




















Data Insights: Jobs

Friday, August 4, 2023

Today's jobs data: what you need to know

Non-farm payrolls	Change Jul: +187	Revision Jun: -24	Revision May: -25	
Private payrolls	Change Jul: +172	Revision Jun: -21	Revision May: -4	
Employment	Change Jul: +268			
Unemployment	Change Jul: -116			
Long-term unemployment	Change Jul: +59			
Civilian labor force	Change Jul: +152	2.13 million above trend	More than all entrants employed	
Unemployment rate	Jul: 3.50%	Change Jul: -0.07%		
Underemployment rate	Jul: 6.7%	Change Jul: -0.2%		
Participation rate	Jul: 62.6%	Change Jul: unch		
UE adjusted for participation	Jul: 8.5%	Change Jul: -0.07%		
Average weeks unemployed	Jul: 20.6	Change Jul: -0.1		
% longterm unemployed	Jul: 19.9%	Change Jul: +1.4%		
Aggregate hours worked index	Jul: 115.1	Change Jul: -0.2%	Revision Jun: unch	
Average hourly earnings	Jul: +0.42%	Change Jul: -0.03%	Revision Jun: +0.18%	
Aggregate weekly earnings	Jul: 185.6	Change Jul: +0.2%	Revision Jun: +0.2	
Monthly job-finding probability	Jul: 35.6%	Change Jul: -0.6%		
Monthly separation probability	Jul: 1.5%	Change Jul: +0.0%		
% involuntary part-time	Jul: 2.5%	Change Jul: -0.1%		
"Household" vs "Payroll" jobs	Change Jul: +379			

Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's jobs data: a deeper dive

Non-farm payrolls SA	Change Jul: +187	Revision Jun: -24	Revision May: -25	
Non-farm payrolls NSA	Change Jul: -819	Revision Jun: -31	Revision May: +13	
Birth-death adjustment	Change Jul: +280			
Employment	Change Jul: +268			
Unemployment rate	Jul: 3.50%	Change Jul: -0.07%		
White employment	Change Jul: +4			
White unemployment rate	Jul: 3.1%	Change Jul: 0.0%		
Black employment	Change Jul: +94			
Black unemployment rate	Jul: 5.8%	Change Jul: -0.2%		
Hispanic employment	Change Jul: +66			
Hispanic unemployment rate	Jul: 4.4%	Change Jul: 0.1%		
Asian employment	Change Jul: +215			
Asian unemployment rate	Jul: 2.3%	Change Jul: -0.9%		
High school only employment	Change Jul: +131			
HS only unemployment rate	Jul: 3.3%	Change Jul: -0.4%		
Men employment	Change Jul: -55			
Men unemployment rate	Jul: 3.6%	Change Jul: -0.1%		
Women employment	Change Jul: +321			
Women unemployment rate	Jul: 3.4%	Change Jul: 0.0%		

Source: Bureau of Labor Statistics, TrendMacro calculations

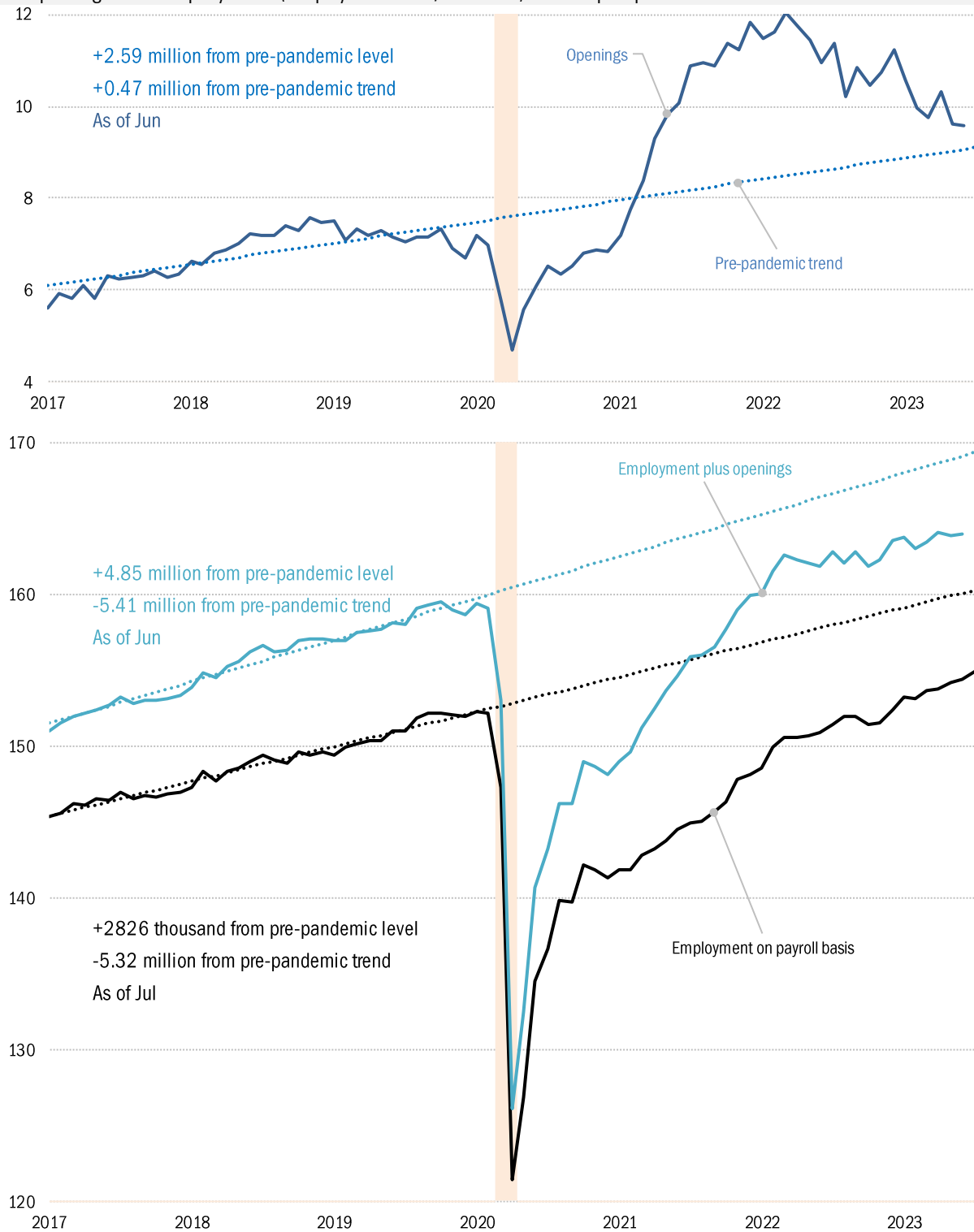
TrendMacro Payroll Model based on contemporaneous labor market statistics

ADP Payrolls	ISM Manu Employ Index	ISM Services Employ Index	Change continuing claims	Initial claims	Challenger Layoffs	NFIB Hiring Plans	NFIB Employ
+324	44.4	50.7	-34	249	23,697	17	-2
Model estimate	Actual	Actual beat(+) or miss (-)					
+249	+187	-62					

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

Is the labor market tight or slack?

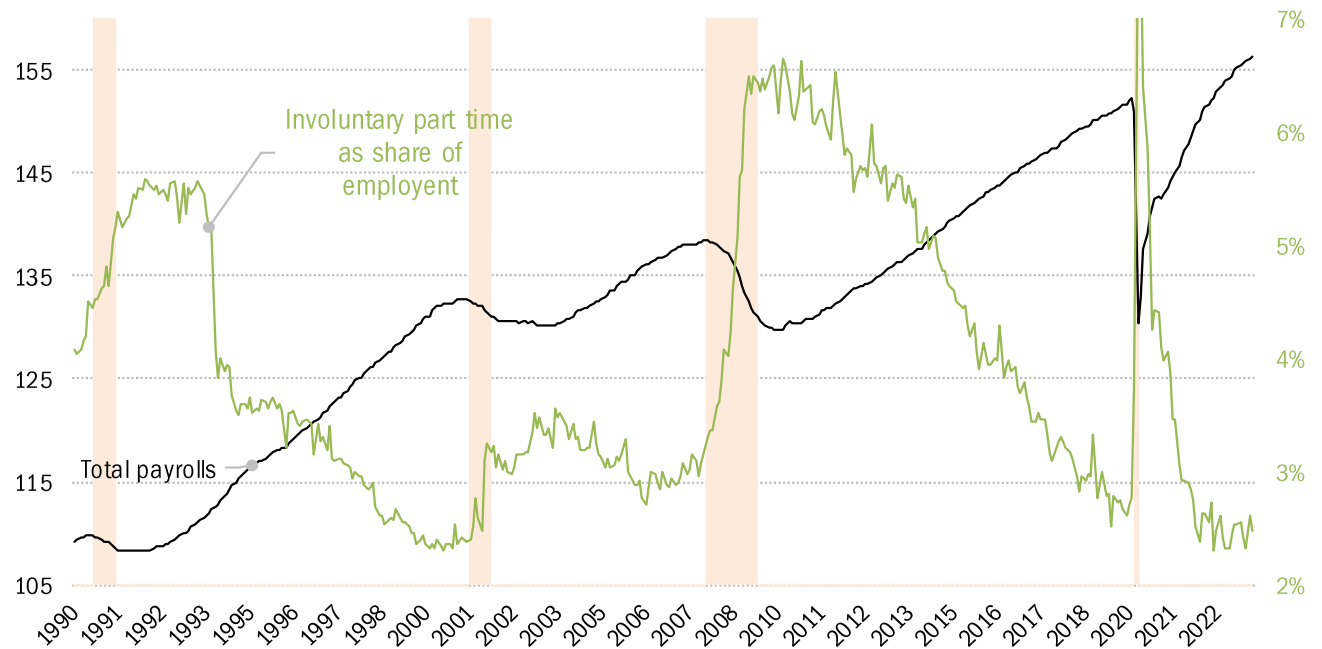
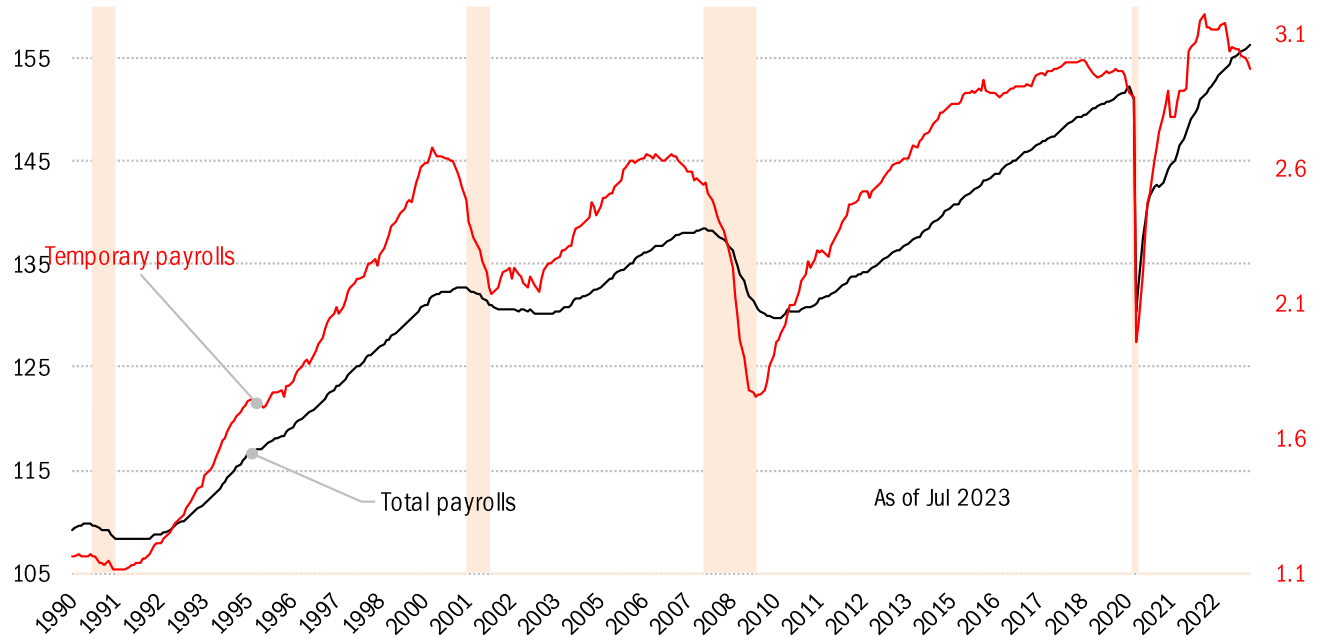
Job openings and employment (on payroll basis, millions) versus pre-pandemic trends ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

Is the temporary jobs market warning us??

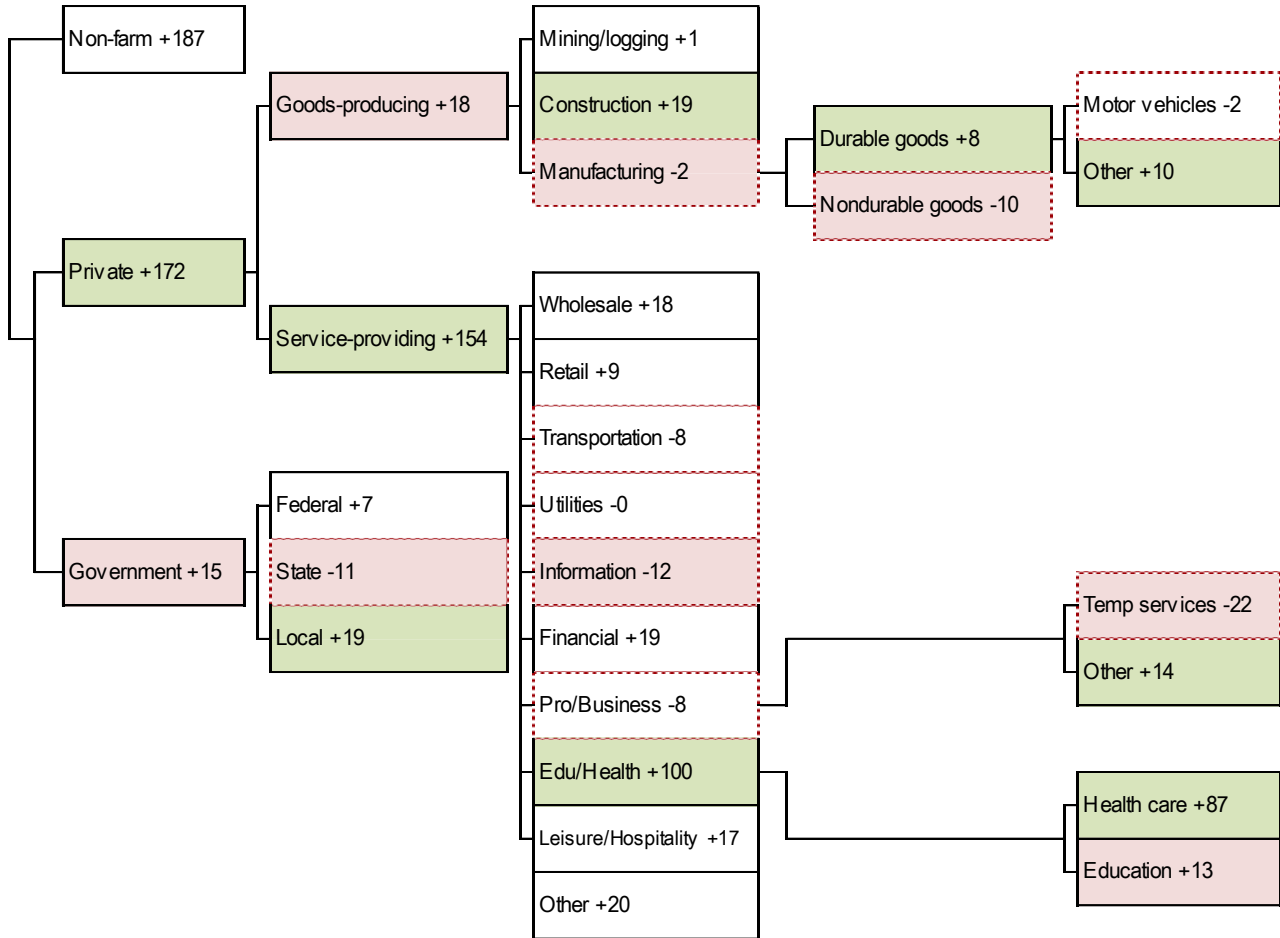
Regular and temporary payrolls (millions) and part-timers (share) ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

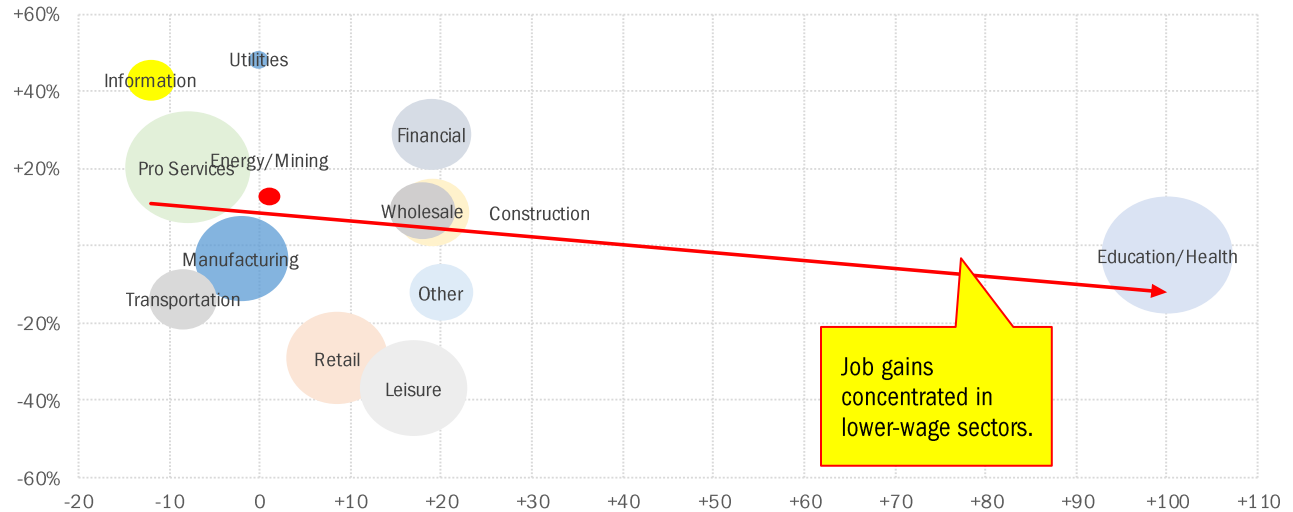
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

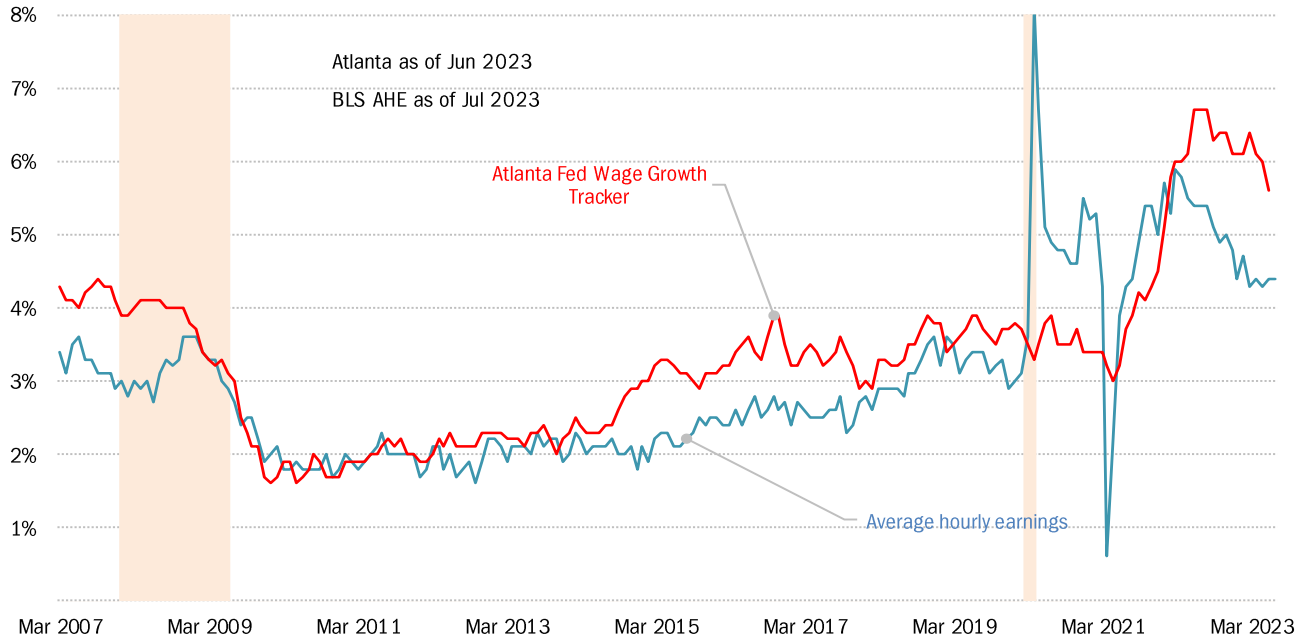
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

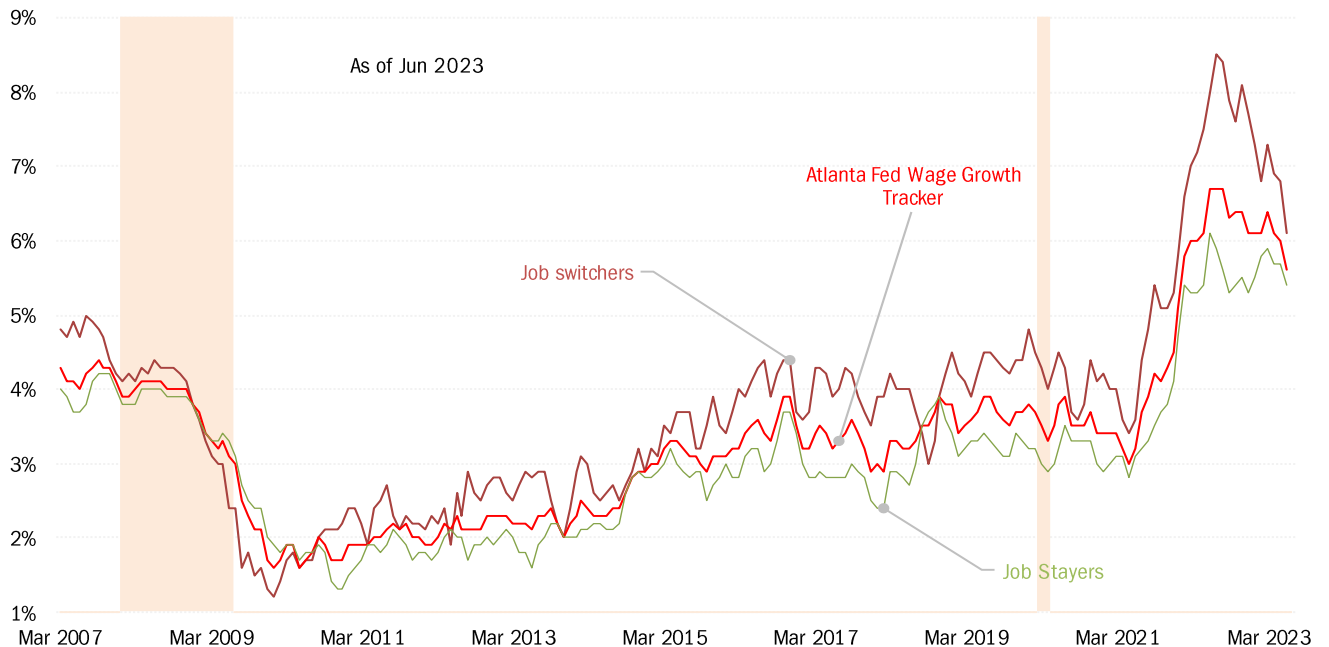
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ■ Recession



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

The wages of dynamism

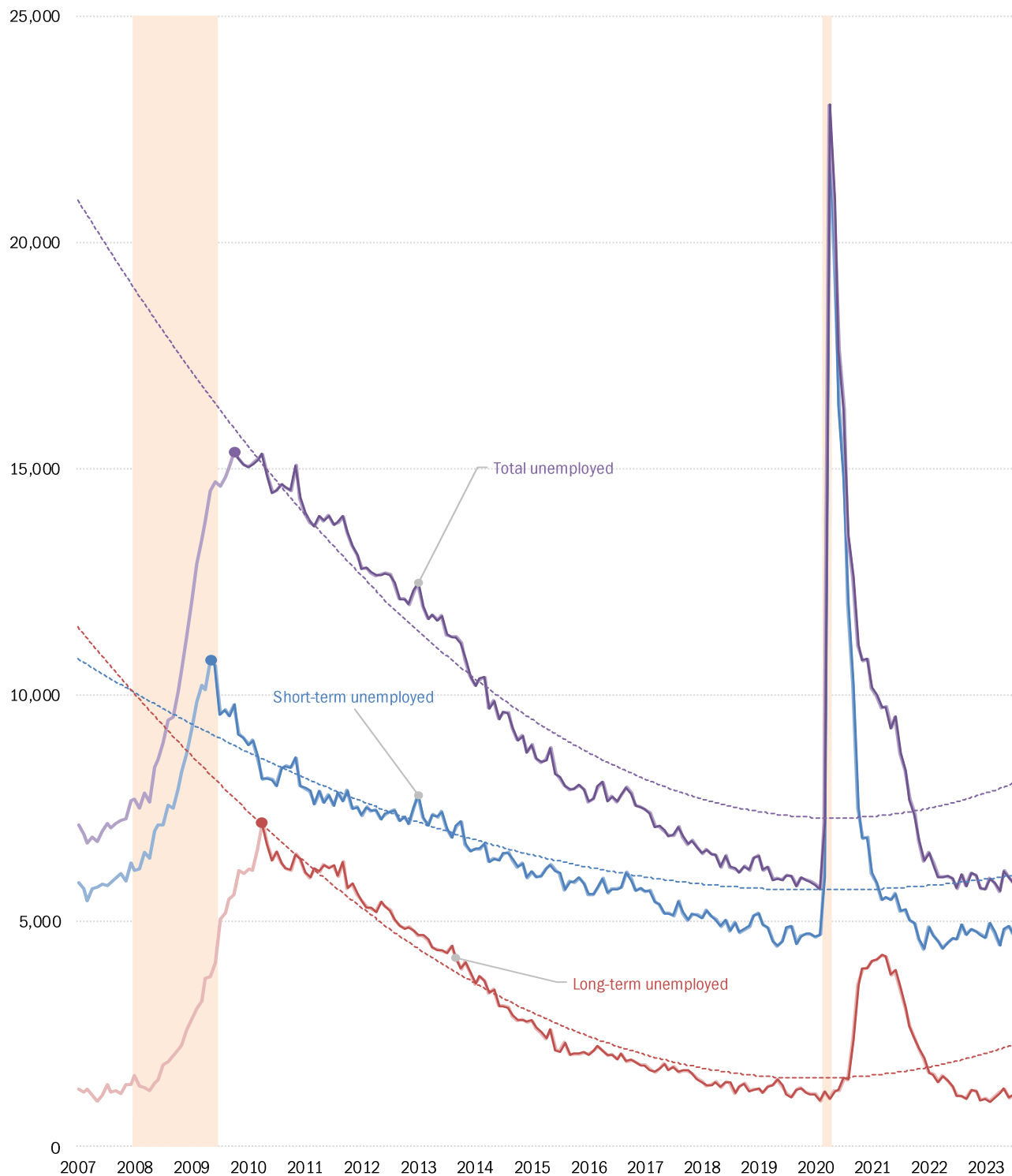
YOY wage growth for steady employees, versus those who change jobs ■ Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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

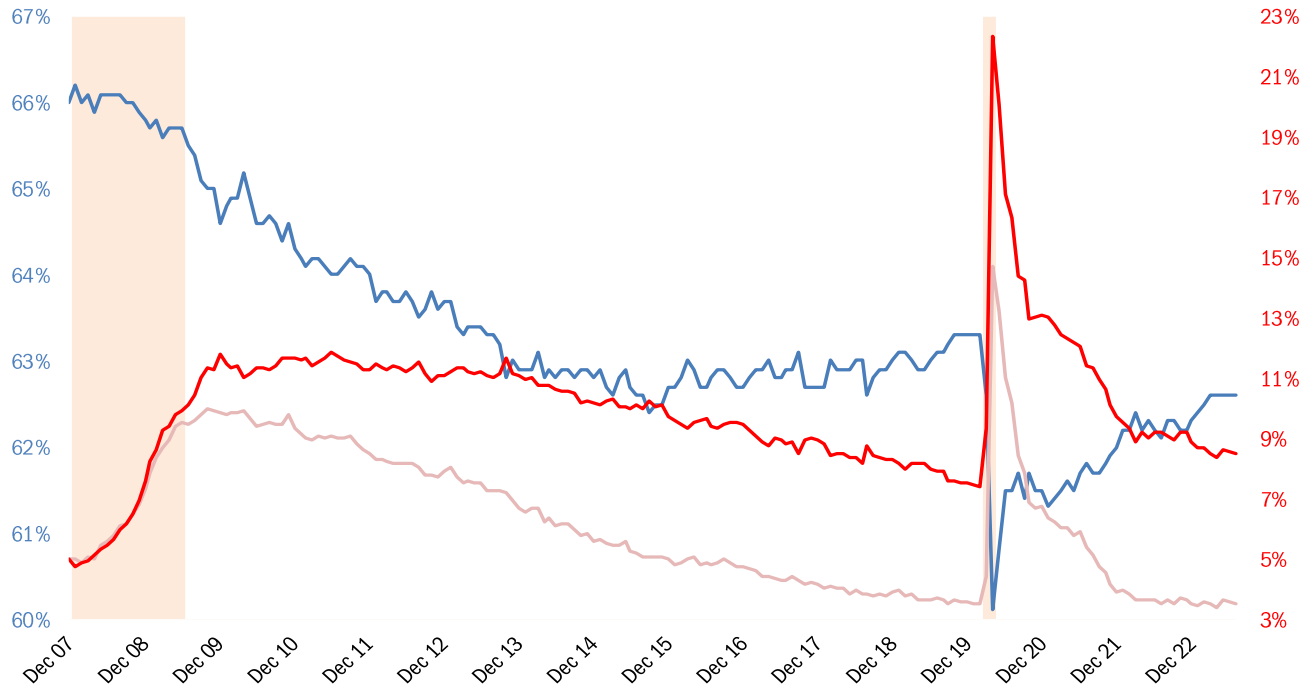
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

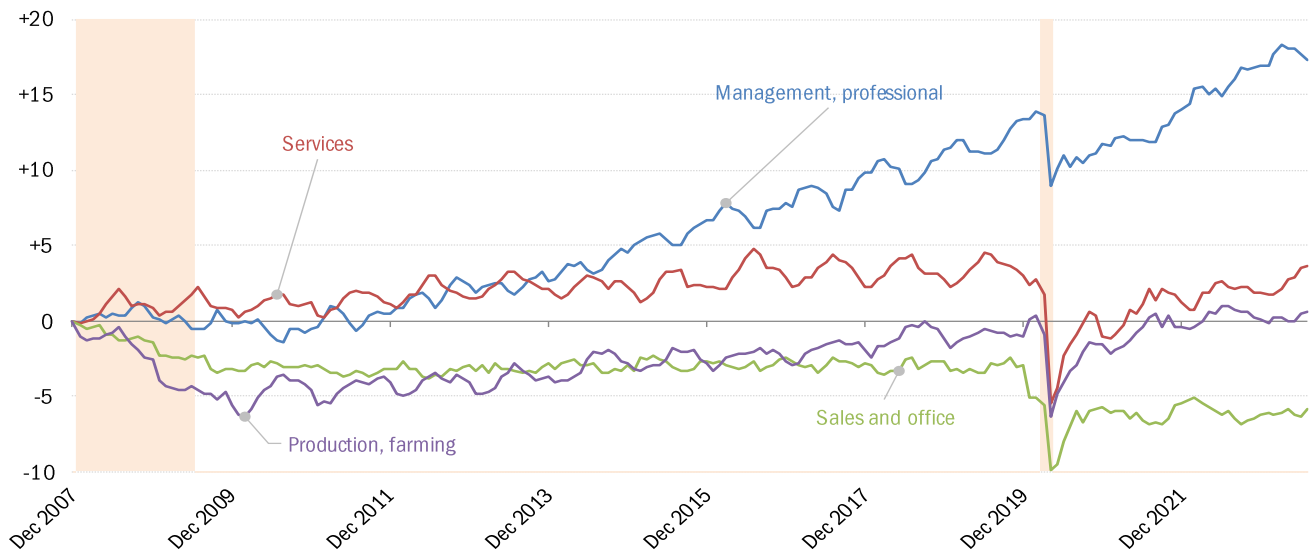
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the long boom and the virus crisis

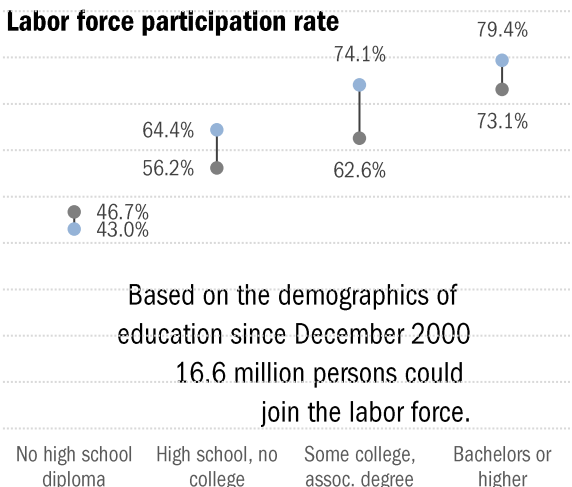
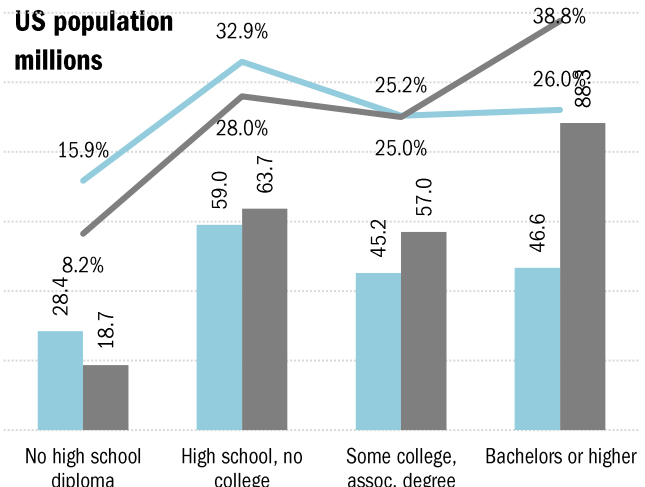
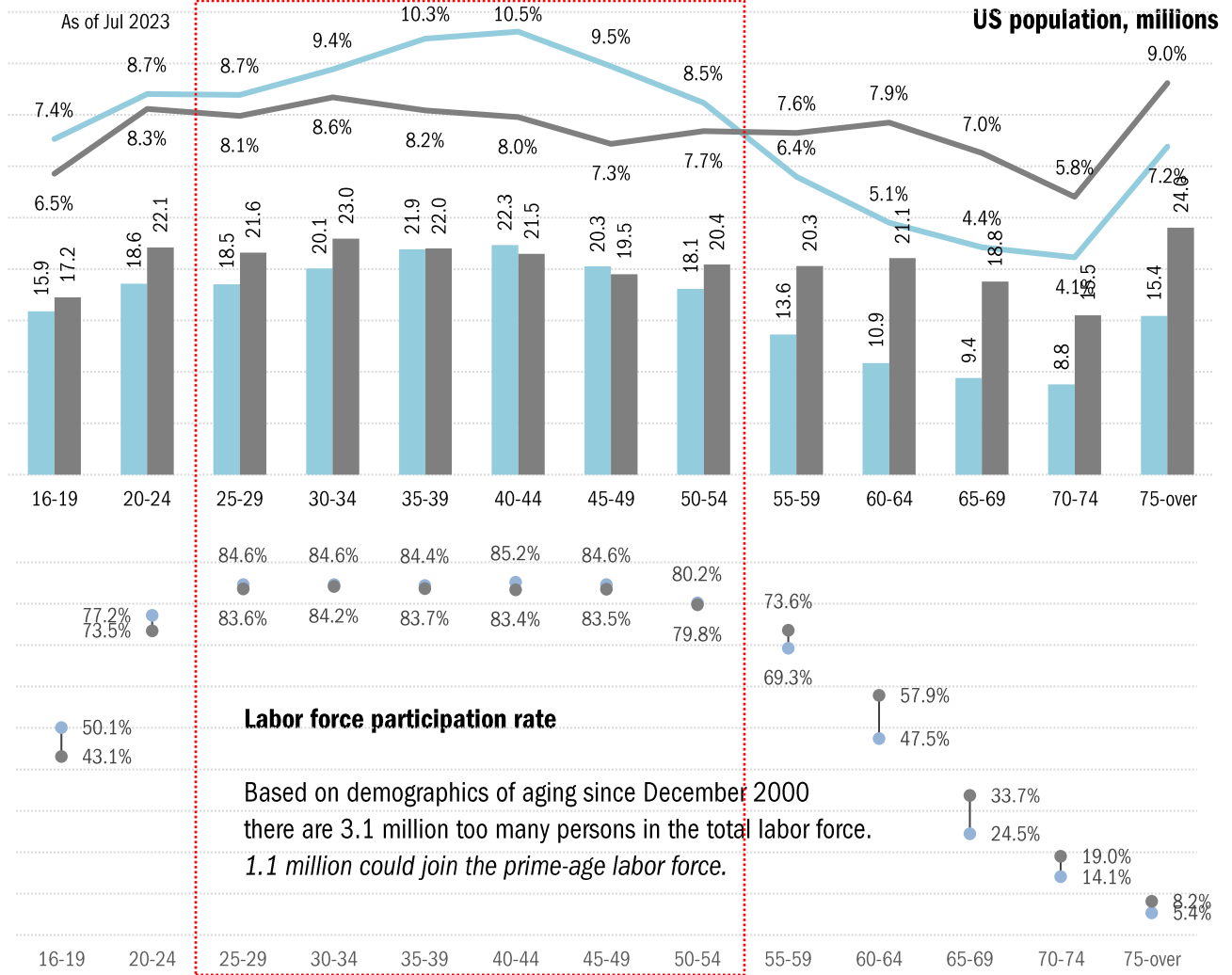
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

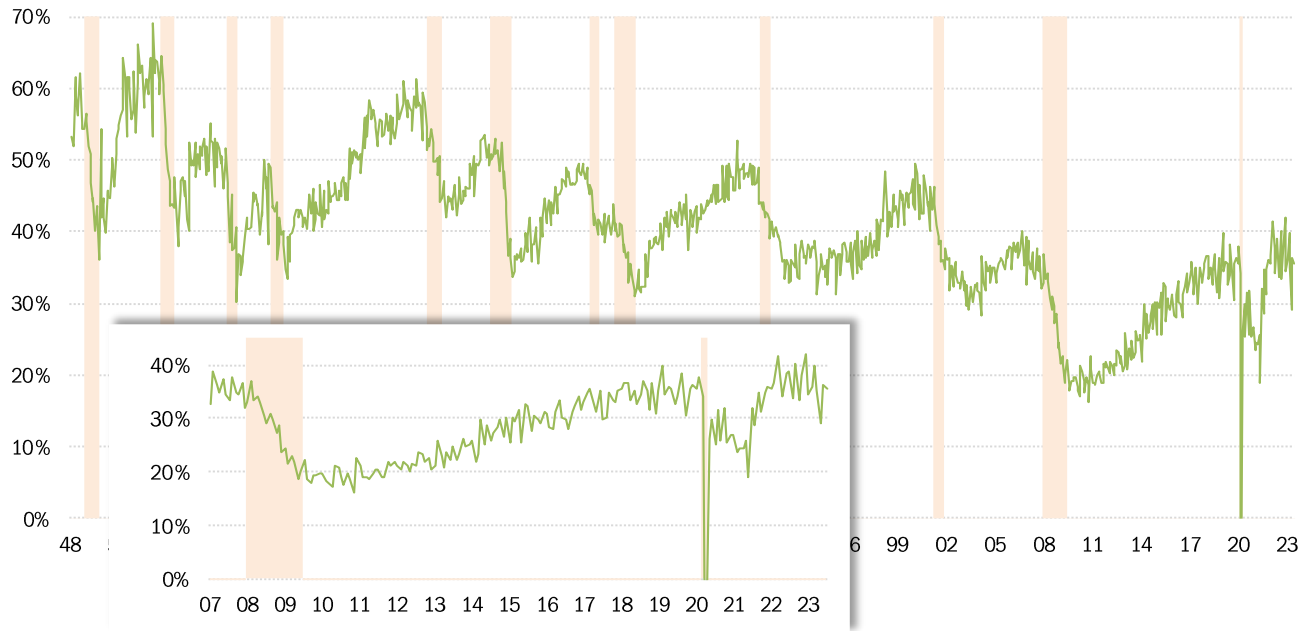
By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

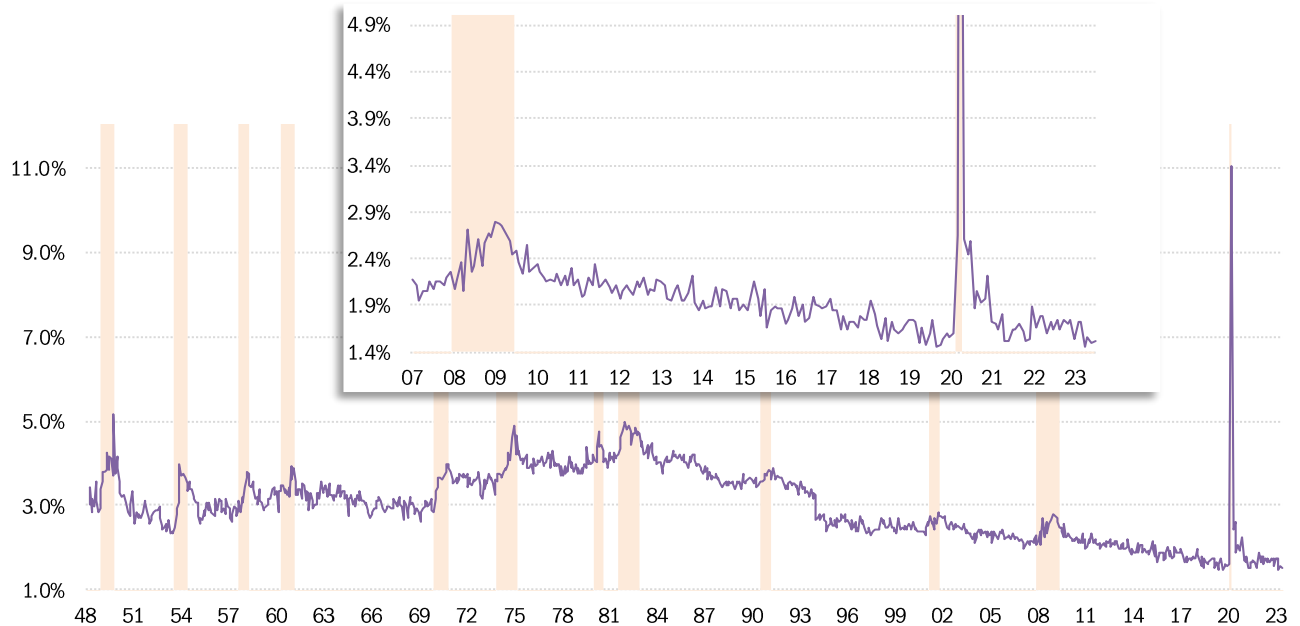
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

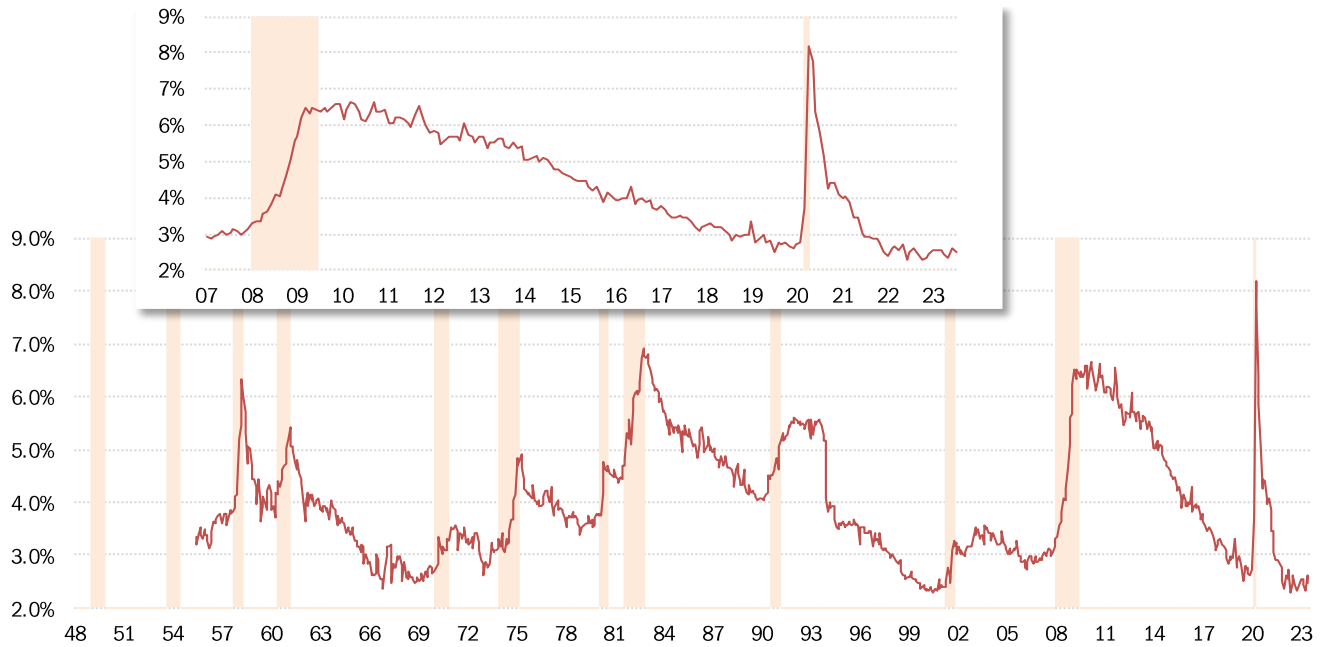
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

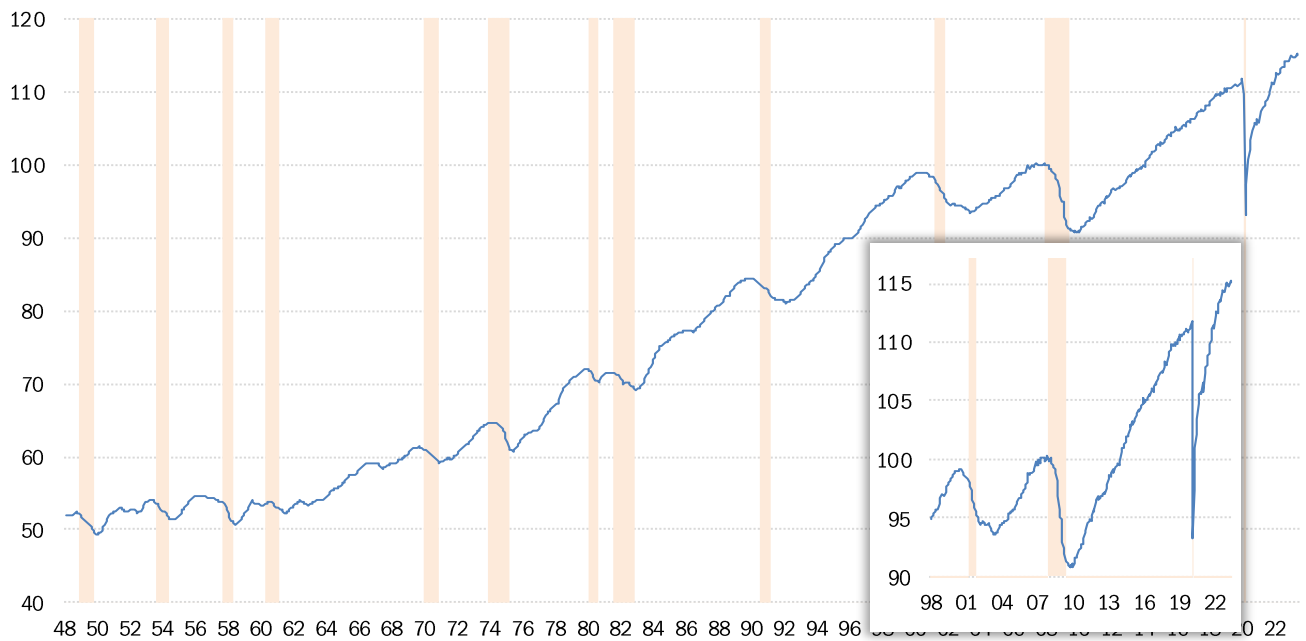
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



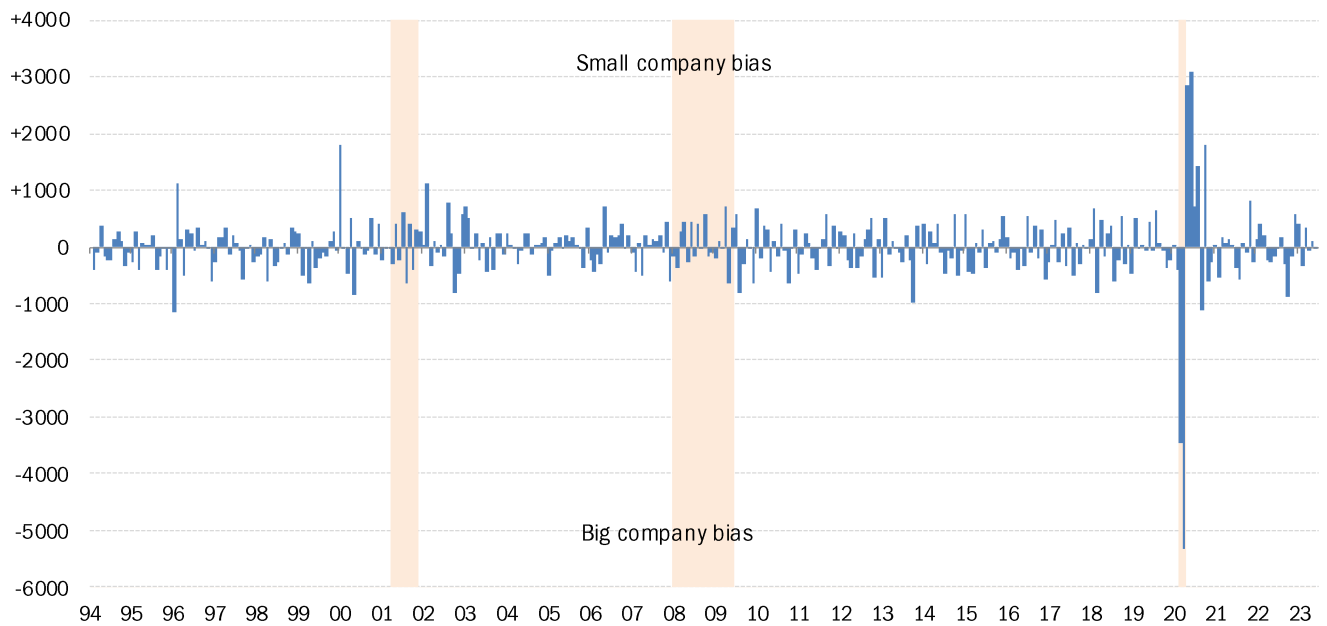
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



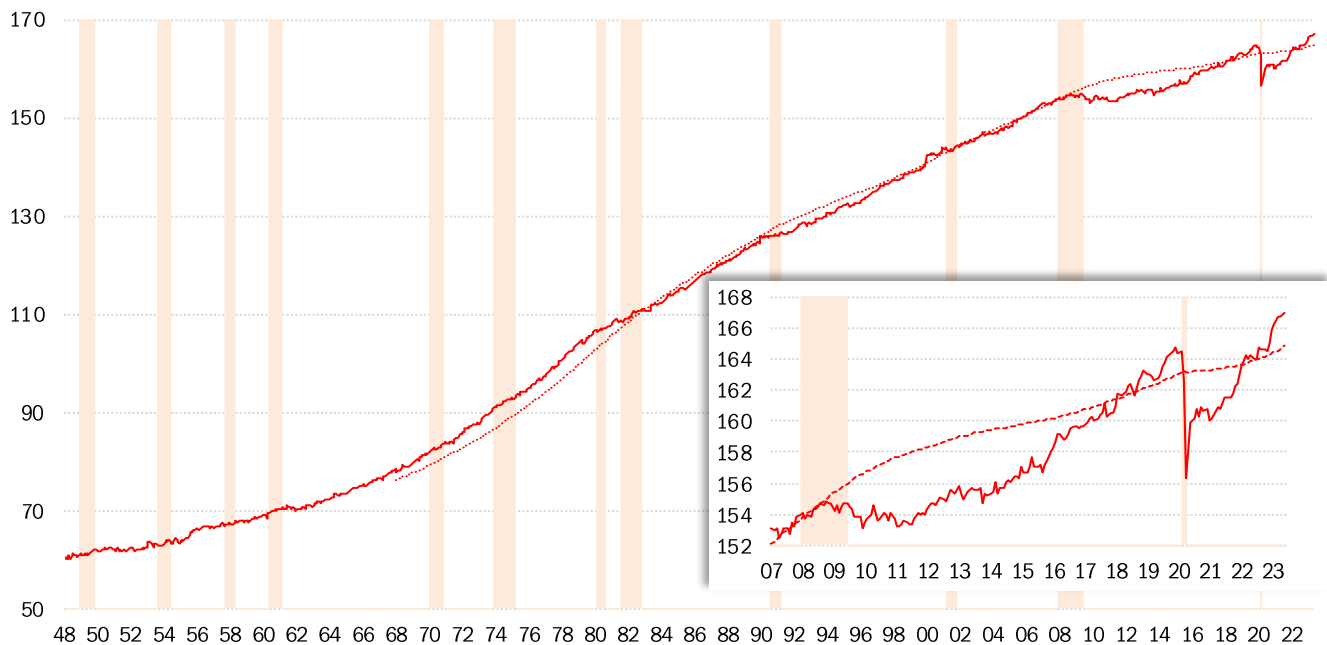
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



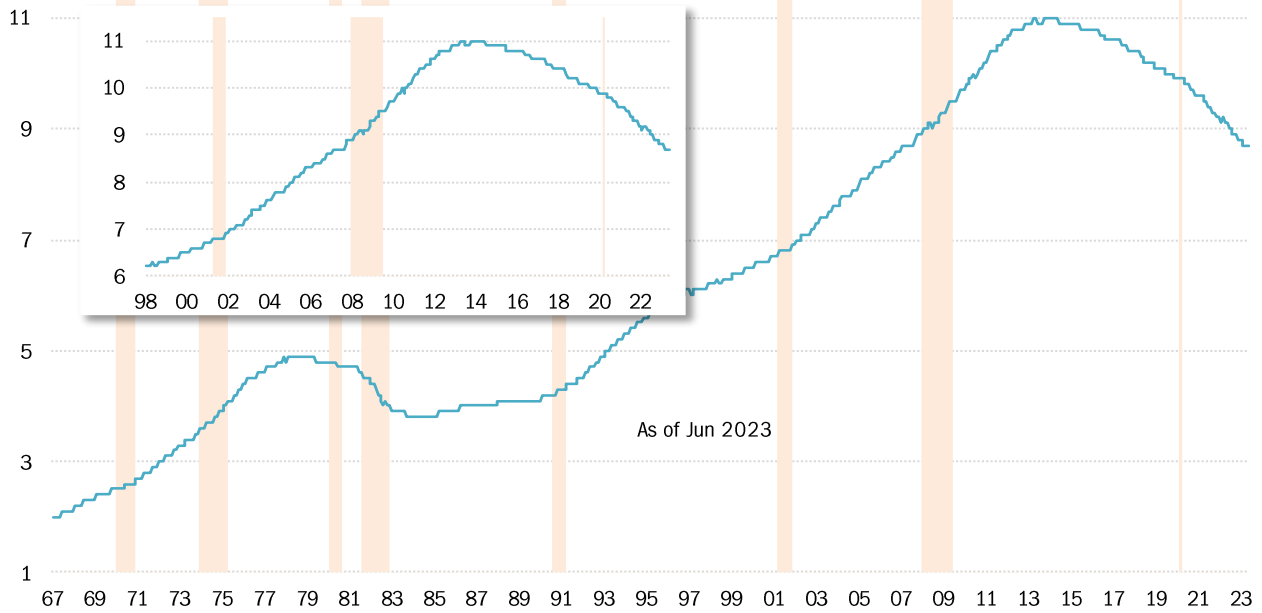
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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

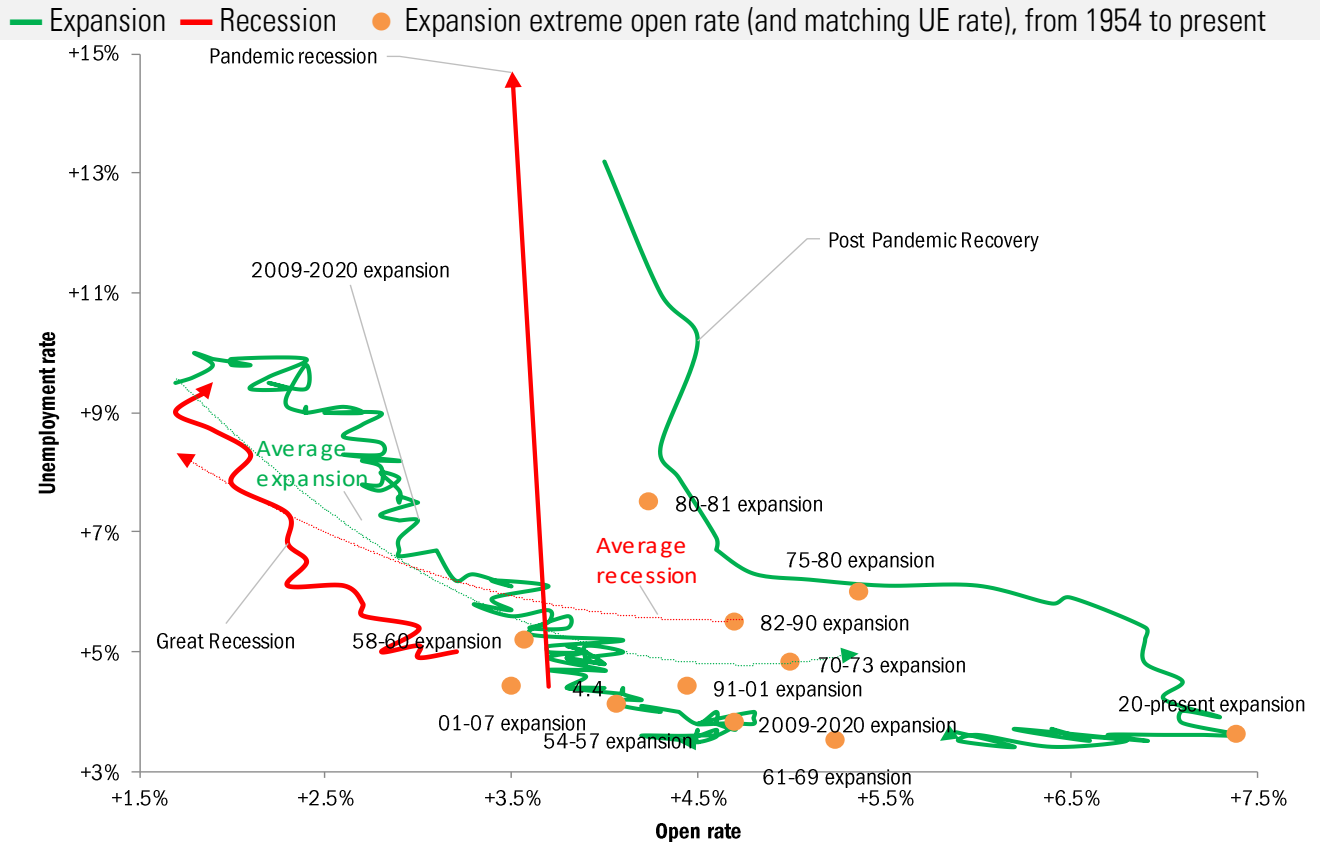


Source: BLS Current Population Survey, TrendMacro calculations

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



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