



# NEWS RELEASE

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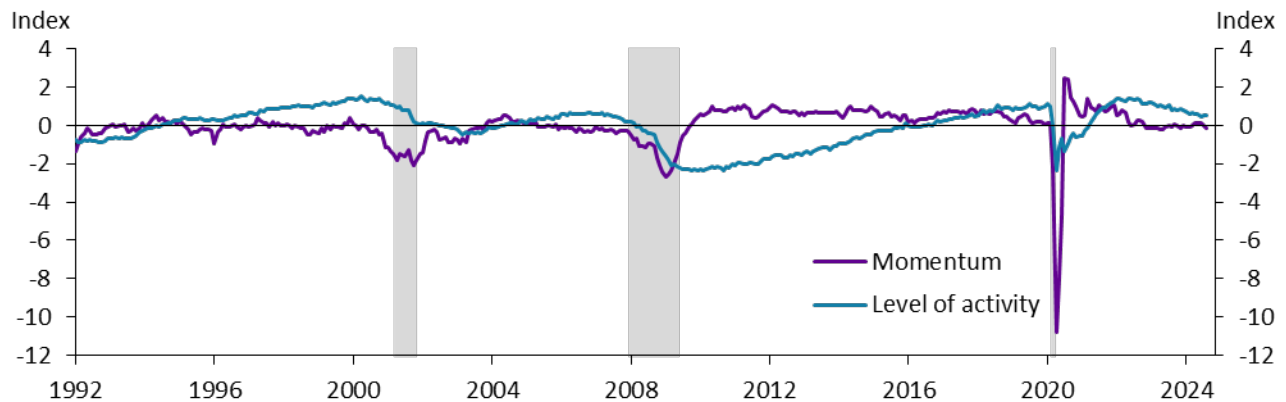
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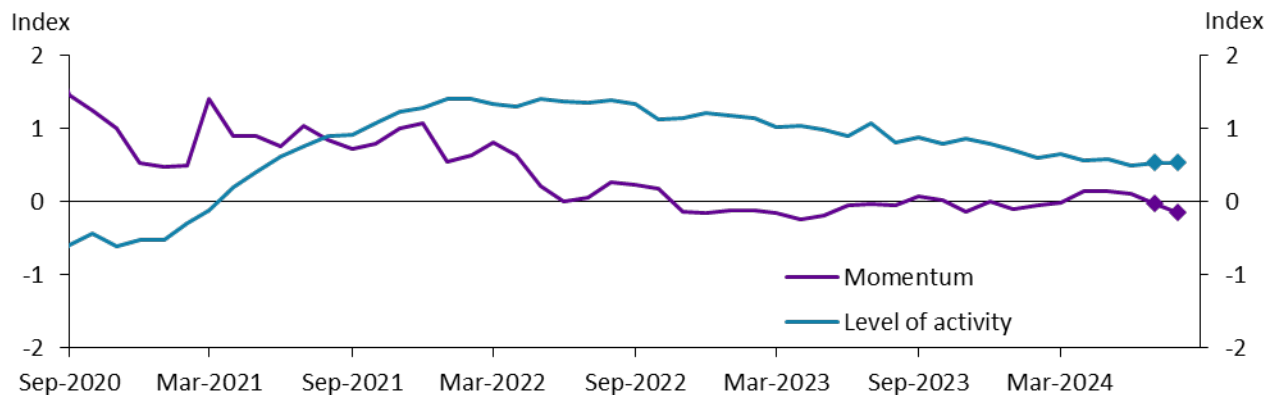
## The KC Fed LMCI suggests the level of activity was little changed, and momentum decelerated moderately in August.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity was little changed, and momentum decelerated moderately in August. The level of activity was little changed in July at 0.53, still above its historical average though lower than its pre-pandemic level. Meanwhile, the momentum indicator decreased by 0.12, from  $-0.03$  to  $-0.15$ , remaining near its historical average.

LMCI January 1992–August 2024



LMCI September 2020–August 2024



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

The first column of the table below shows the five labor market variables that made the largest contributions to the 0.009 increase in the activity indicator this month. Overall, 10 variables made a positive contribution to the change in the activity indicator, four variables made no contribution, and 10 variables made a negative contribution. The largest contributor to the increase in the level of activity was flows from unemployment to employment (the job-finding rate). In August, 27.0 percent of workers who were previously unemployed found a job, up from 25.7 percent a month ago. Despite the recent uptick, this rate has been gradually declining since the second half of 2022, suggesting that as the labor market comes into better balance, job-finding opportunities are narrowing.

### Largest Contributions to the LMCI

Contributions to the increase in the <i>level of activity</i> indicator in August 2024	Contributions to the decrease in the <i>momentum</i> indicator in August 2024
Job flows from U to E	Announced job cuts (Challenger-Gray-Christmas)
Percent of firms with positions not able to fill right now (NFIB)	Temporary help employment
Job losers	Expected job availability (U of Michigan)
Unemployment rate (U3)	Job flows from U to E
Job leavers	Percent of firms planning to increase employment (NFIB)

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 contributions to the decrease in the momentum indicator this month. Overall, 12 variables made a negative contribution to the change in the momentum indicator, four variables made no contribution, and eight variables made a positive contribution. The largest negative contributor to momentum was the announced job cuts (Challenger-Gray-Christmas). In August, firms announced 76,000 job cuts, up from 26,000 a month ago. However, this series is volatile and essentially flat as a three-month moving average, so announced job cuts may reverse next month.

