



NEWS RELEASE

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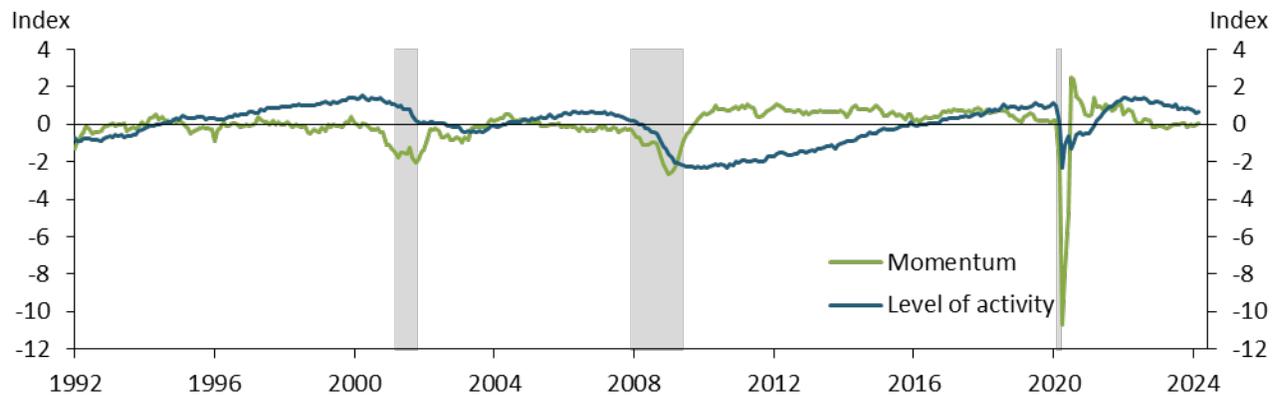
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The KC Fed LMCI suggests the level of activity increased, and momentum was little changed in March.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased, and momentum was little changed in March. The level of activity increased by 0.1, from 0.58 to 0.68, and remained above its historical average. The momentum indicator was little changed at 0.04. Momentum has been very close to its historical average for the last year and a half.

LMCI January 1992–March 2024



LMCI September 2020–March 2024



Note: Bottom chart begins in September 2020 to remove pandemic-related volatility and more clearly illustrate recent developments in the series.

These readings likely do not fully describe the state of the labor market at the end of March, as many of the input data series reflect conditions early in the month. For example, data from the Bureau of Labor Statistics' Household Survey are from the reference period of March 10 through March 16. Additionally, the most recent data from the Job Openings and Labor Turnover Survey (JOLTS) are for February. Therefore, labor market developments in the latter half of March will likely show up in the April 2024 LMCI readings.

As previously noted, the level of activity indicator increased by 0.1 from February to March. The first column of the table below shows the five labor market variables that made the largest contributions to the increase in the activity indicator this month. Overall, 12 variables made a positive contribution to the change in the activity indicator, four variables made no contribution, and eight variables made a negative contribution. The largest contributor to the increase in the level of activity was job leavers as a percent of the unemployed. In March, 12.7 percent of unemployed workers had voluntarily left their previous jobs, up from 11 percent in February.

Largest Contributions to the LMCI

Contributions to the increase in the <i>level of activity</i> indicator in March 2024	Positive contributions to the <i>momentum</i> indicator in March 2024
Job leavers	Initial claims
Job losers	Labor force participation rate
Job flows from U to E	Aggregate weekly hours
Job availability index (Conference Board)	Job losers
Employment-population ratio	Hires rate

Note: Contributions are ordered from largest in absolute value to smallest.

The second column of the table shows the five variables that made the largest positive contributions to the momentum indicator in March 2024. The momentum indicator was 0.04 in March. Overall, 12 variables made a positive contribution to momentum in March, and 12 variables made a negative contribution. The largest positive contributor to momentum was initial unemployment insurance claims. In March, initial claims averaged roughly 214,000 per week, well-below the series' pre-pandemic average of 344,000 per week.

