



NEWS RELEASE

FEDERAL RESERVE BANK *of* KANSAS CITY
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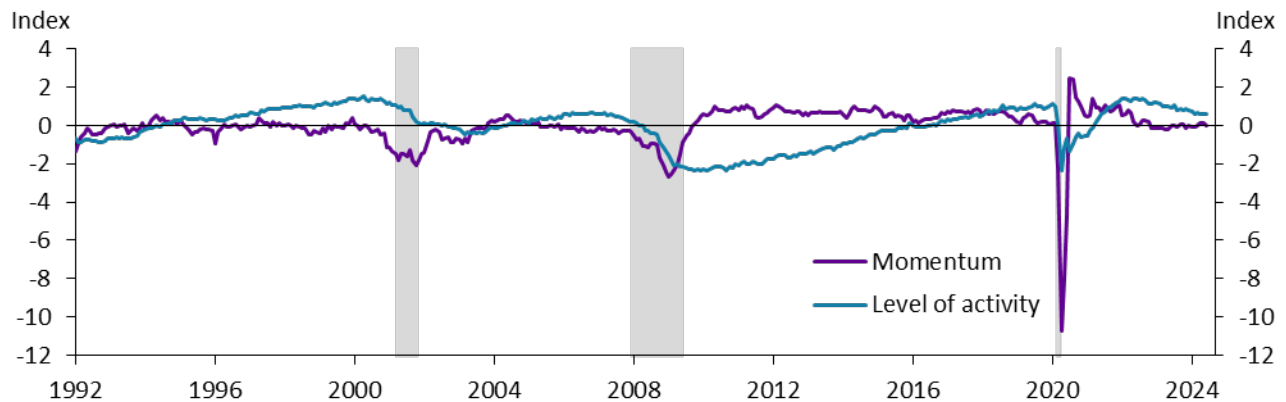
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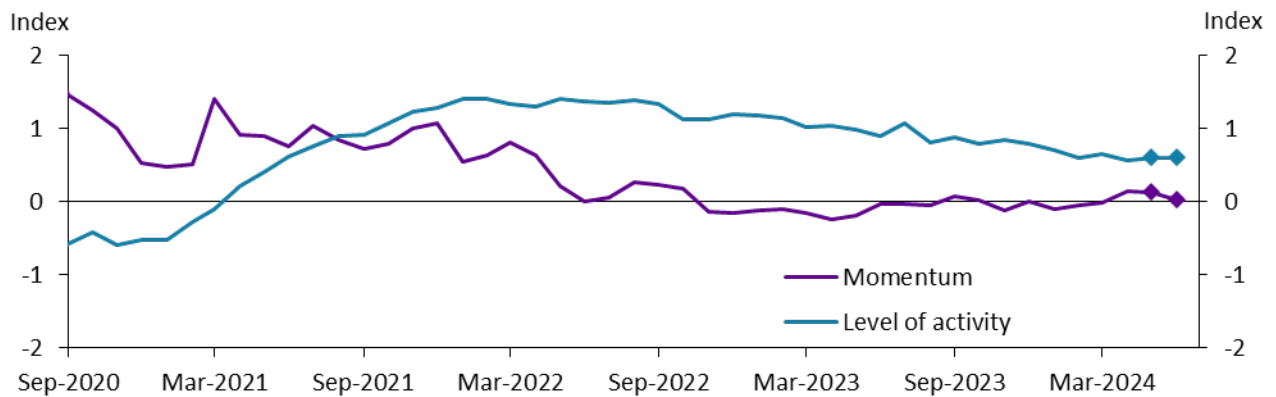
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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity was essentially unchanged, and momentum decelerated moderately in June. The level of activity increased by only 0.0008 from May to June and remained at 0.60, above its historical average. Meanwhile, the momentum indicator decreased by 0.10, from 0.13 to 0.03, remaining near its historical average.

LMCI January 1992–June 2024



LMCI September 2020–June 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 increase in the activity indicator this month. Overall, 11 variables made a positive contribution to the change in the activity indicator, six variables made no contribution, and seven variables made a negative contribution. The largest contributor to the increase in the level of activity was job losers as a percent of the unemployed. In June, 47.2 percent of unemployed workers had involuntarily left their previous jobs, down from 48.7 percent in May.

Largest Contributions to the LMCI

Contributions to the increase in the <i>level of activity</i> indicator in June 2024	Contributions to the decrease in the <i>momentum</i> indicator in June 2024
Job losers	Temporary help employment
Job leavers	Aggregate weekly hours
Working part time for economic reasons	Manufacturing employment index (ISM)
Temporary help employment	Percent of firms with positions not able to fill right now (NFIB)
Manufacturing employment index (ISM)	Average hourly earnings

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, six variables made no contribution, and six variables made a positive contribution. The largest contributor to the decrease in the momentum indicator was the three-month percent change in temporary help employment—typically a leading indicator of the health of the labor market. Although employment in temporary help services has been declining since March 2022, the decline has steepened more recently. Temporary help employment declined by 3.2 percent from March to June 2024, compared with only a 1.5 percent decline from February to May.

