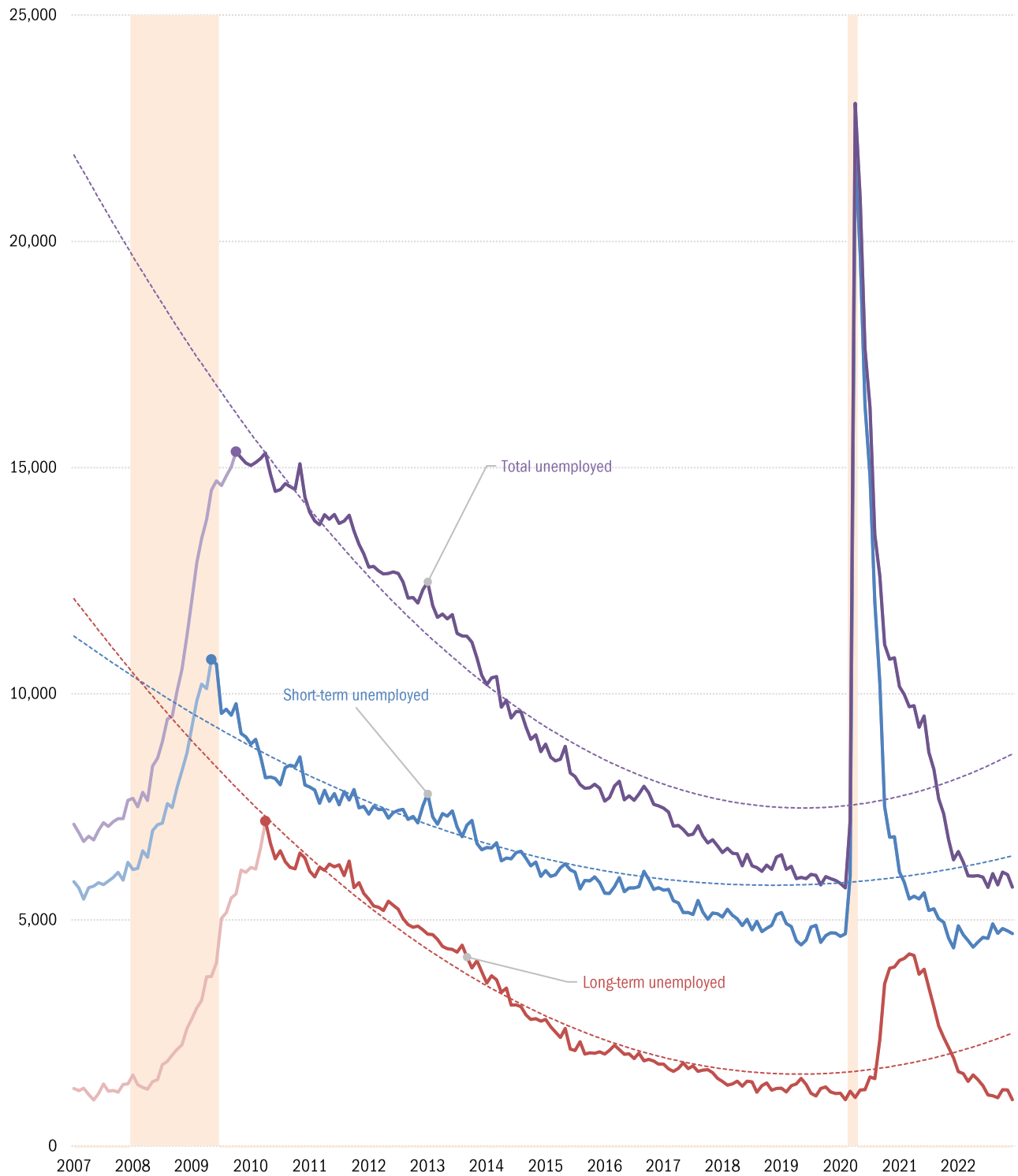
YOY wage growth for steady employees, versus those who change jobs ■ Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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

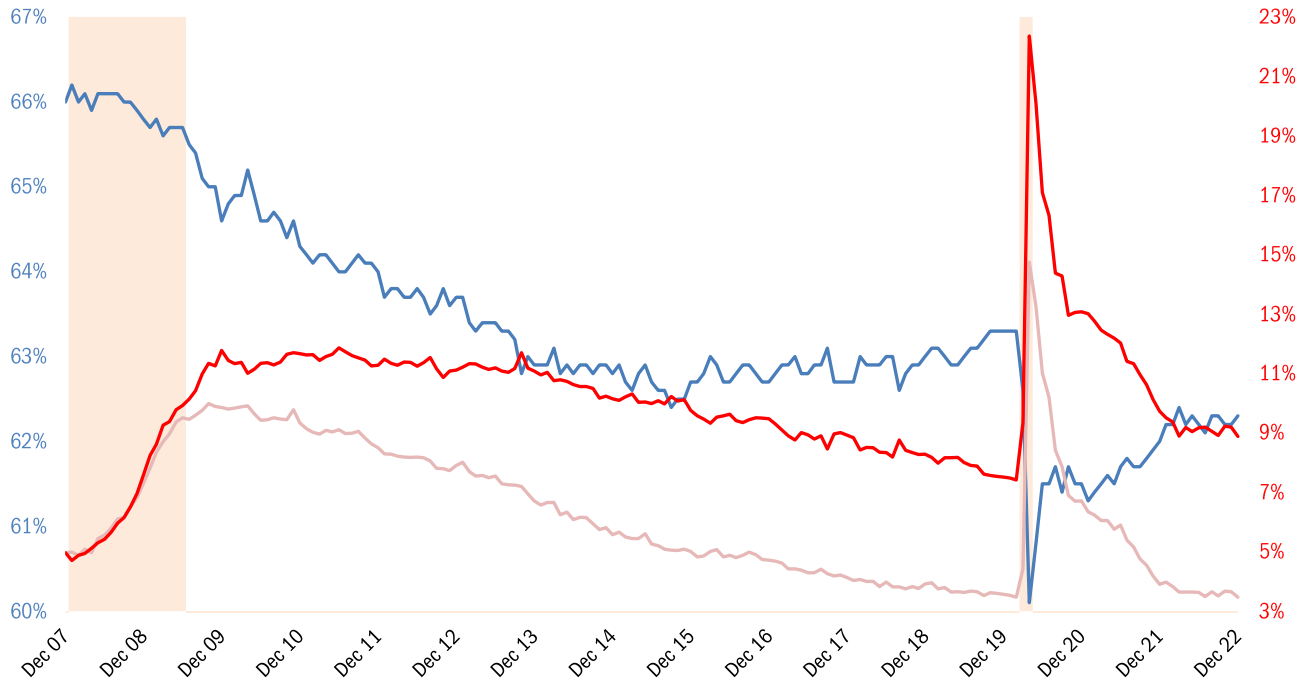
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

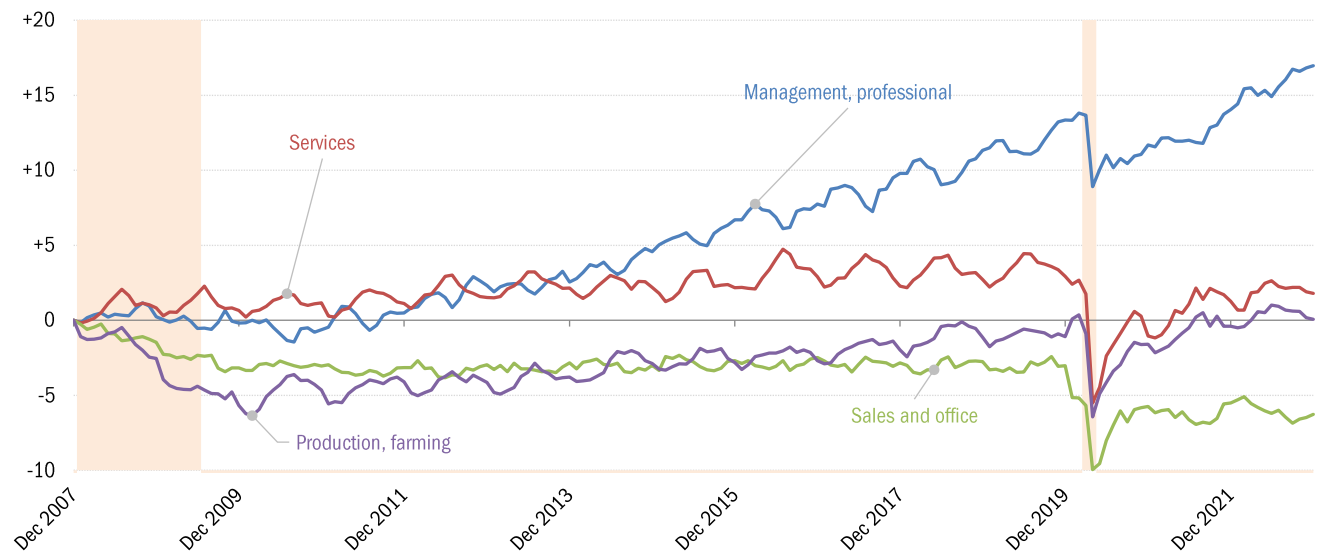
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the long boom and the virus crisis

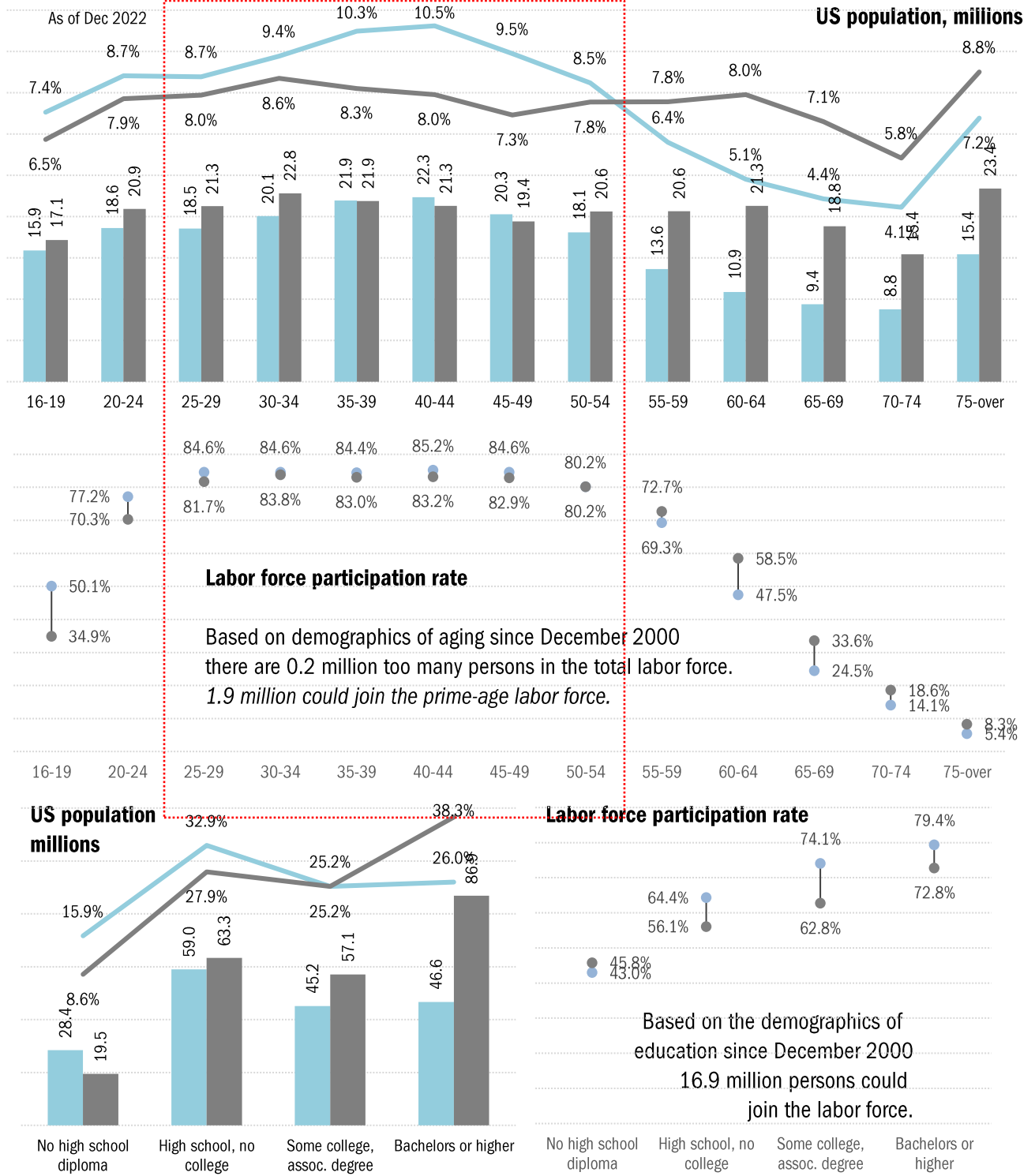
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

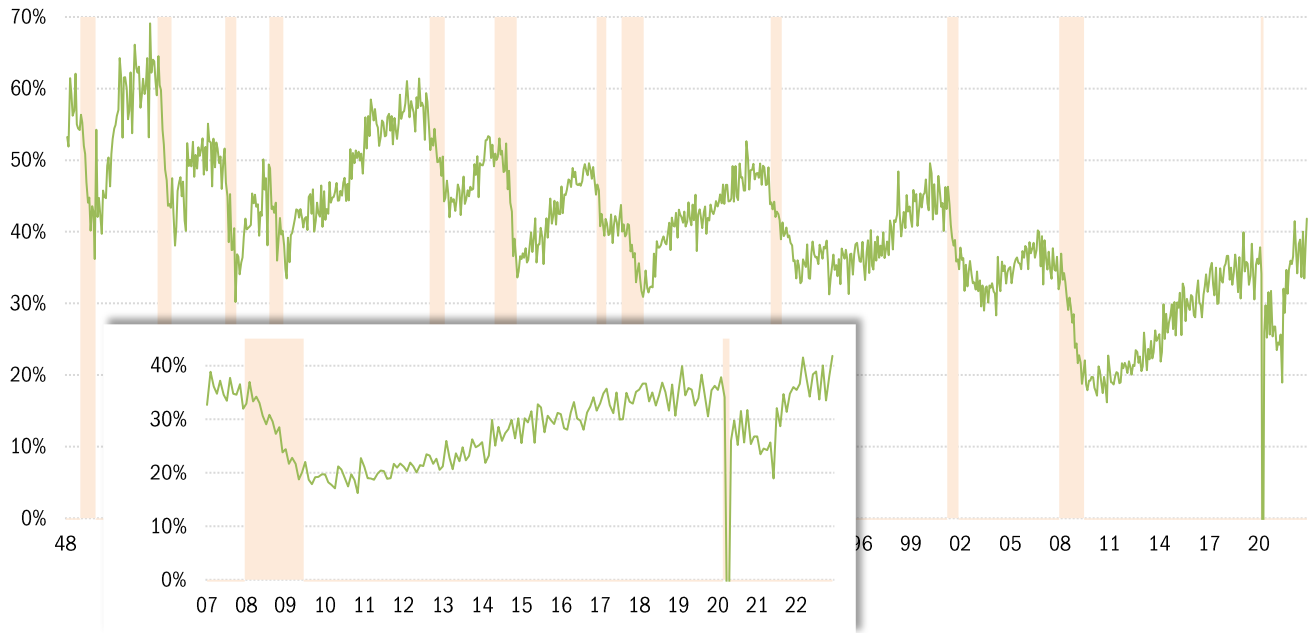
By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

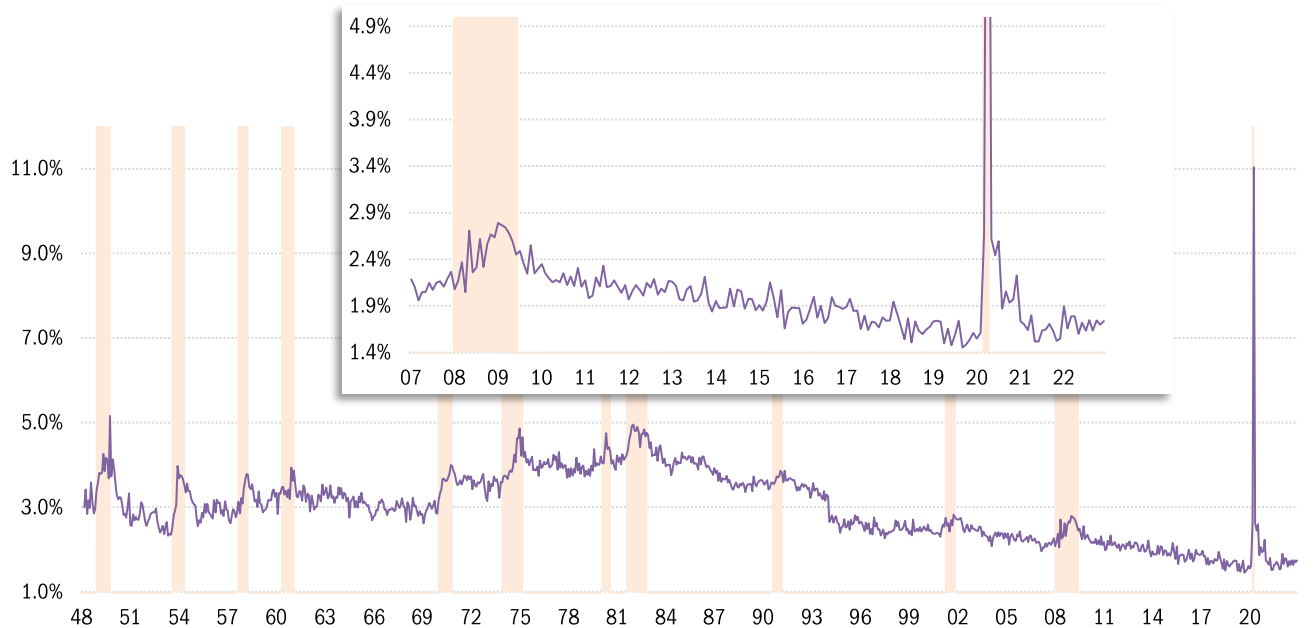
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

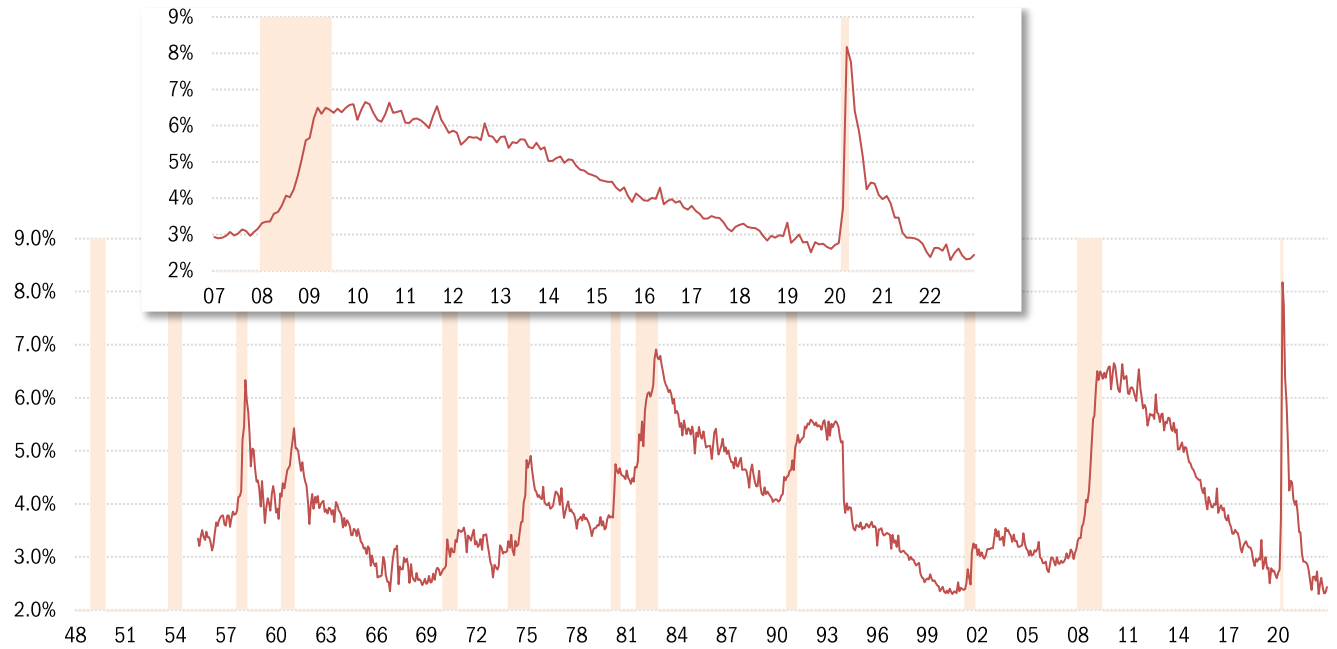
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

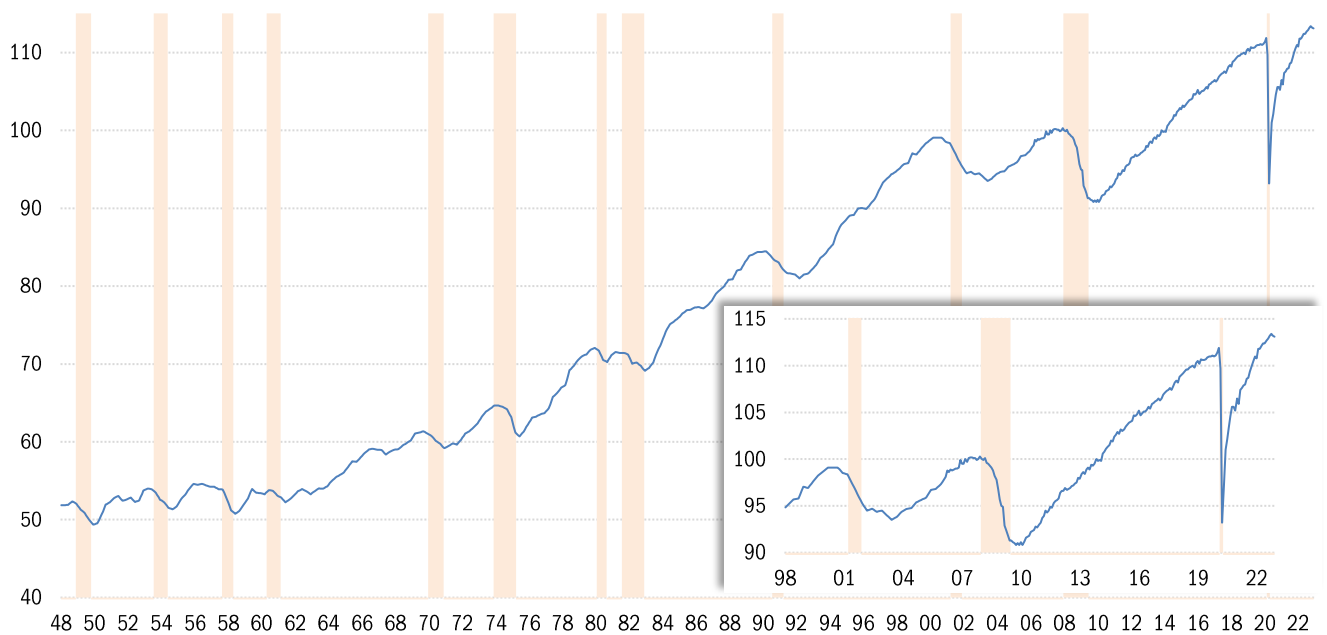
Persons available for full-time work ■ Recession



Source: BLS Current Population Survey, TrendMacro calculations

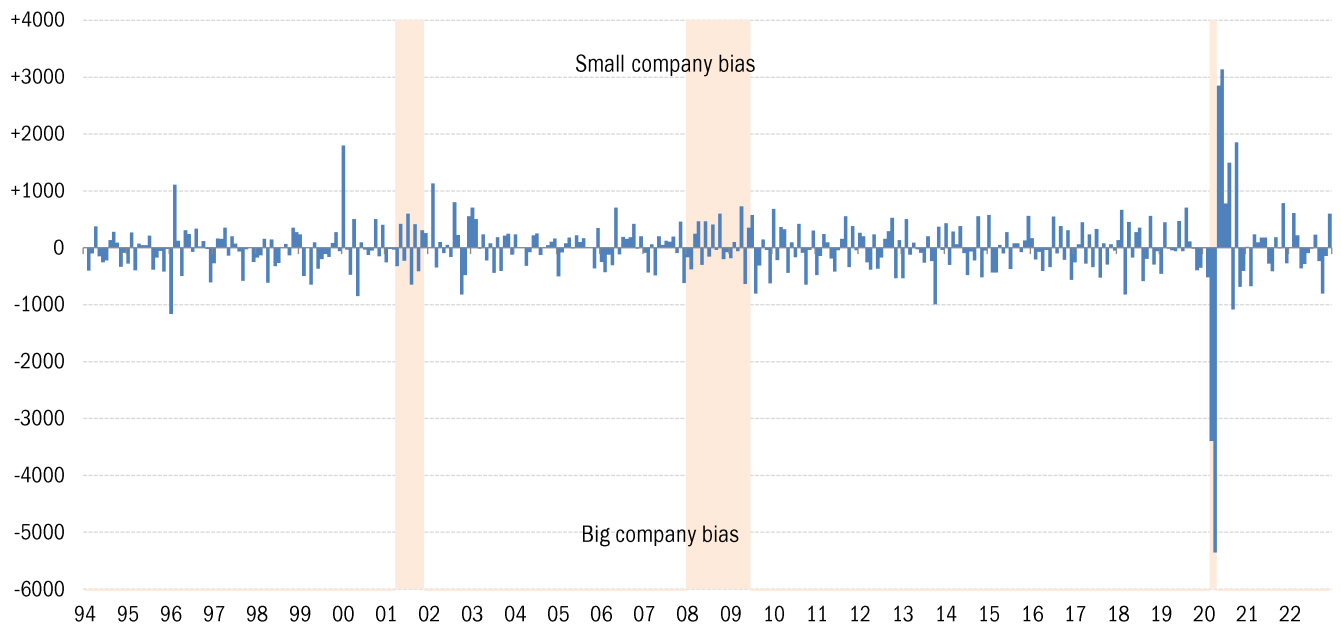
Aggregate weekly private hours-worked index

■ Recession



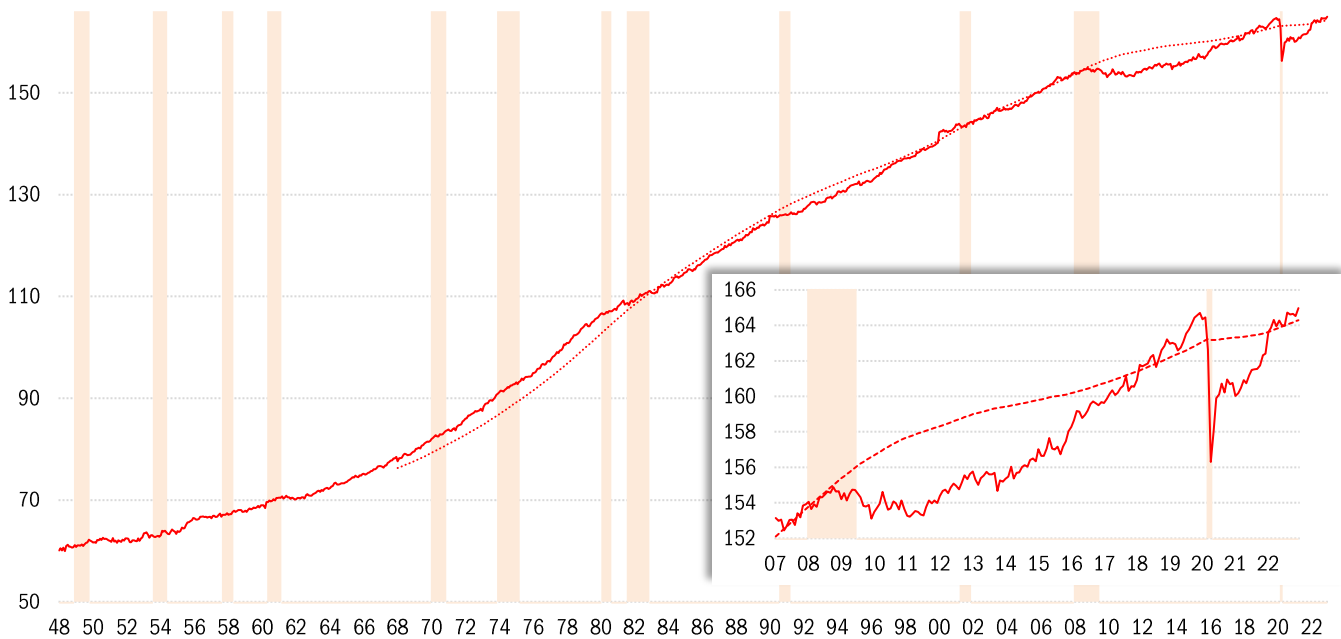
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



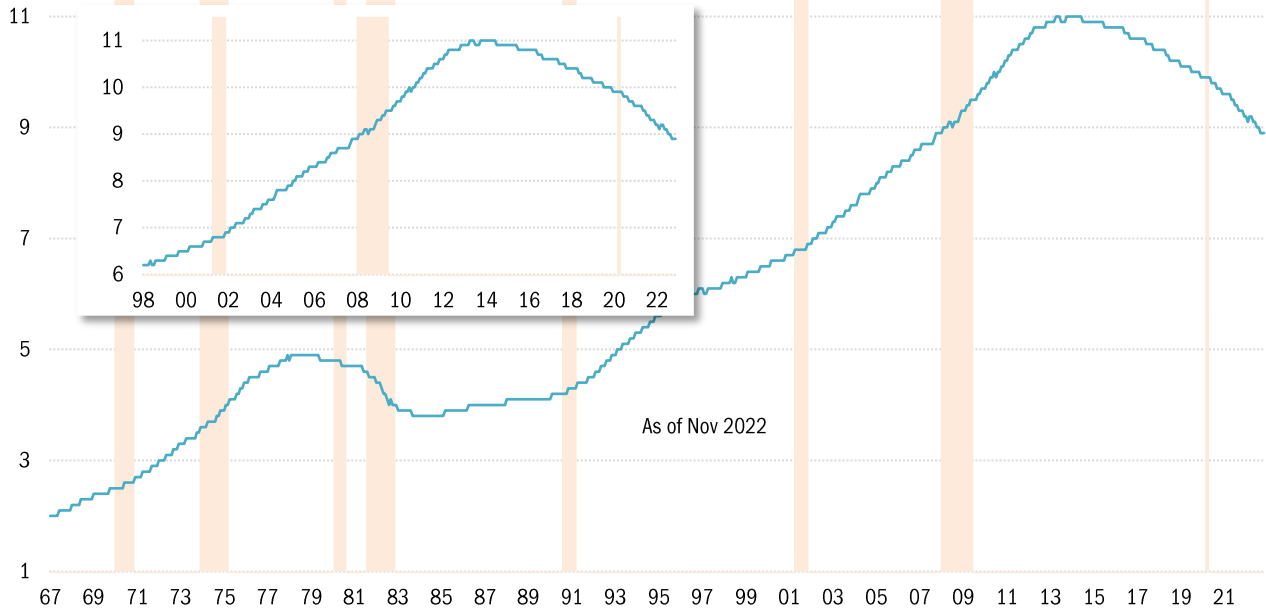
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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



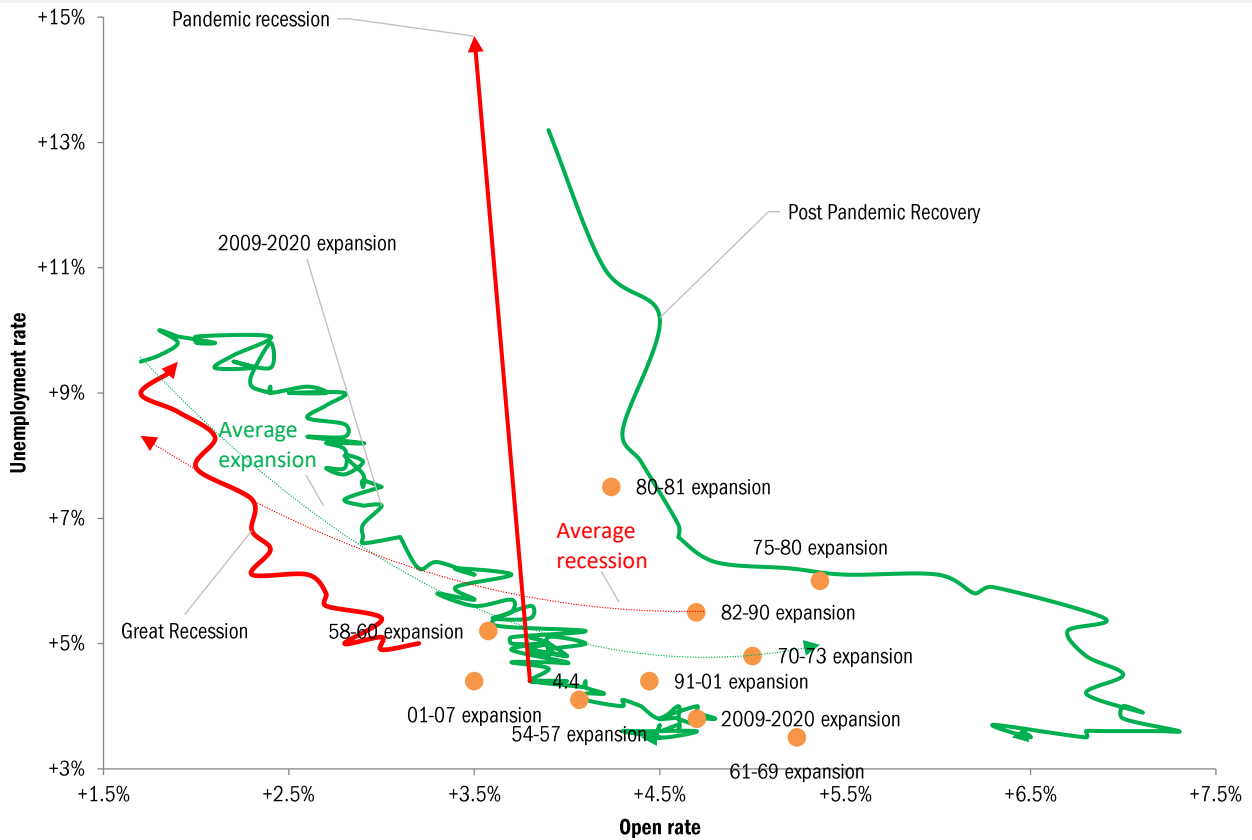
Source: BLS Current Population Survey, TrendMacro calculations

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