



Data Insights: Jobs

Friday, September 1, 2023

Today's jobs data: what you need to know

| | | | | |
|--|------------------|--------------------------|------------------------------|---|
| Non-farm payrolls | Change Aug: +187 | Revision Jul: -30 | Revision Jun: -80 |  |
| Private payrolls | Change Aug: +179 | Revision Jul: -17 | Revision Jun: -42 |  |
| Employment | Change Aug: +222 | | |  |
| Unemployment | Change Aug: +514 | | |  |
| Long-term unemployment | Change Aug: +113 | | |  |
| Civilian labor force | Change Aug: +736 | 2.81 million above trend | 69.8% of entrants unemployed |  |
| Unemployment rate | Aug: 3.79% | Change Aug: +0.29% | |  |
| Underemployment rate | Aug: 7.1% | Change Aug: +0.4% | |  |
| Participation rate | Aug: 62.8% | Change Aug: +0.2% | |  |
| UE adjusted for participation | Aug: 8.5% | Change Aug: -0.02% | |  |
| Average weeks unemployed | Aug: 20.4 | Change Aug: -0.2 | |  |
| % longterm unemployed | Aug: 20.3% | Change Aug: +0.4% | |  |
| Aggregate hours worked index | Aug: 115.5 | Change Aug: +0.4% | Revision Jul: unch |  |
| Average hourly earnings | Aug: +0.24% | Change Aug: -0.18% | Revision Jul: -0.01% |  |
| Aggregate weekly earnings | Aug: 186.8 | Change Aug: +0.7% | Revision Jul: unch |  |
| Monthly job-finding probability | Aug: 29.2% | Change Aug: -6.4% | |  |
| Monthly separation probability | Aug: 1.7% | Change Aug: +0.2% | |  |
| % involuntary part-time | Aug: 2.6% | Change Aug: +0.1% | |  |
| "Household" vs "Payroll" jobs | Change Aug: -60 | | |  |

Source: Bureau of Labor Statistics, TrendMacro calculations

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Today's jobs data: a deeper dive

| | | | | |
|------------------------------------|------------------|--------------------|-------------------|--|
| Non-farm payrolls SA | Change Aug: +187 | Revision Jul: -30 | Revision Jun: -80 | |
| Non-farm payrolls NSA | Change Aug: +268 | Revision Jul: -52 | Revision Jun: -40 | |
| Birth-death adjustment | Change Aug: +103 | | | |
| Employment | Change Aug: +222 | | | |
| Unemployment rate | Aug: 3.79% | Change Aug: +0.29% | | |
| White employment | Change Aug: +178 | | | |
| White unemployment rate | Aug: 3.4% | Change Aug: 0.3% | | |
| Black employment | Change Aug: +100 | | | |
| Black unemployment rate | Aug: 5.3% | Change Aug: -0.5% | | |
| Hispanic employment | Change Aug: -217 | | | |
| Hispanic unemployment rate | Aug: 4.9% | Change Aug: 0.5% | | |
| Asian employment | Change Aug: -157 | | | |
| Asian unemployment rate | Aug: 3.1% | Change Aug: 0.8% | | |
| High school only employment | Change Aug: +385 | | | |
| HS only unemployment rate | Aug: 3.8% | Change Aug: 0.5% | | |
| Men employment | Change Aug: +1 | | | |
| Men unemployment rate | Aug: 4.0% | Change Aug: 0.4% | | |
| Women employment | Change Aug: +222 | | | |
| Women unemployment rate | Aug: 3.5% | Change Aug: 0.1% | | |

Source: Bureau of Labor Statistics, TrendMacro calculations

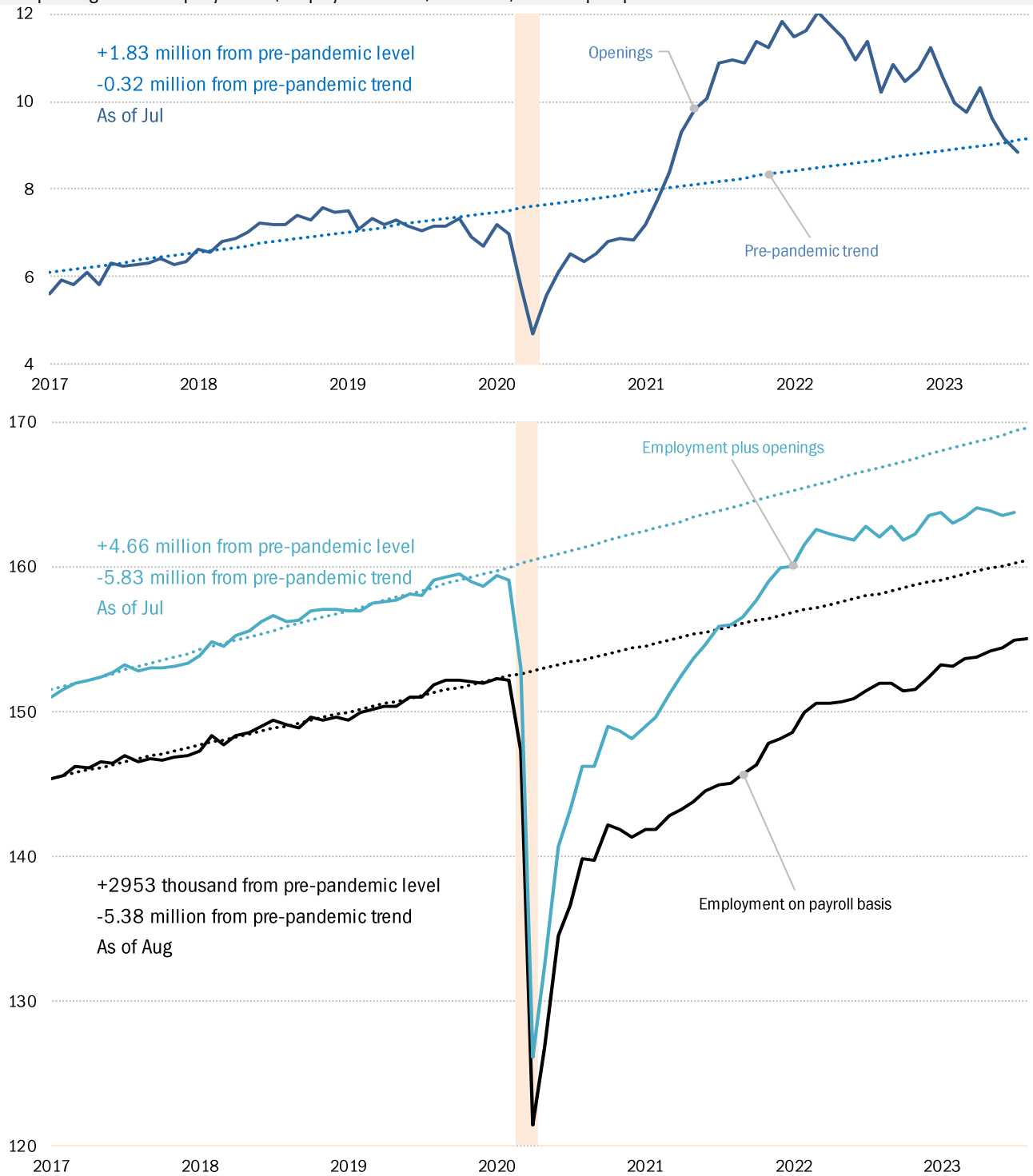
TrendMacro Payroll Model based on contemporaneous labor market statistics

| ADP Payrolls | ISM Manu Employ Index | ISM Services Employ Index | Change continuing claims | Initial claims | Challenger Layoffs | NFIB Hiring Plans | NFIB Employ |
|----------------|--------------------------|-------------------------------|-----------------------------|----------------|-----------------------|-------------------|-------------|
| +177 | 48.5 | 50.7 | -37 | 227 | 75,151 | 17 | -2 |
| Model estimate | Actual | Actual beat(+) or miss (-) | | | | | |
| +167 | +187 | +20 | | | | | |

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

Is the labor market tight or slack?

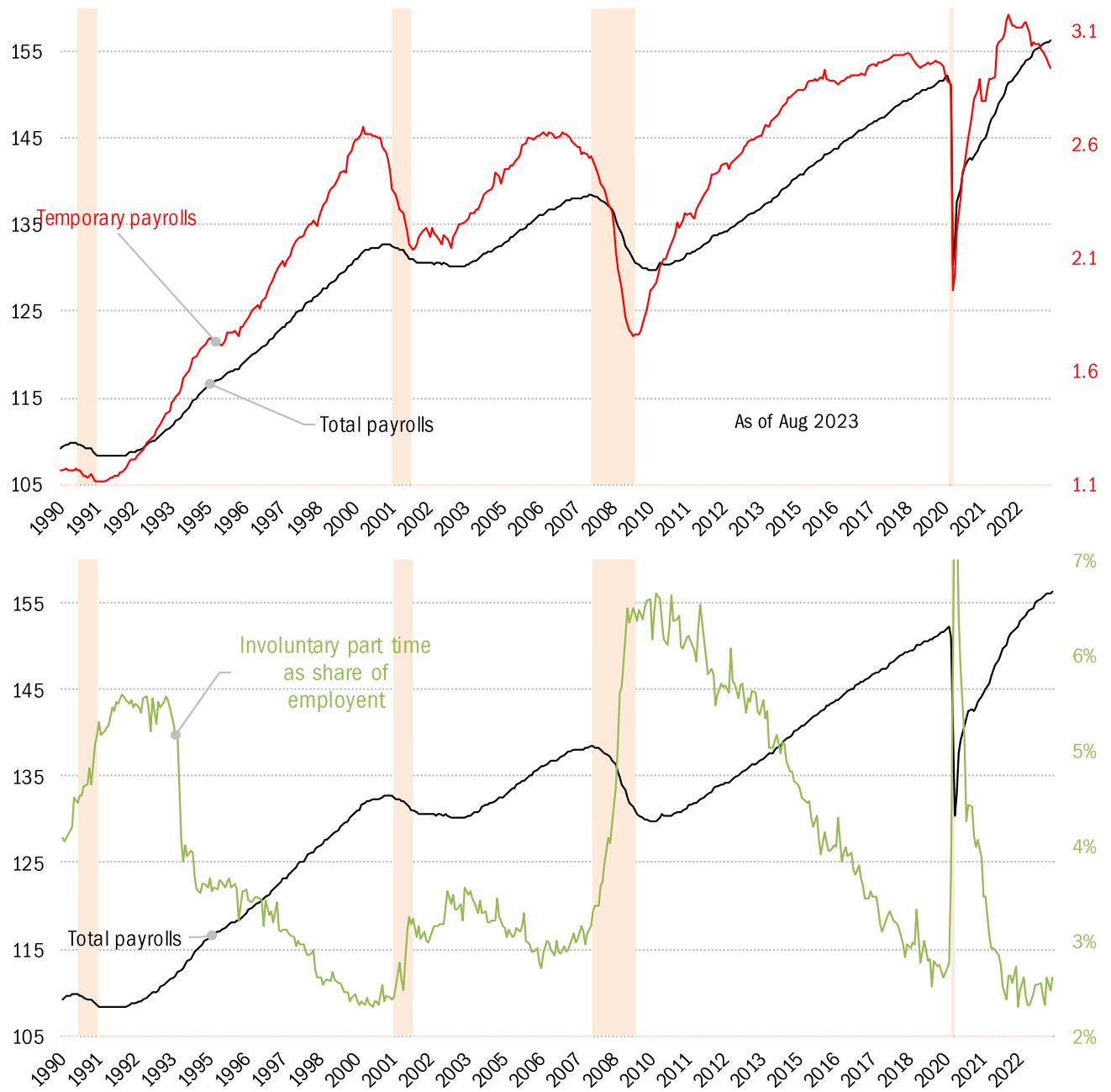
Job openings and employment (on payroll basis, millions) versus pre-pandemic trends ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

Is the temporary jobs market warning us??

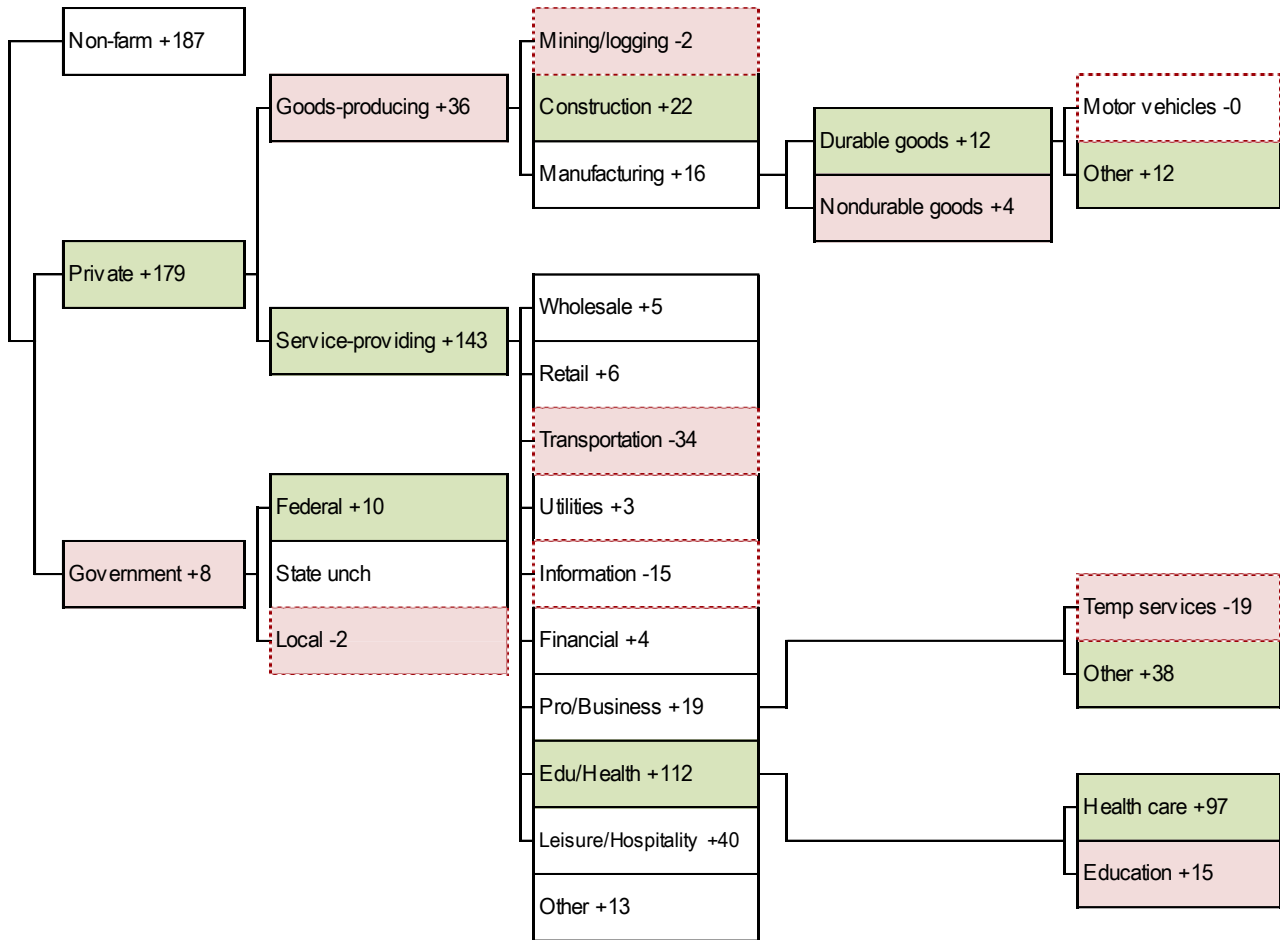
Regular and temporary payrolls (millions) and part-timers (share) ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

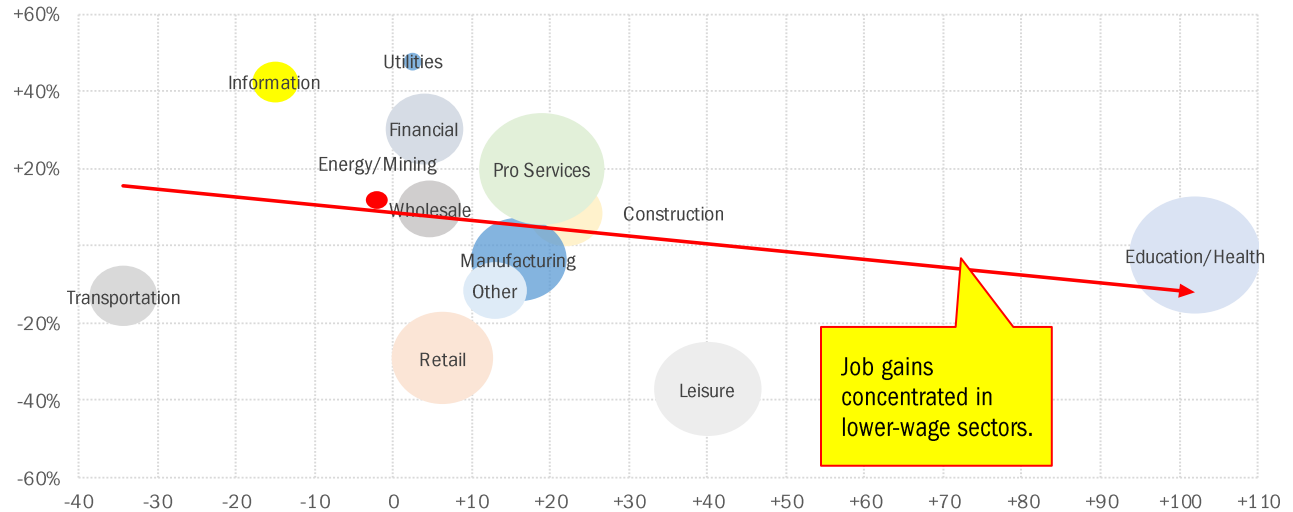
Today's payroll data: what you need to know -- where did the jobs come from?

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



Where is the pay coming from?

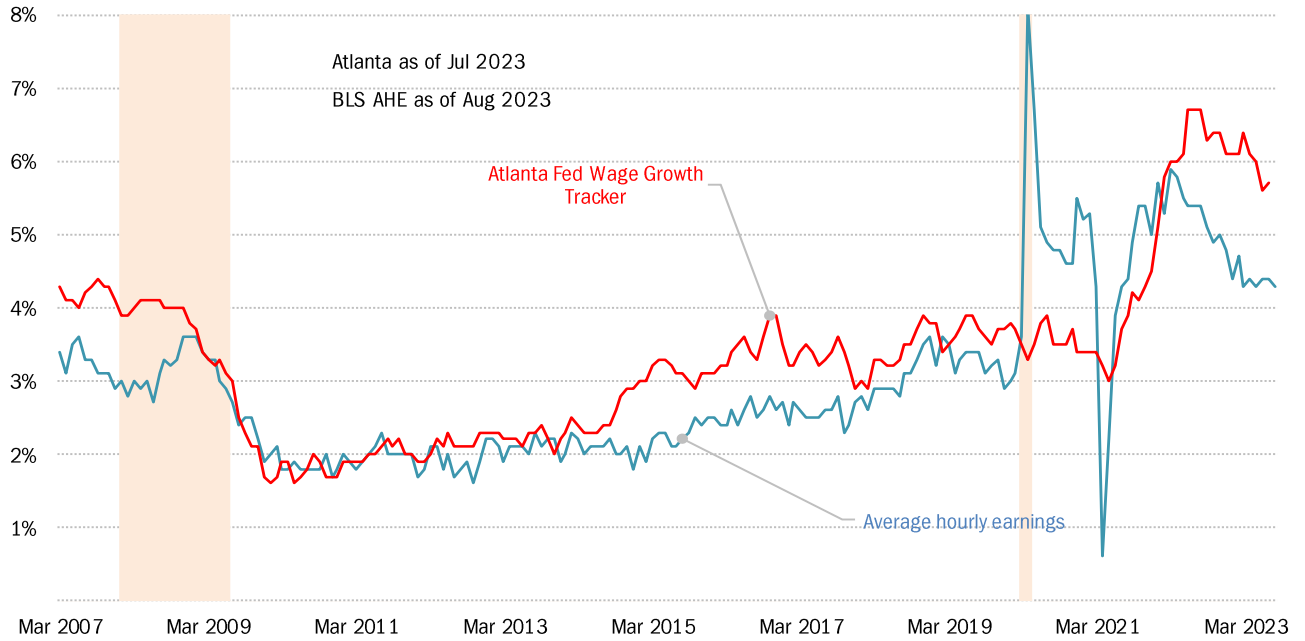
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

Solving the wage-growth puzzle

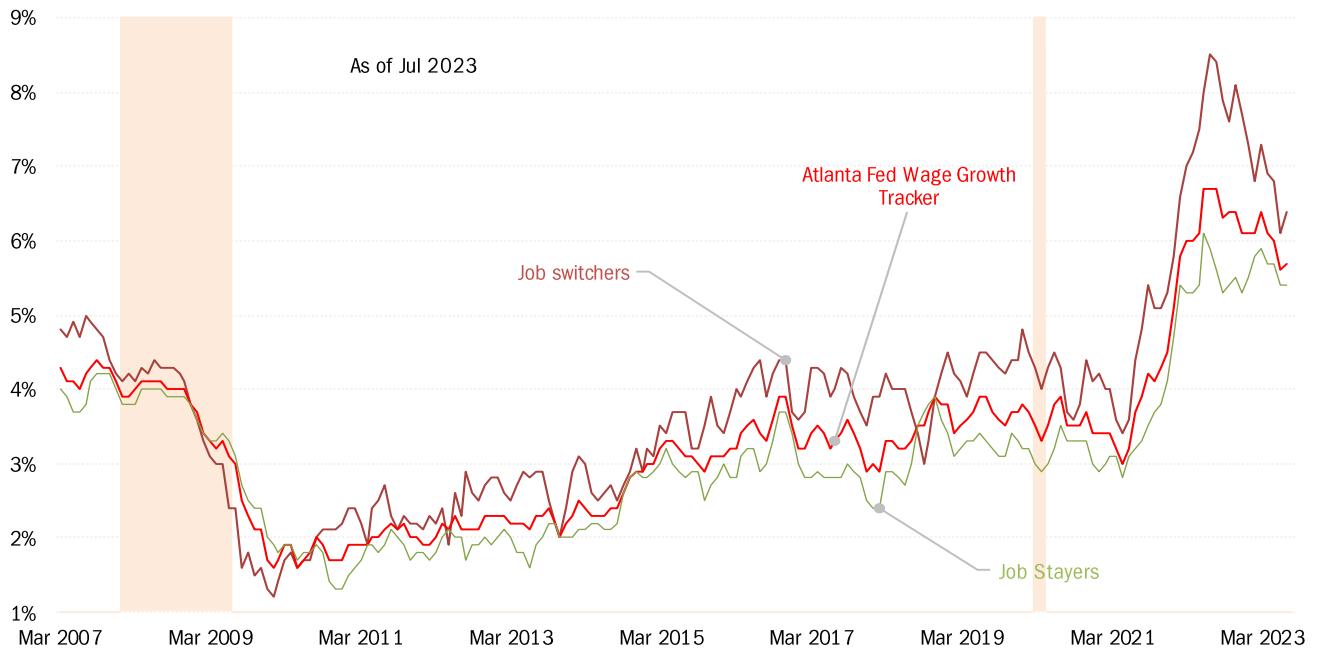
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ■ Recession



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

The wages of dynamism

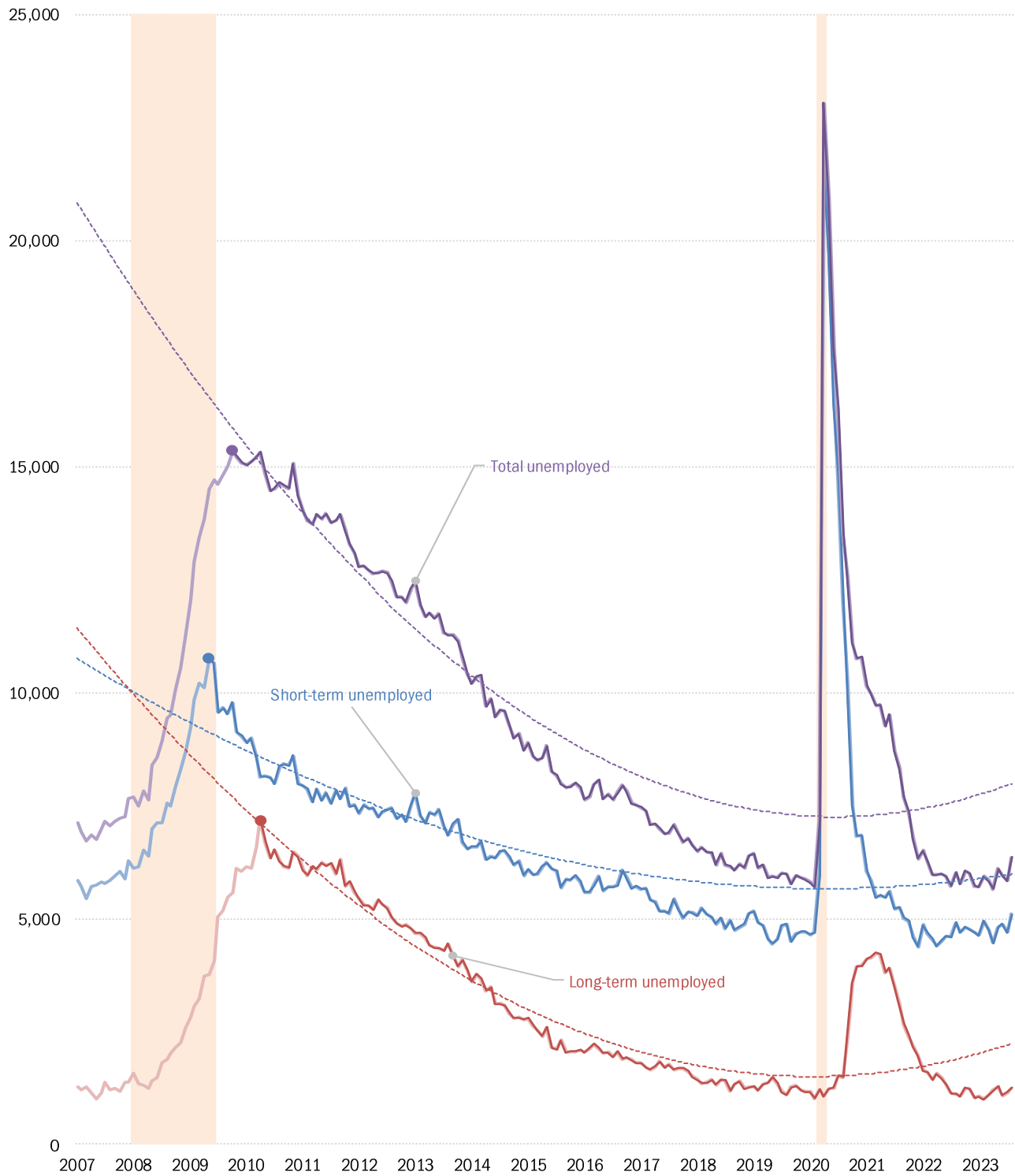
YOY wage growth for steady employees, versus those who change jobs ■ Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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

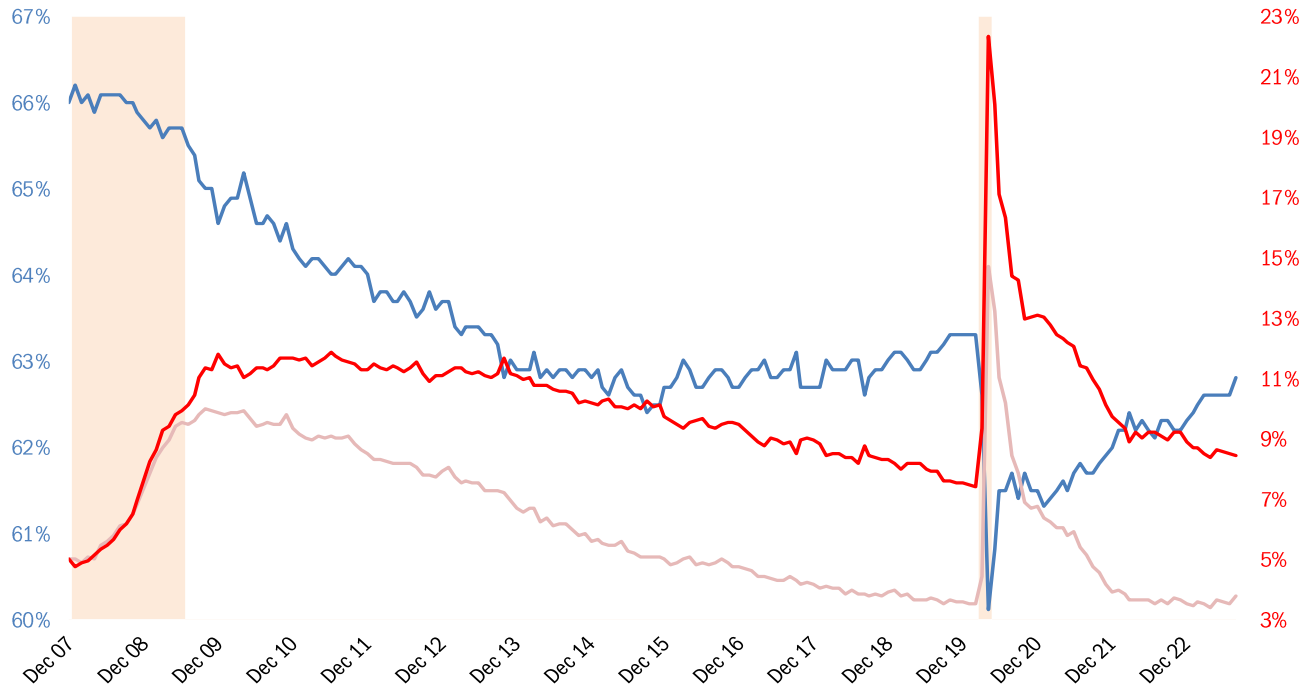
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

Unemployment rate normalized for participation rate December 2007

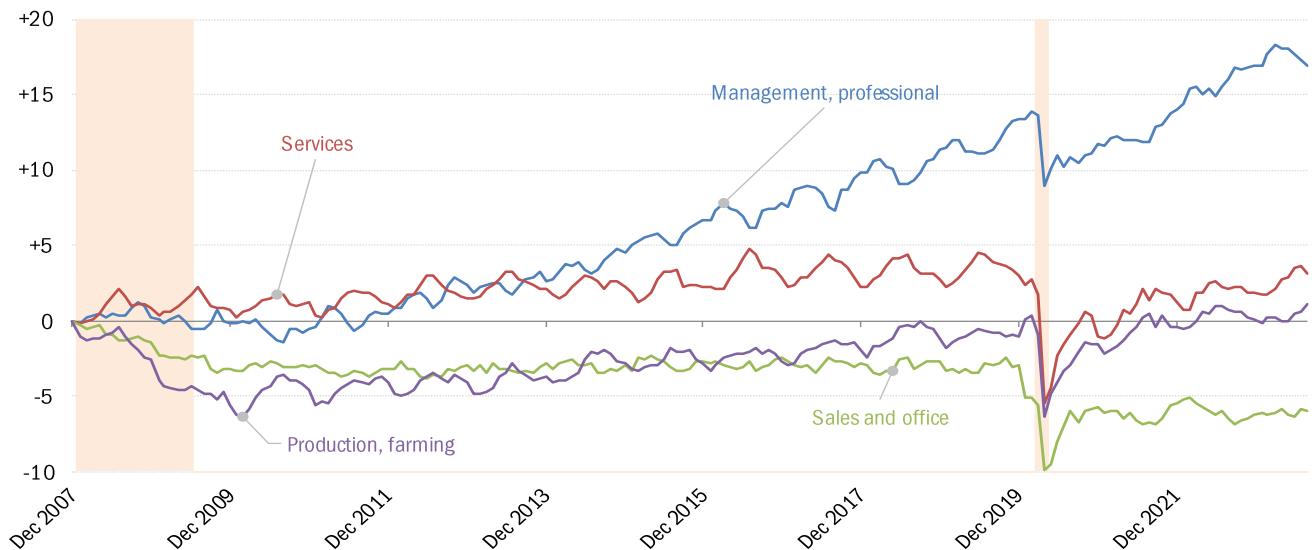
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

Winner and losers in the long boom and the virus crisis

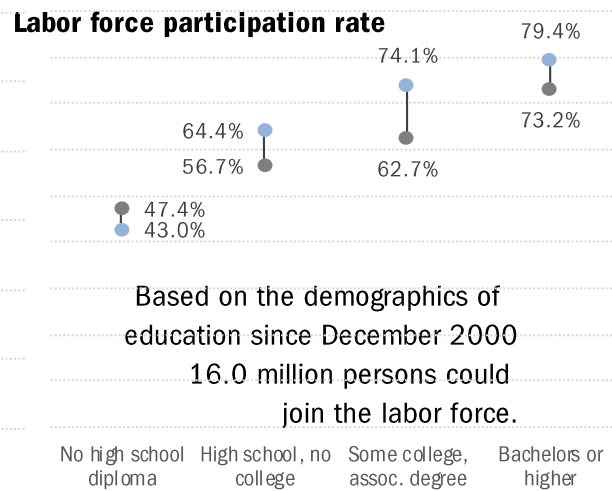
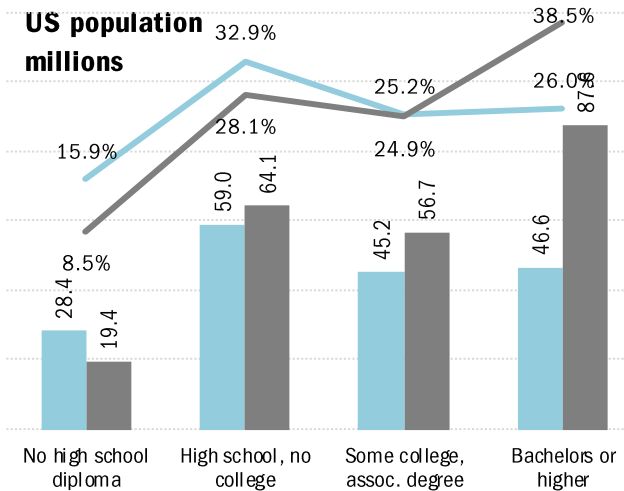
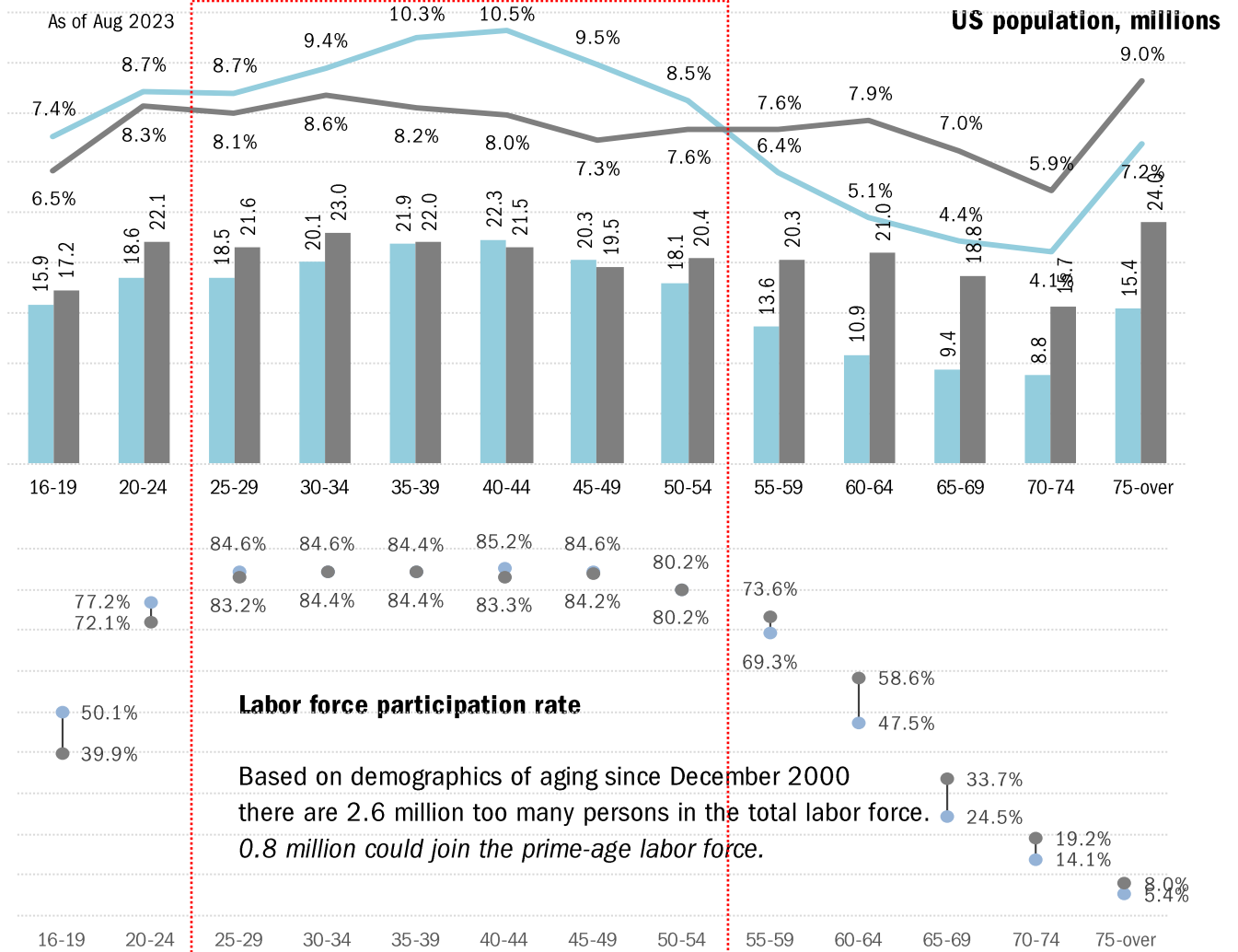
Change in total payrolls from prior business cycle peak, millions



Source: BLS, NBER, TrendMacro calculations

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

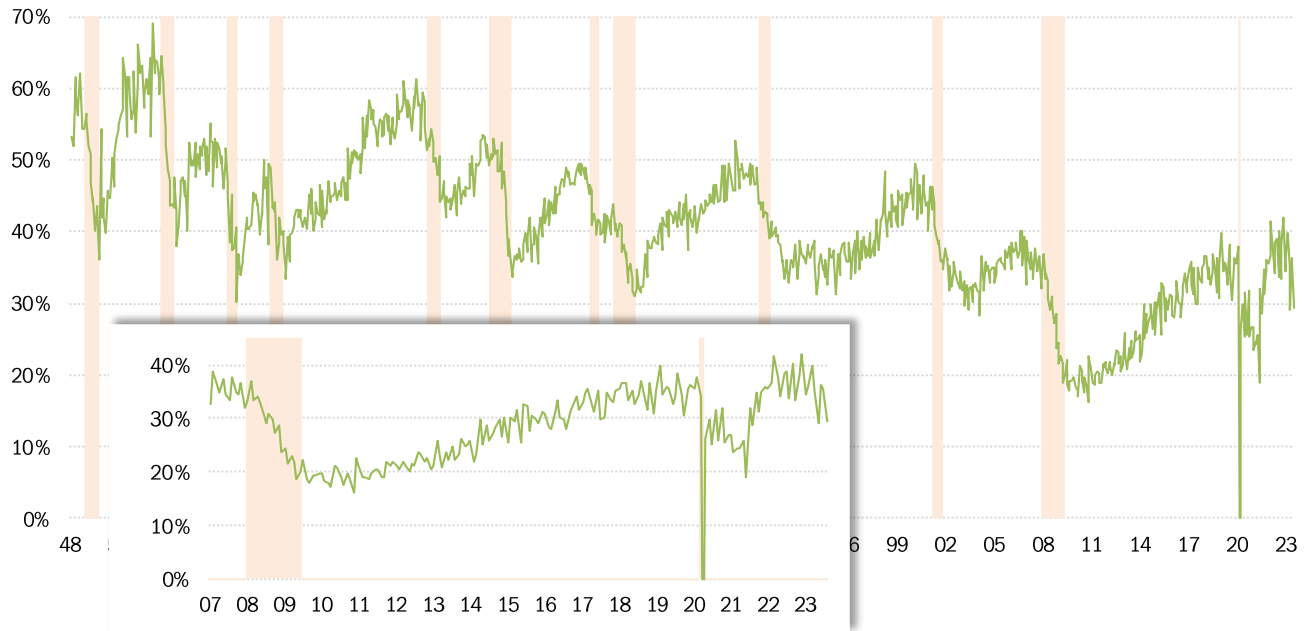
By age and education bracket: ■ Dec 2000, peak in the labor force participation rate ■ Latest □ Prime age



Source: BLS Current Population Survey, TrendMacro calculations

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

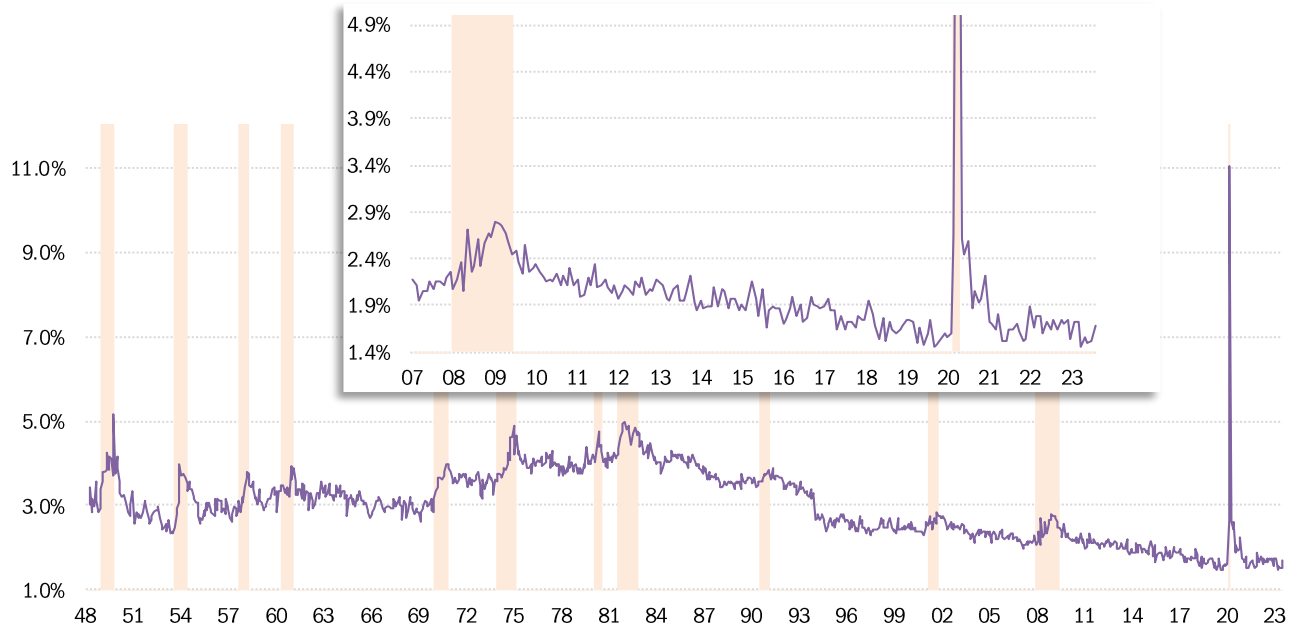
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

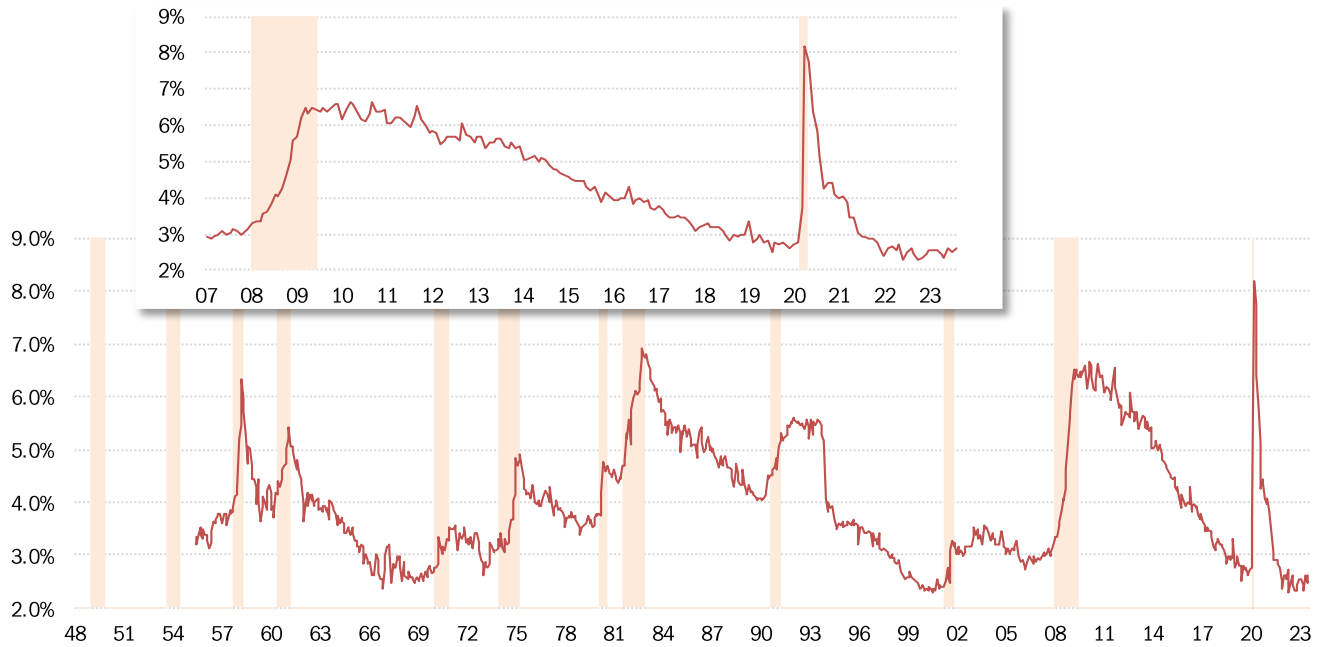
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

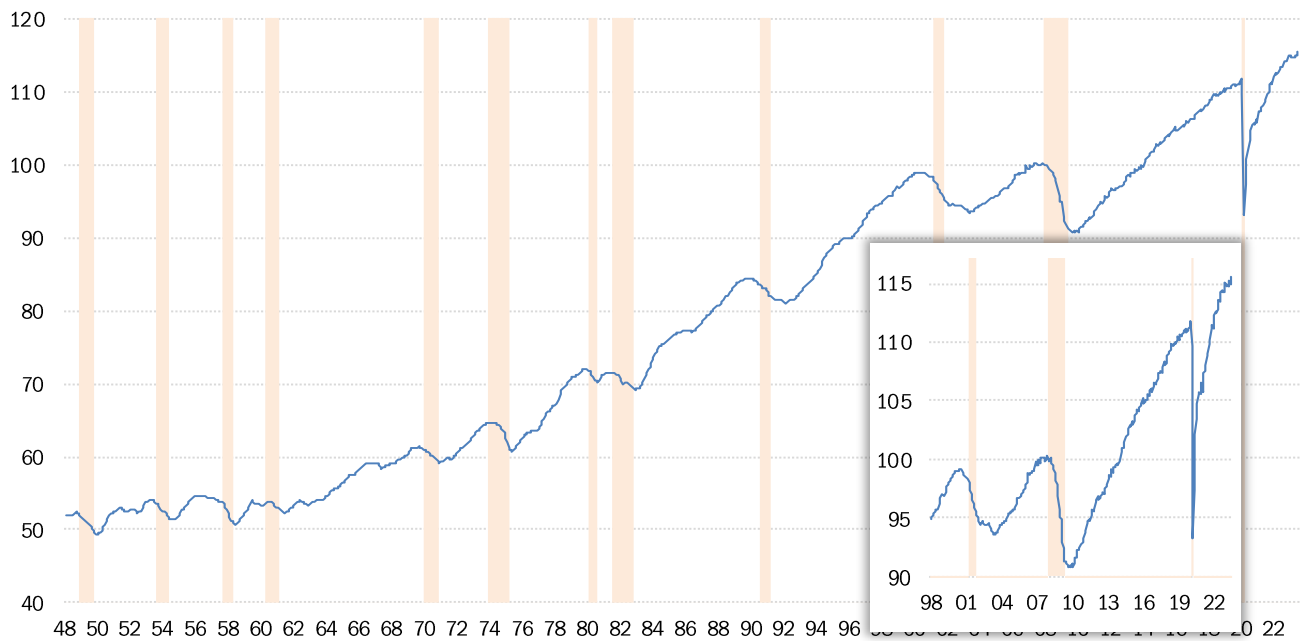
Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



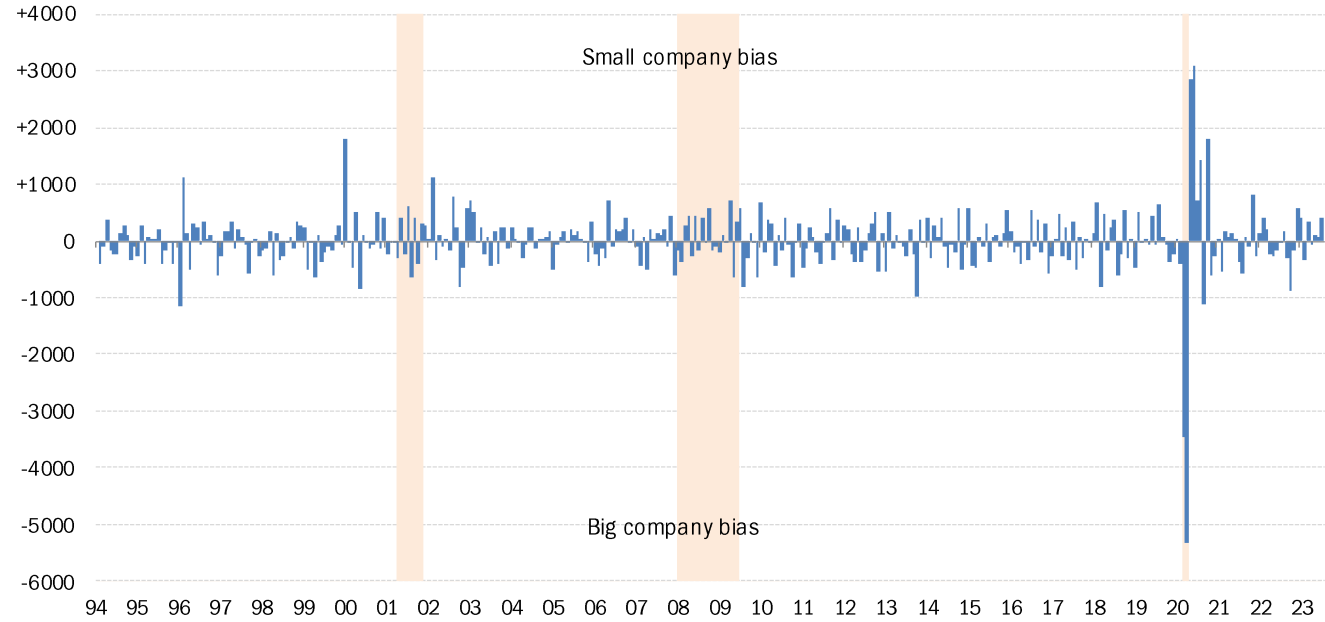
Source: BLS Current Population Survey, TrendMacro calculations

Aggregate weekly private hours-worked index ■ Recession



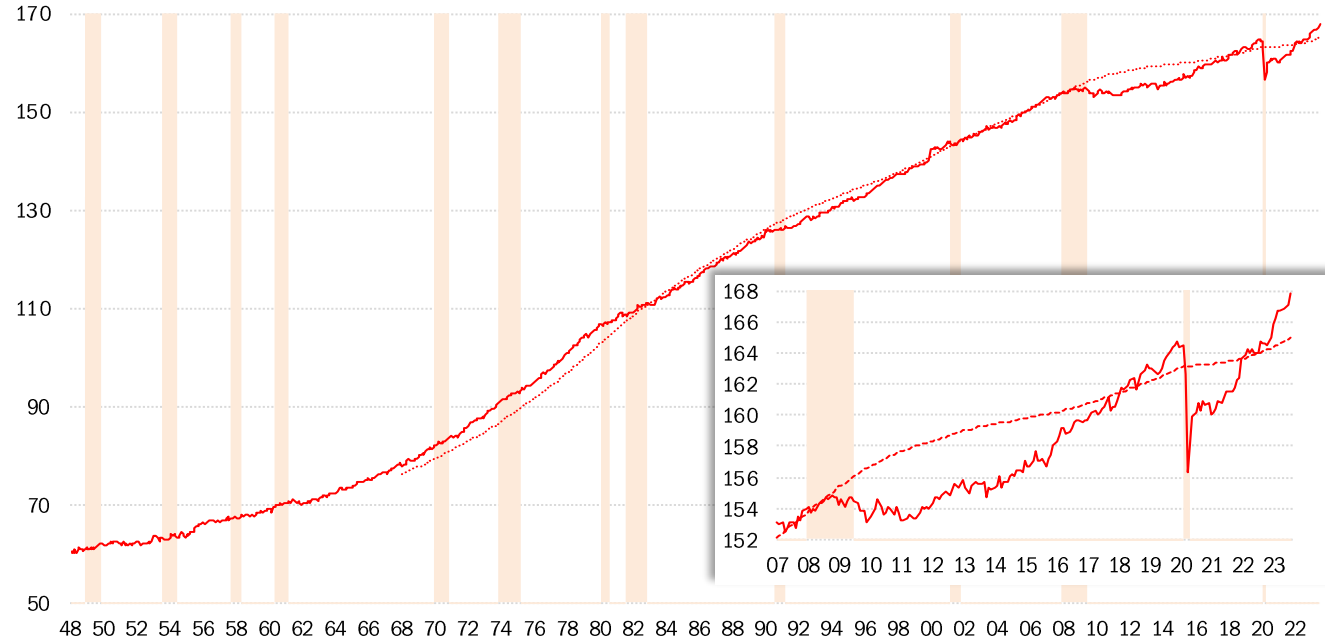
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



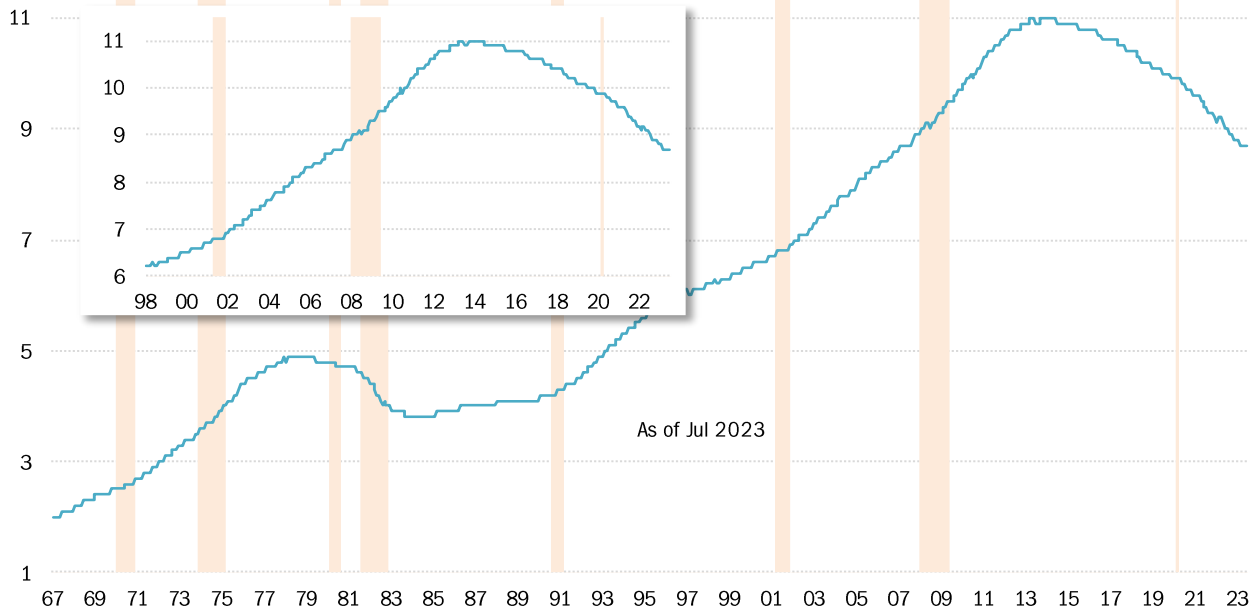
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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

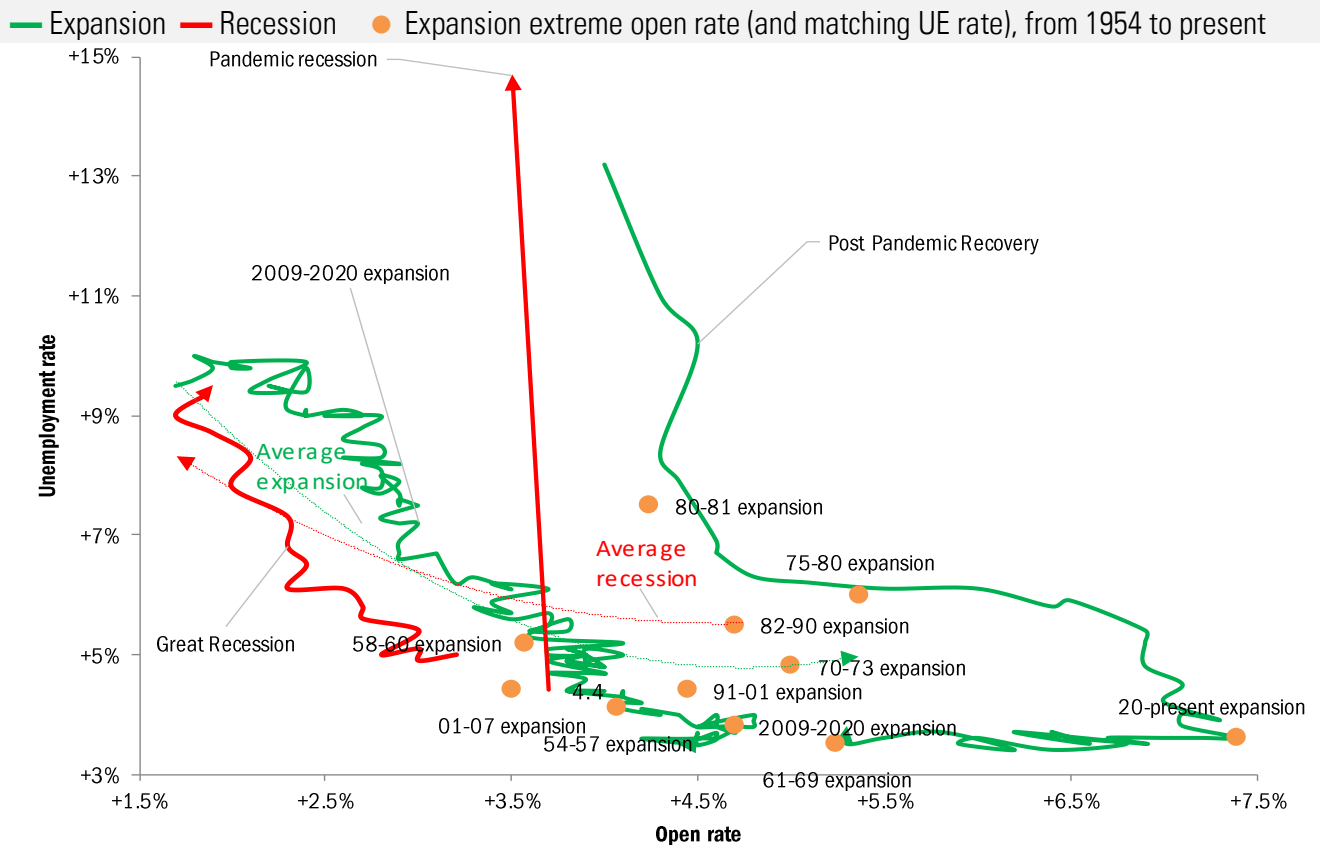


Source: BLS Current Population Survey, TrendMacro calculations

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