

TRENDMACRO LIVE!

## On March Jobs, and No Go for No Labels

Friday, April 5, 2024

Donald Luskin

Jobs go boom. Sadly, No Labels goes bust. But there is still Bobby (Junior, that is).

**FIRST, THE FUN PART: POLITICS** Yesterday No Labels, the centrist advocacy group which for two years has been preparing a bi-partisan Unity Ticket for the 2024 presidential election, [officially stood down](#). From the beginning, we have seen this as a potentially powerful political disruptor (see, among many, see [“How Biden and Trump Can Both Lose. Easily.”](#) February 8, 2024). We have organized Zoom conference calls with No Labels for clients (most recently March 1, but the call was off-the-record so there is no video replay). We’ve been warning that No Labels was having difficulties recruiting candidates for their ticket, with leading lights Joseph Manchin (D-WV), Lawrence Hogan (R former MD governor) and Nikki Haley (R former SC governor) declining (see [“On the Margin: Bullard Now! Manchin No!”](#) February 20, 2024). Manchin didn’t want the Unity Ticket’s vice president slot. Hogan saw a higher-probability opportunity in running for senator. Haley wants to keep her record clean for 2028 when she likely won’t have to fight Donald J. Trump for the GOP nomination.

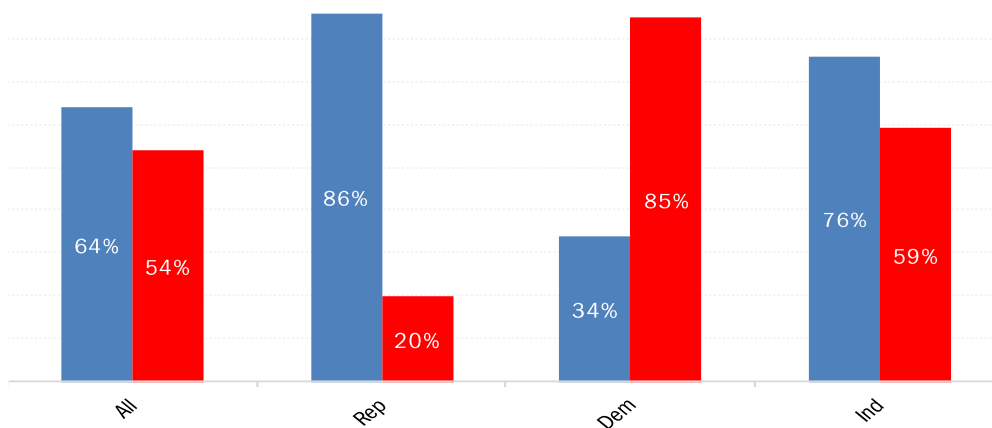
- *But No Labels wasn’t the only potential disruptor. Robert F. Kennedy, Jr. is very much in the mix* (see [“TrendMacro conversation with Robert F. Kennedy, Jr.”](#) July 31, 2023).
- The 2024 election is ripe for disruption. *Strong majorities across*

### Update to strategic view

#### US POLITICS, US MACRO, FEDERAL RESERVE:

No Labels has stood down its Unity Ticket initiative for the 2024 presidential election because it has been unable to recruit high-quality candidates. But polling continues to show that majorities don’t think either Biden or Trump should run, so the field is open for a disruptive independent candidate. With No Labels off the board, Kennedy can be that disruptor. Nationally he is polling in the neighborhood of the vote-share Perot got in 1992, which was enough to tip the election from Bush to Clinton. Kennedy draws more from Biden nationally. But in the key battleground states he draws equally. Because elections are decided entirely in those seven states, and by a tiny handful of voters in those states, even a modest Kennedy draw could trigger a “contingent election” that would have to be decided by the House. The March jobs report was unambiguous, with the payroll survey and the household survey agreeing for a change, and almost no revisions. The productivity-led boom is very much intact.

More voters think Biden shouldn’t be running than Trump ■ Biden ■ Trump



Source: [Harris Poll March 11](#), TrendMacro calculations

and beyond parties think neither Trump nor Joseph R. Biden should be running for president – with more thinking Biden shouldn't (please see the chart on the first page).

- Kennedy doesn't have the centrist bi-partisan appeal that might have led the No Labels Unity Ticket to outright victory in 2024, when the electorate is hungry for a safe-and-sane alternative.
- Kennedy is in many ways a radical, but his family name is a valuable brand asset that vaults him into ranks well above typical independent protest candidates whom he would otherwise be lumped in with (this year those would be the likes of Cornel West and Jill Stein).
- Indeed, in a private conference call with Frank Luntz last week, we learned his focus group work among Democrats reveals, seemingly incredibly, that RFK Jr. voters would support him not just because of his family name, but because they literally think he is his father.
- RFK Jr. may be a sufficiently attractive independent candidate to at least draw enough votes from the major parties to influence the outcome.
- So far polling shows Trump ahead of Joseph R. Biden nationally and in six of the seven key battleground states in a two-way match-up. RFK Jr. draws somewhat more from Biden than from Trump nationally, and about evenly in the battleground states (please see the chart below, and the chart on the next page).

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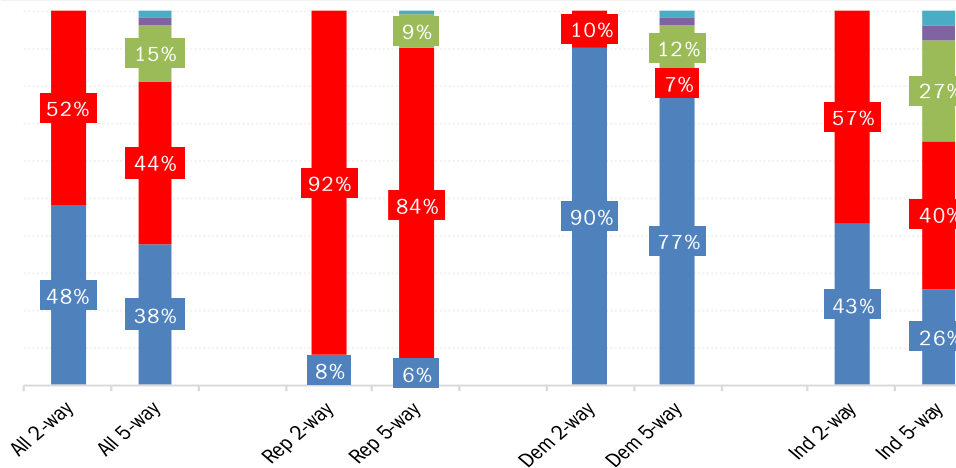
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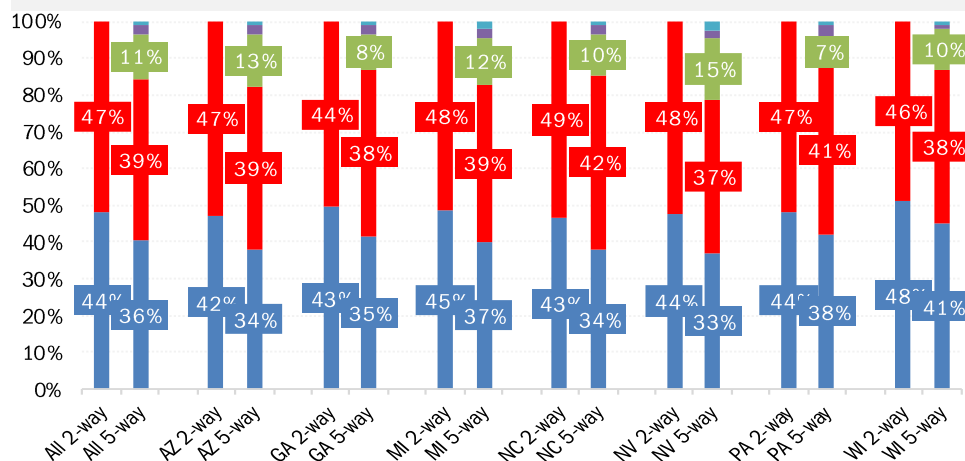
Trump leads in 2-way race. 5-way, Kennedy draws more from Biden than from Trump  
Who would you vote for today? ■ Biden ■ Trump ■ Kennedy ■ West ■ Stein



Source: [Harris Poll March 11](#), TrendMacro calculations

- Polling at 15% nationally (again, please see the chart directly above), RFK Jr. is in the ballpark with H. Ross Perot, who earned 18.9% of the national popular vote in 1992.
- Perot very likely tipped that election to William J. Clinton, from George H. W. Bush (assuming no less than 69% of Perot voters would have otherwise voted for Bush).
- But today, 32 years later, the battleground states are all that matter, so on the face of it, RFK Jr. isn't making much of a difference.

**Battlegrounds: Trump leads in 2-way race. 5-way, Kennedy draws equally**  
 Who would you vote for today? ■ Biden ■ Trump ■ Kennedy ■ West ■ Stein



Source: [Wall Street Journal March 24](#), TrendMacro calculations

- That said, small differences in the battleground states can determine modern elections. In 2020, if only about 22,000 voters across Arizona, Georgia and Wisconsin had voted for Trump instead of Biden, the election would have been a perfect tie in the Electoral College, and it would have become a “contingent election” to be decided by the House of Representatives (again, see [“How Biden and Trump Can Both Lose. Easily.”](#)).
- RFK Jr. is going to have to scramble to get on all fifty state ballots. But he could do it (Perot started no earlier in 1992, and he managed it – and RFK Jr.’s running mate Nicole Shanahan has the Perot-class money to make it happen). He could be a serious spoiler, and perhaps a kingmaker, if he just gets on seven ballots – the battleground states who pick the president for the rest of us.

**AND NOW, JOBS** [Today's March 2024 Employment Situation Report](#) has none of the ambiguity of last month’s (see [“On the February Jobs Report”](#) March 8, 2024). Essentially every element is consistent with our vision of a post-pandemic productivity-led boom.

- Net payrolls at 303,000 beat the consensus expectation for 214,000. There were only trivial revisions to prior months (see [“Data Insights: Jobs”](#) April 5, 2024).
- The unemployment rate fell marginally, to 3.83% from 3.86% in February. This is especially remarkable given strong growth in the labor force of 469,000. But more than all of the new entrants were immediately employed – with employment rising by 498,000 and unemployment falling by 29,000.
- That means that, this month, for a change, the [Current Population Survey – the “household survey”](#) – didn’t contradict the [Current Employment Statistics survey – the “payroll survey”](#).

- *The Fed will be thrilled that ordinary working people aren't increasing their well-being at rates believed, without evidence, to be inflationary.* Average hourly earnings in March grew only 0.35%.
- *And the Fed will be outright delighted that job vacancies reported in the Job Openings and Labor Turnover Survey (JOLTS) are down 3.4 million compared to their peak two years ago.* That record level of opportunities for the unemployed to become employed was believed, without evidence, to be so inflationary that the Fed had to finally lift off from zero interest rates. But don't worry about today's lower level really meaning there are no opportunities left – while those 3.4 million opportunities vanished over the last two years, payrolls grew by 6.8 million.
- According to markets as of this writing, the Fed is not thrilled and delighted. Before the jobs report, the futures-implied probability of the first rate cut coming in July was 115%. Now after the report it is only 99%.
- *But it doesn't matter anymore what the Fed thinks* (see [“Video: What you're not hearing about why it doesn't matter when the Fed cuts rates”](#) February 26, 2024). The banking sector would surely like a lower funds rate as soon as possible, to take pressure off compressed net interest margins. But the rest of the economy is booming despite these rates – or, arguably, because of them. There's nothing “stimulative” about rates that are artificially low, punishing savers and encouraging firms to make stupid investments.
- *So we have bad news and we have good news. The bad news is that you aren't going to be able to see the doctor for four months. The good news is that you aren't sick.*

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### Bottom line

No Labels has stood down its Unity Ticket initiative for the 2024 presidential election because it has been unable to recruit high-quality candidates. But polling continues to show that majorities don't think either Biden or Trump should run, so the field is open for a disruptive independent candidate. With No Labels off the board, Kennedy can be that disruptor. Nationally he is polling in the neighborhood of the vote-share Perot got in 1992, which was enough to tip the election from Bush to Clinton. Kennedy draws more from Biden nationally. But in the key battleground states he draws equally. Because elections are decided entirely in those seven states, and by a tiny handful of voters in those states, even a modest Kennedy draw could trigger a “contingent election” that would have to be decided by the House. The March jobs report was unambiguous, with the payroll survey and the household survey agreeing for a change, and almost no revisions. The productivity-led boom is very much intact. ▶