

## Data Insights: Jobs

Friday, November 4, 2022

### Today's jobs data: what you need to know

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

Source: Bureau of Labor Statistics, TrendMacro calculations

#### For more information contact us:

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## Today's jobs data: a deeper dive

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

Source: Bureau of Labor Statistics, TrendMacro calculations

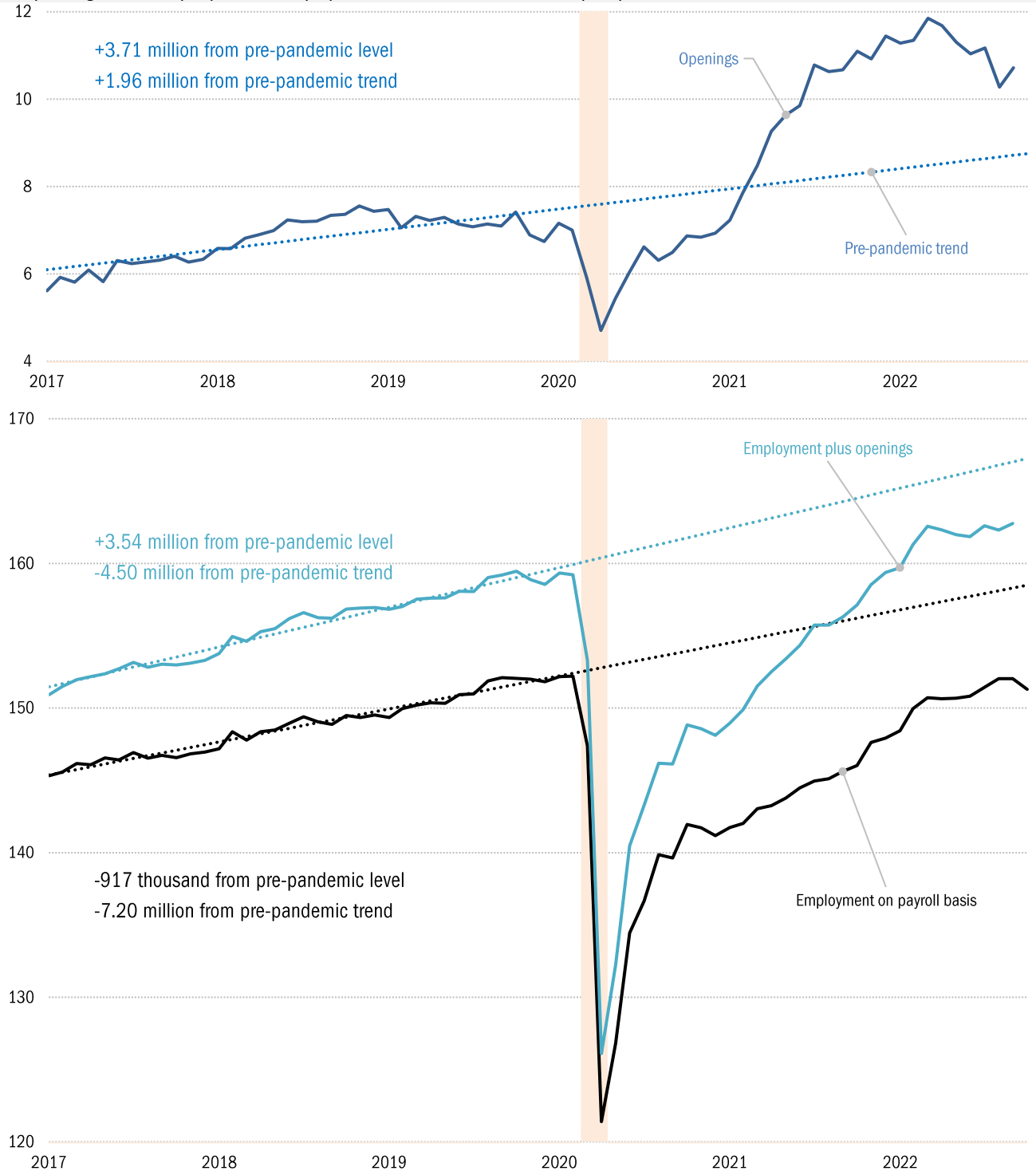
## TrendMacro Payroll Model based on contemporaneous labor market statistics

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?

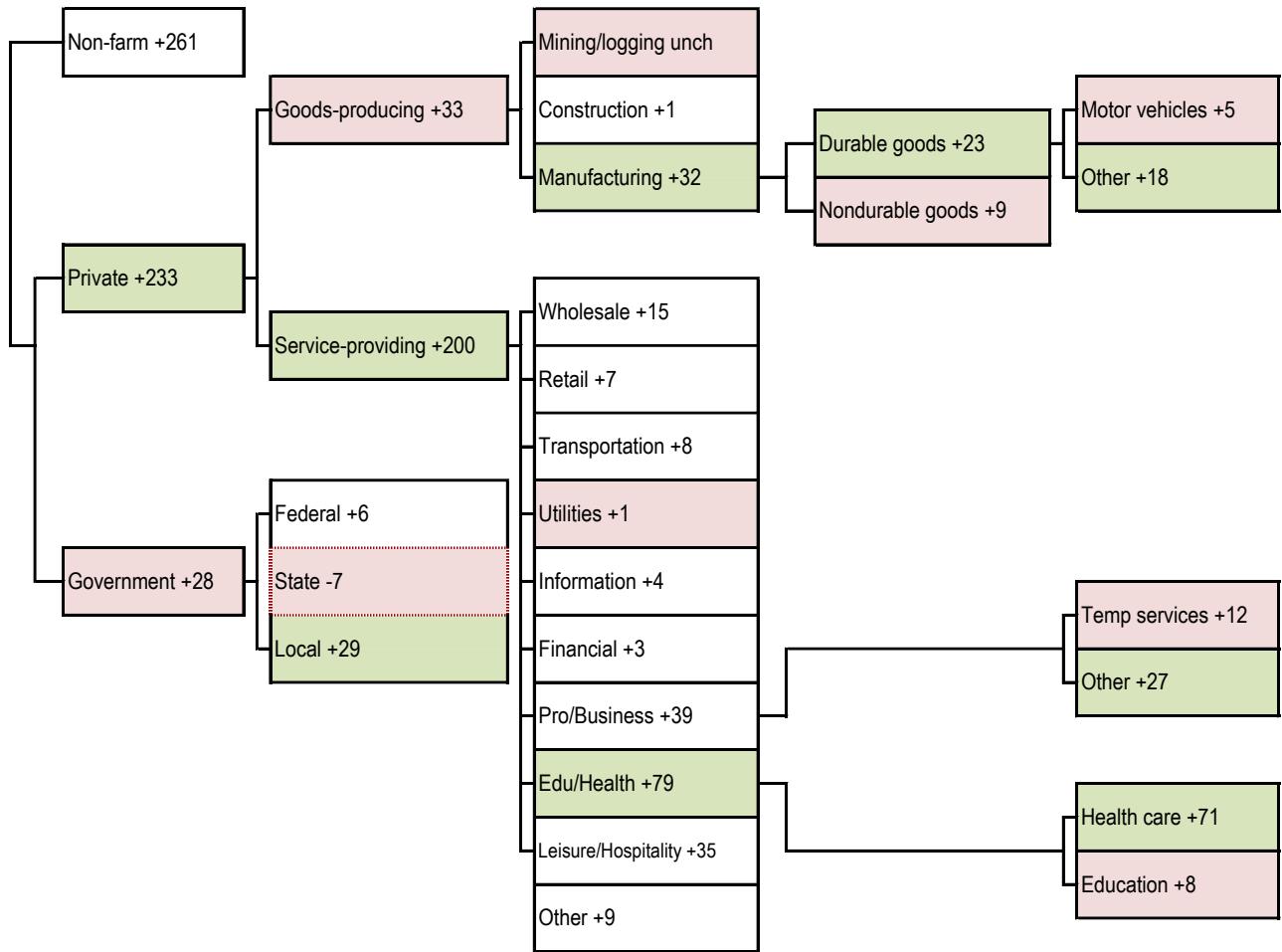
Job openings and employment (on payroll basis, millions) versus pre-pandemic trends ■ Recession



Source: BLS JOLTS, Current Population Survey, TrendMacro calculations

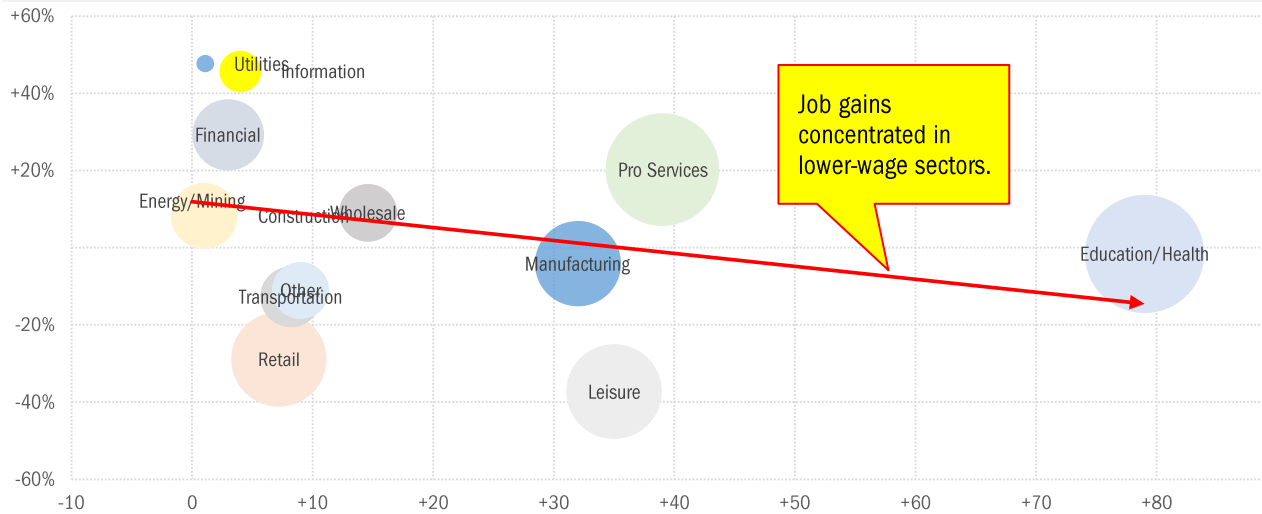
# Today's payroll data: what you need to know -- where did the jobs come from?

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



## Where is the pay coming from?

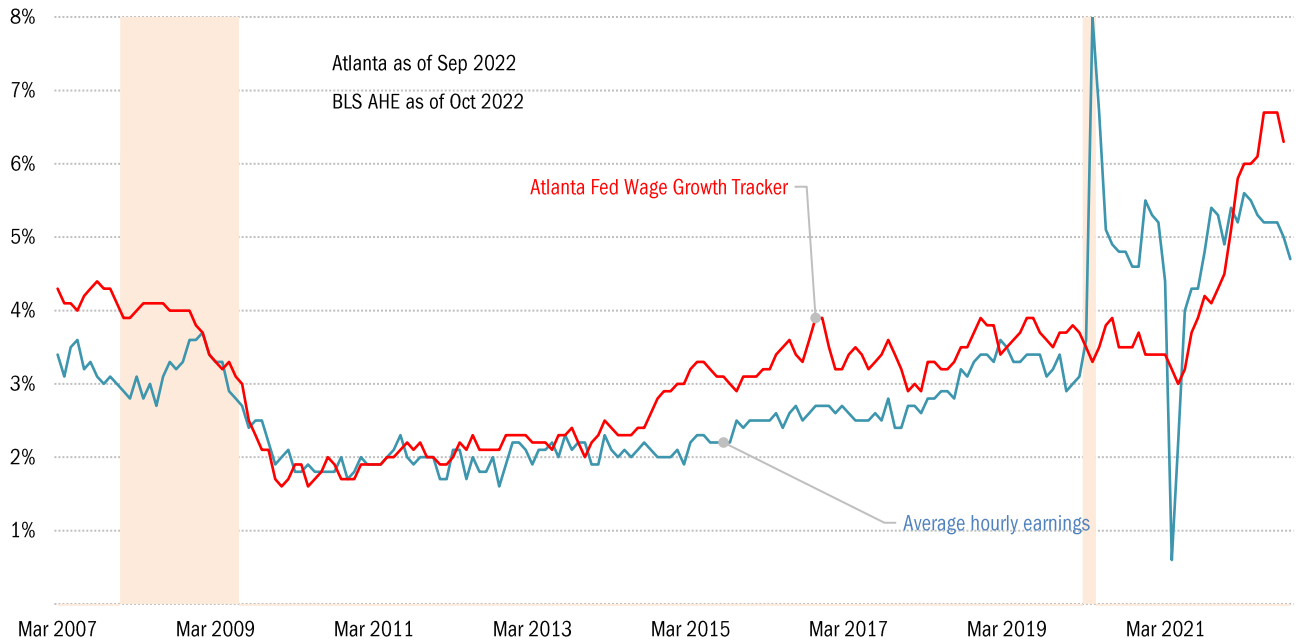
Vertical: Hourly wages vs average Horizontal: Payrolls change this month Circle size: Share of all employment



Source: BLS, TrendMacro calculations

## Solving the wage-growth puzzle

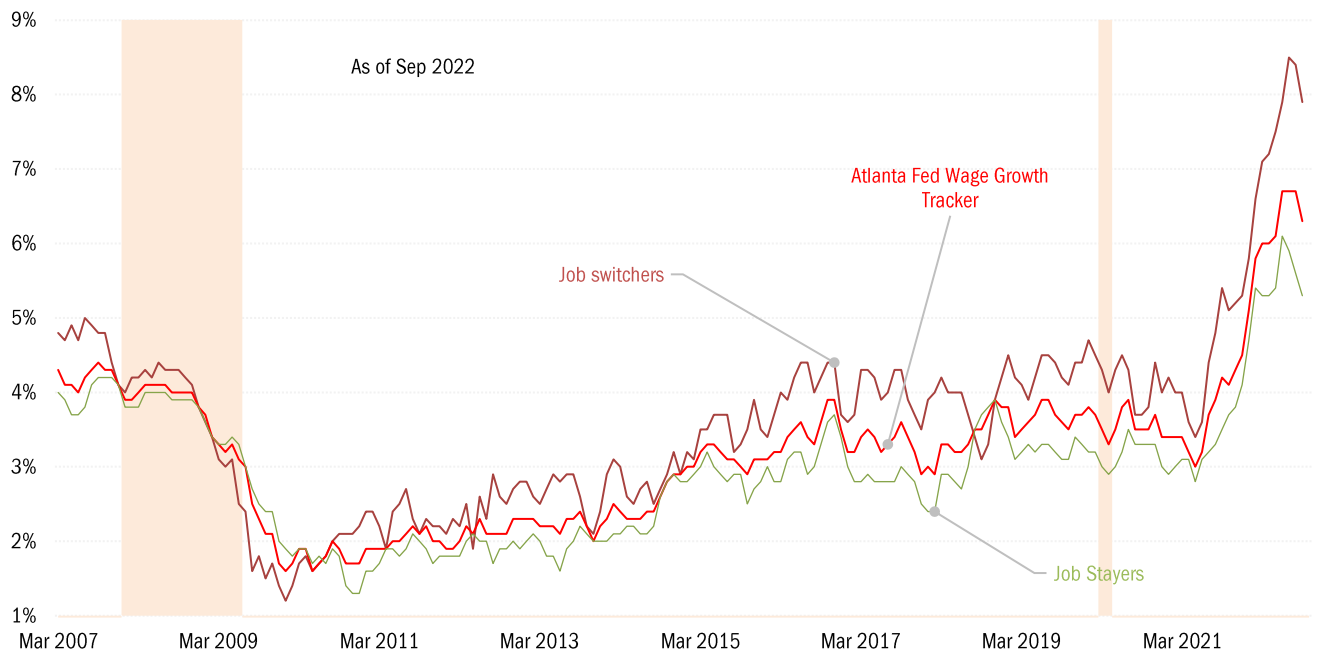
YOY average hourly earnings growth Atlanta Fed Wage Growth Index ■ Recession



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

## The wages of dynamism

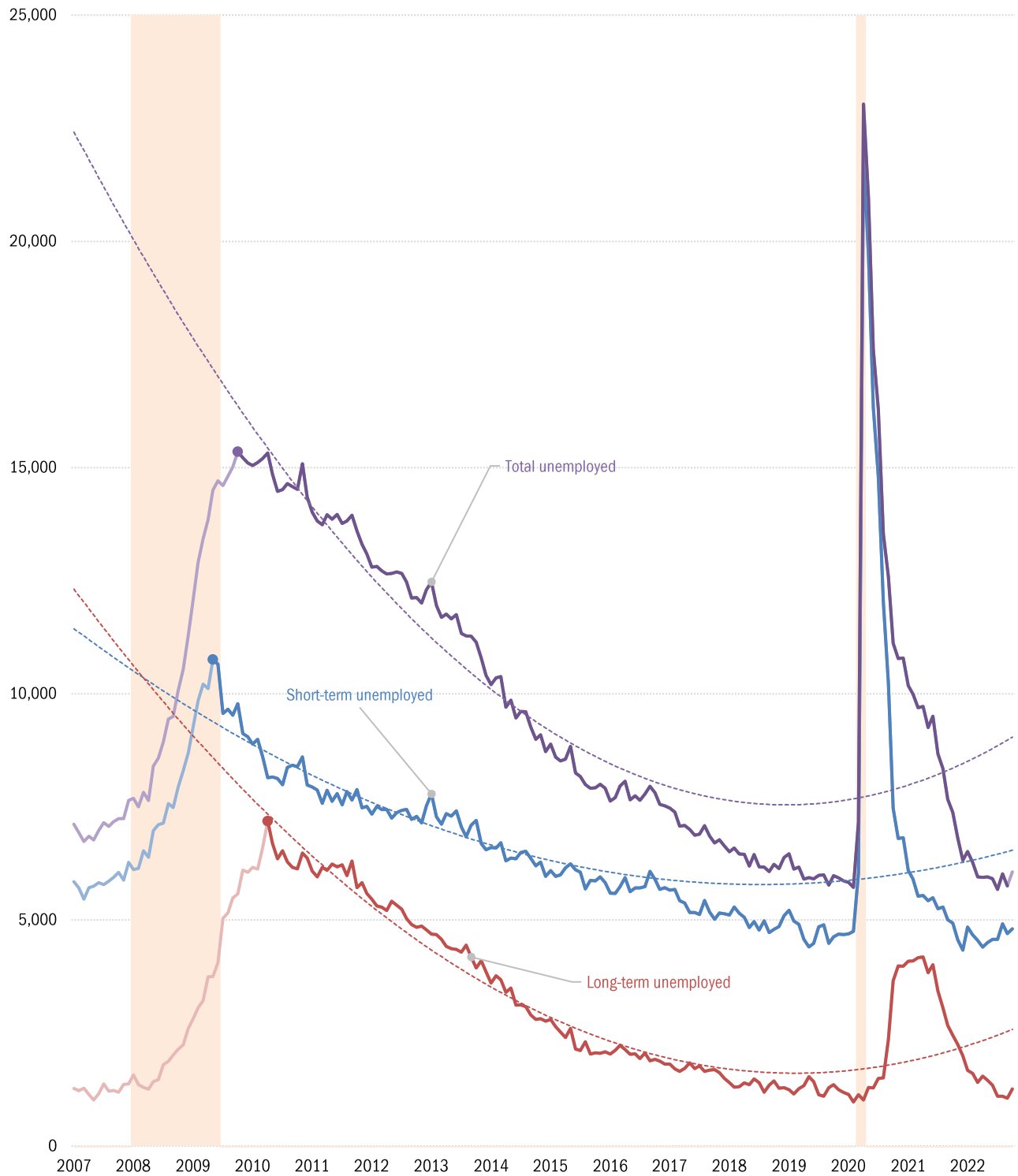
YOY wage growth for steady employees, versus those who change jobs ■ Recession



Source: Atlanta Federal Reserve Bank, TrendMacro calculations

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

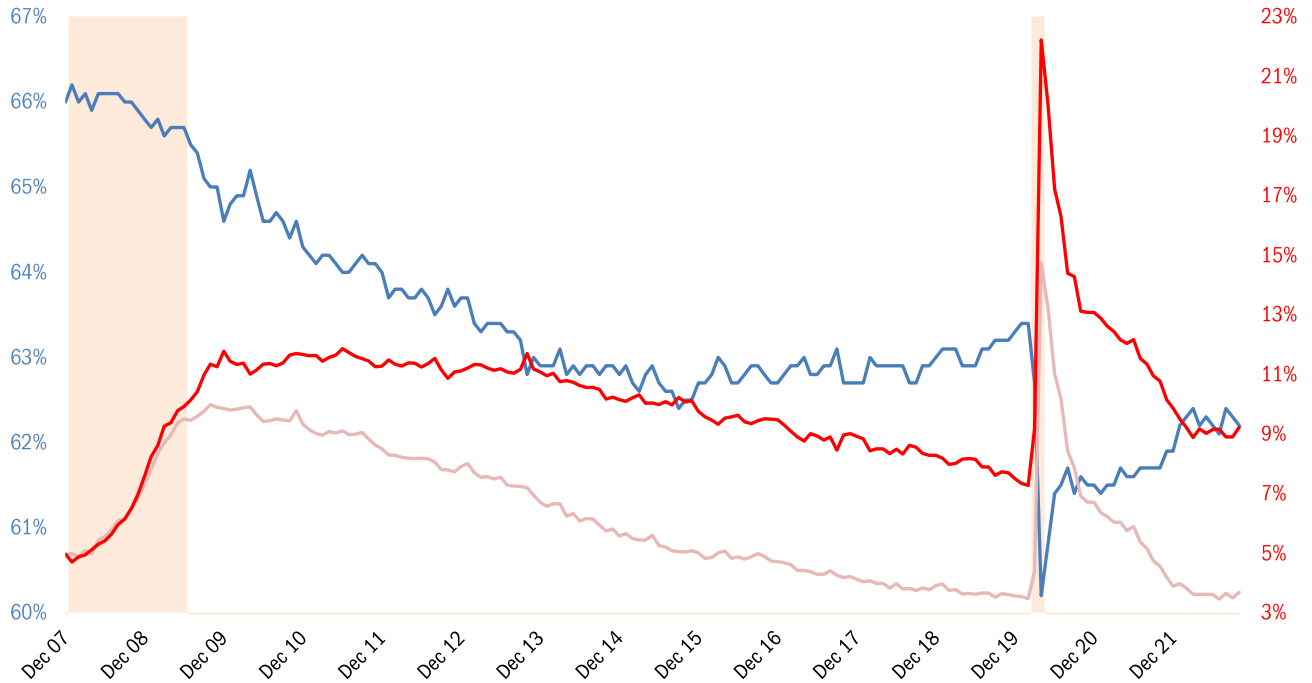
Unemployment: thousands Short-term = <27 weeks Long-term = >27 weeks



Source: BLS Current Population Survey, TrendMacro calculations

## Unemployment rate normalized for participation rate December 2007

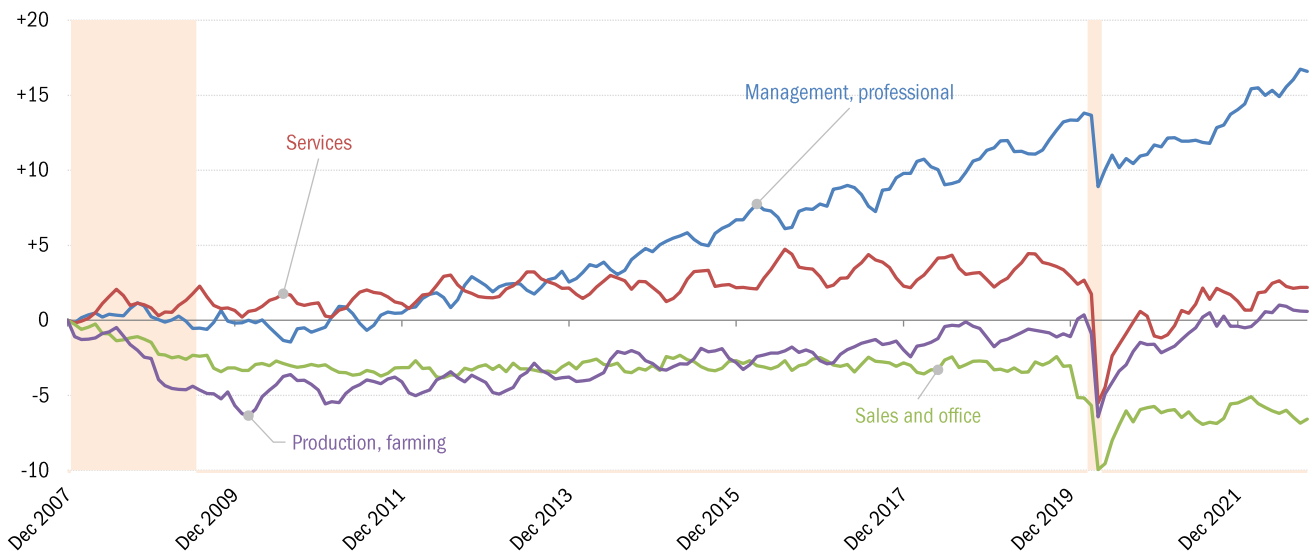
— Participation rate — Headline unemployment rate — Recession



Source: BLS Current Population Survey, TrendMacro calculations

## Winner and losers in the long boom and the virus crisis

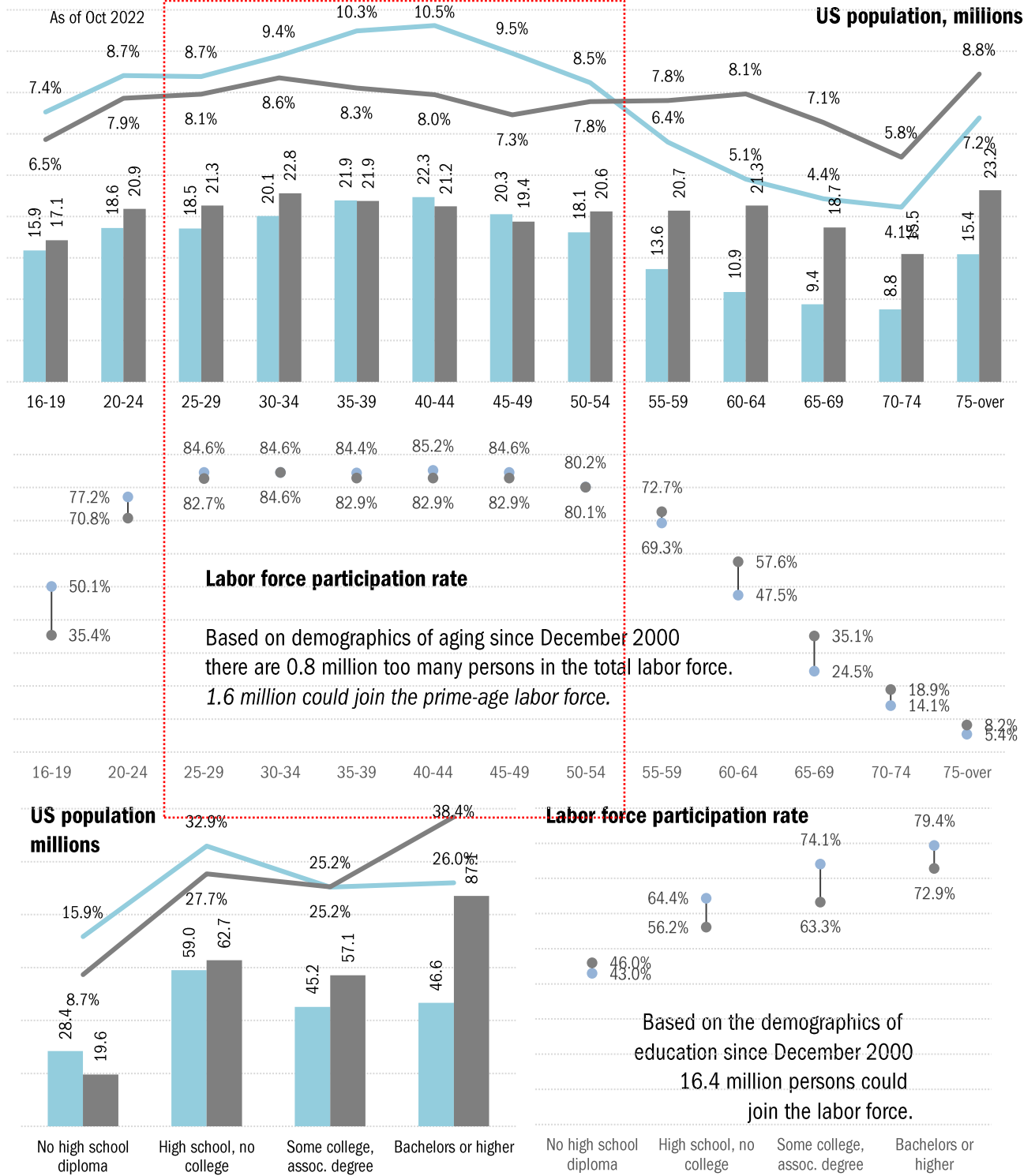
Change in total payrolls from prior business cycle peak, millions



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

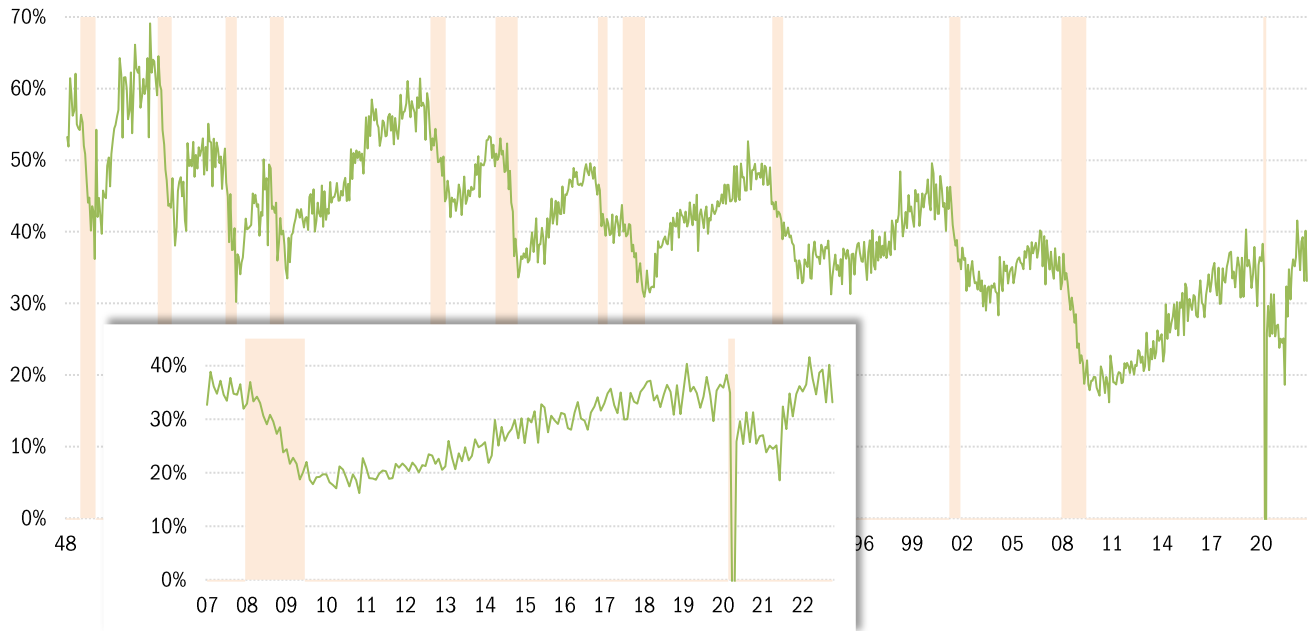


Source: BLS Current Population Survey, TrendMacro calculations



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

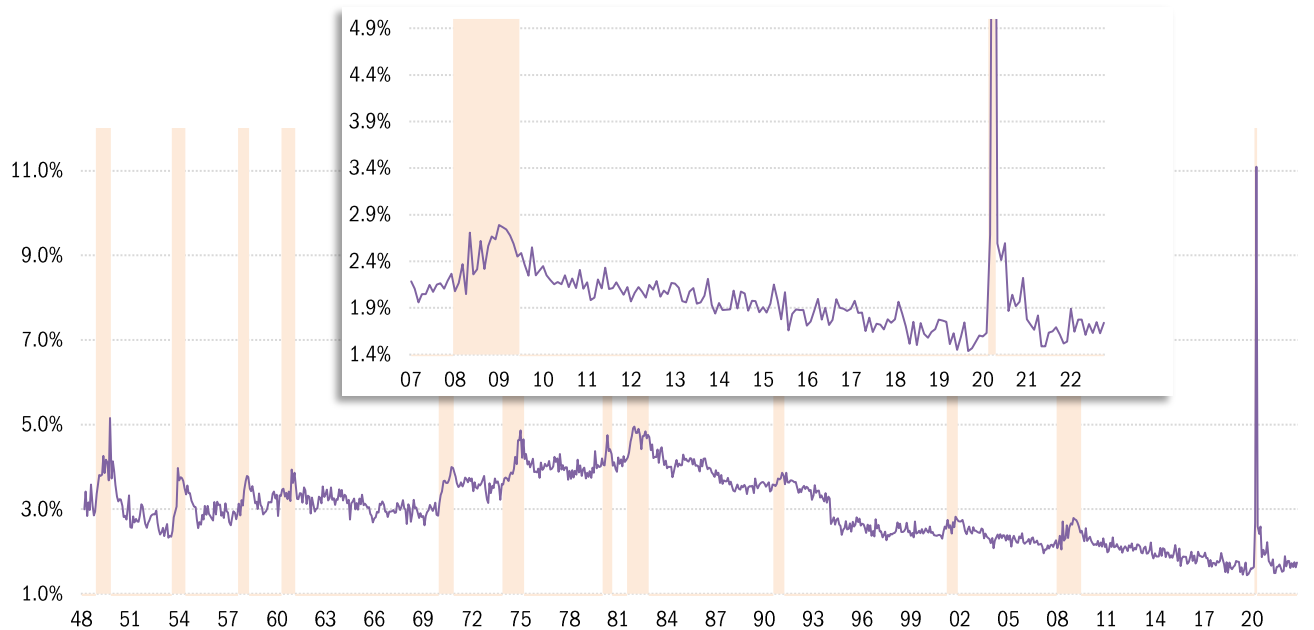
Chance of an unemployed person becoming employed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

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

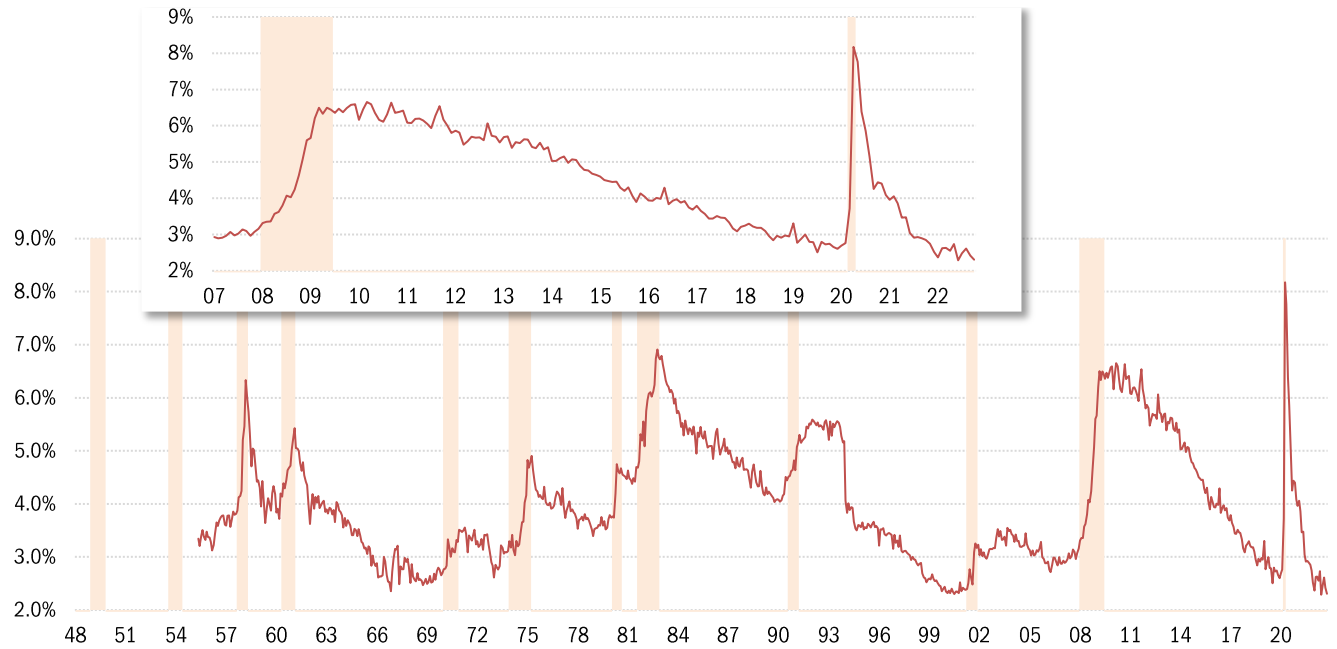
Chance of an employed person becoming unemployed in one month (per [Shimer 2005](#)) Recession



Source: BLS Current Population Survey, TrendMacro calculations

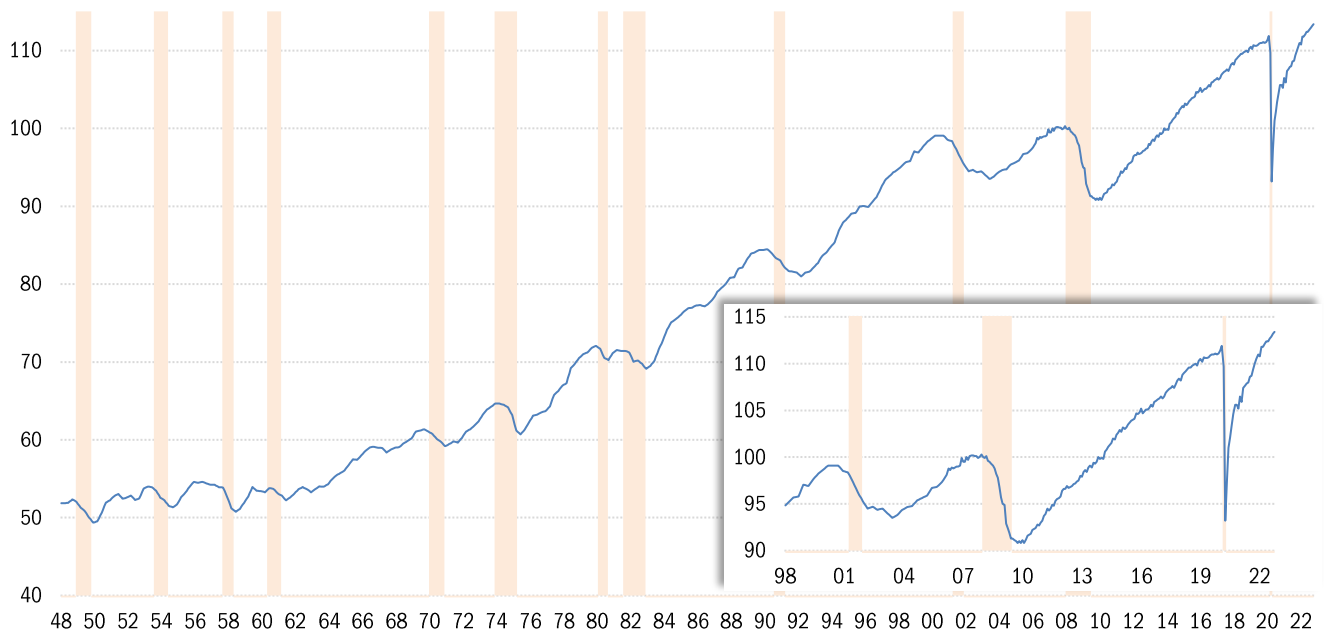
## Involuntary part-time workers as percentage of the employed labor force

Persons available for full-time work ■ Recession



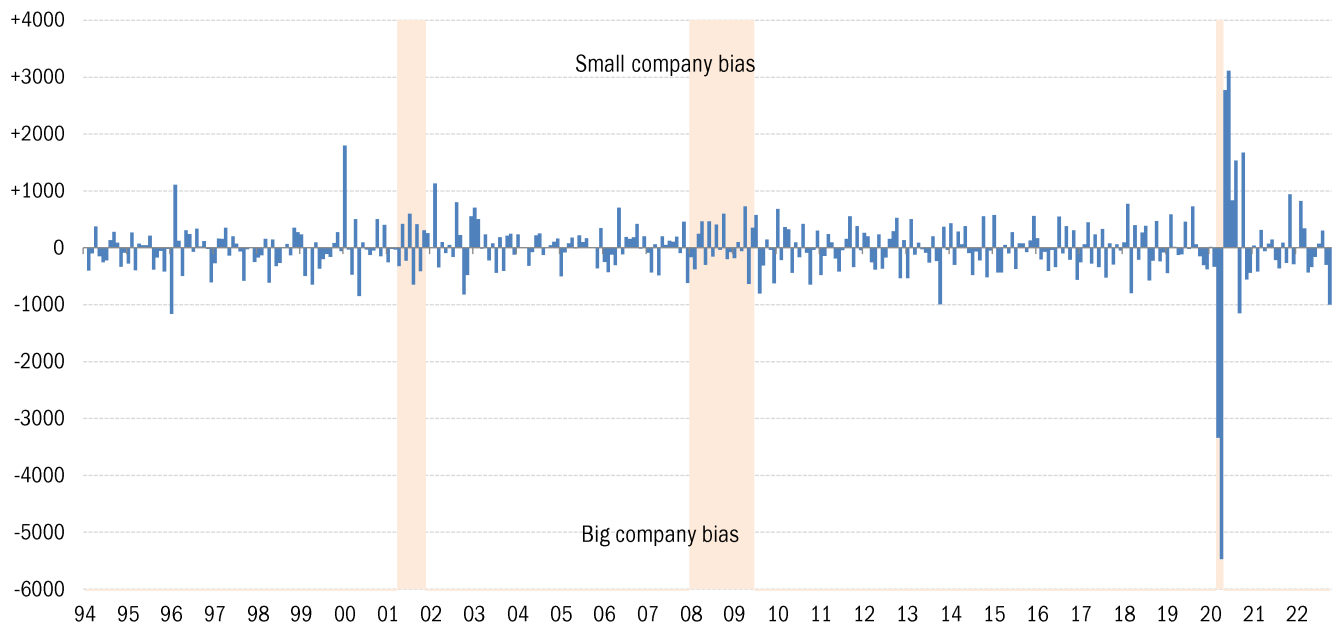
Source: BLS Current Population Survey, TrendMacro calculations

## Aggregate weekly private hours-worked index ■ Recession



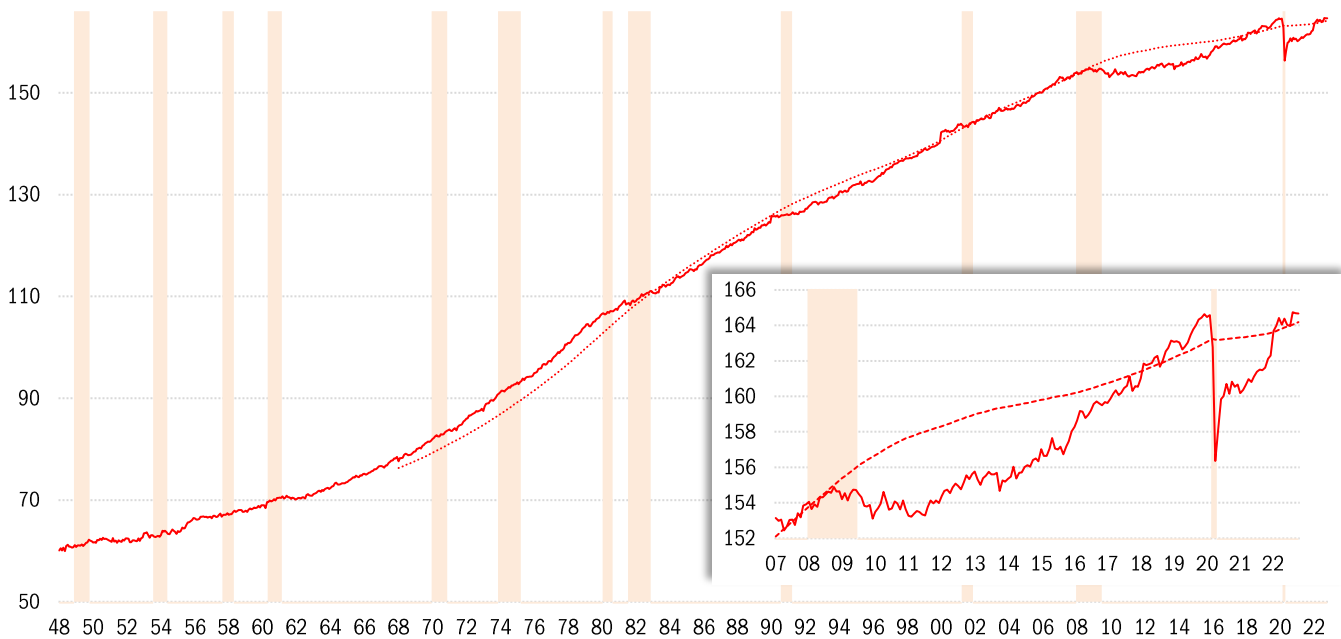
Source: BLS Productivity and Costs (quarterly) and Current Employment Stats (recent monthly), TrendMacro calcs

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



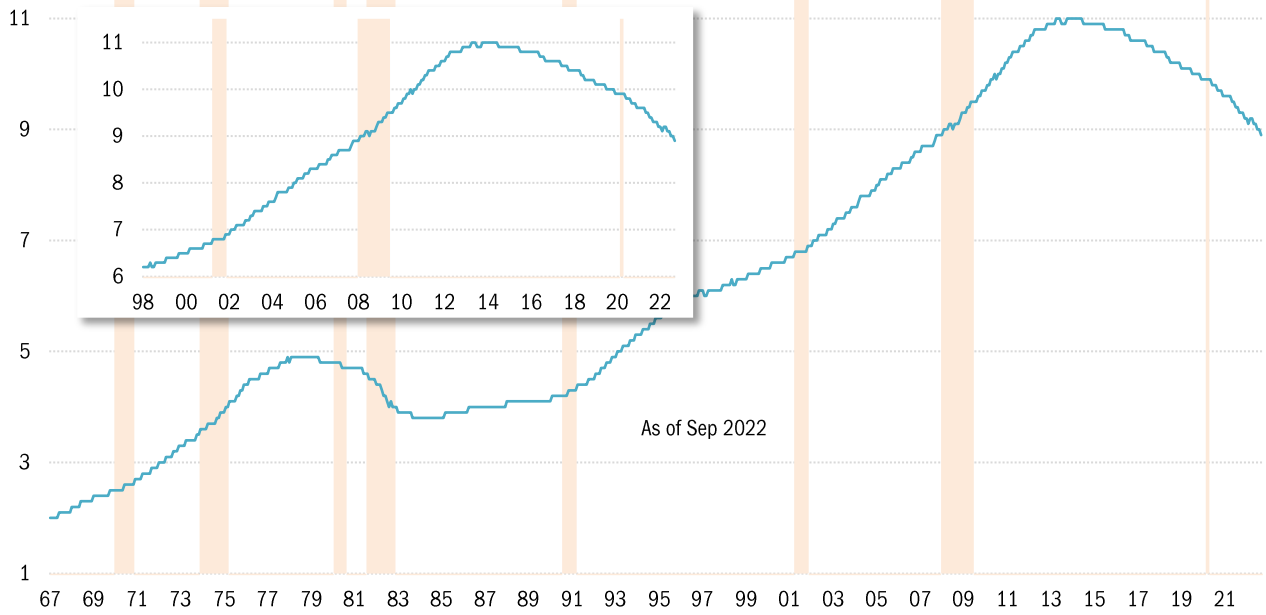
Source: BLS Current Population Survey and Current Employment Statistics, TrendMacro calculations

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



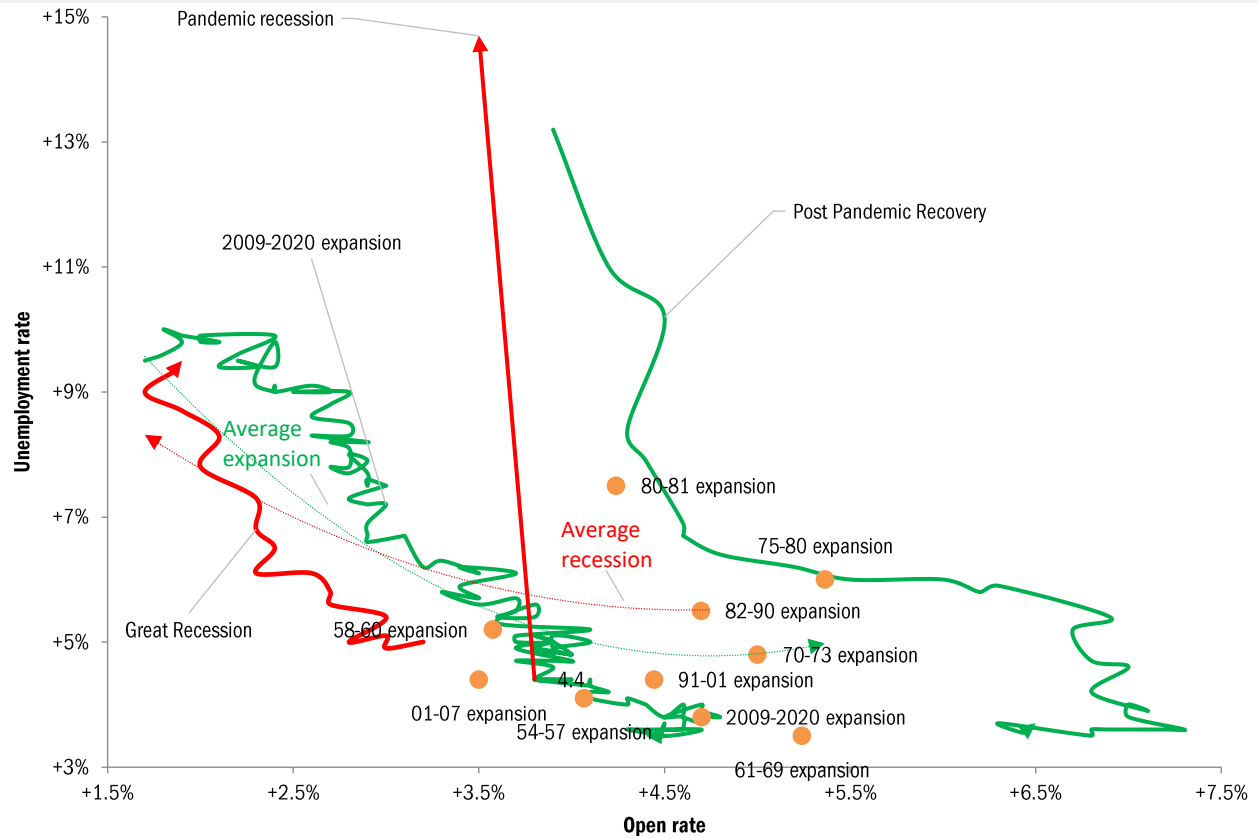
Source: BLS Current Population Survey, TrendMacro calculations

# 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