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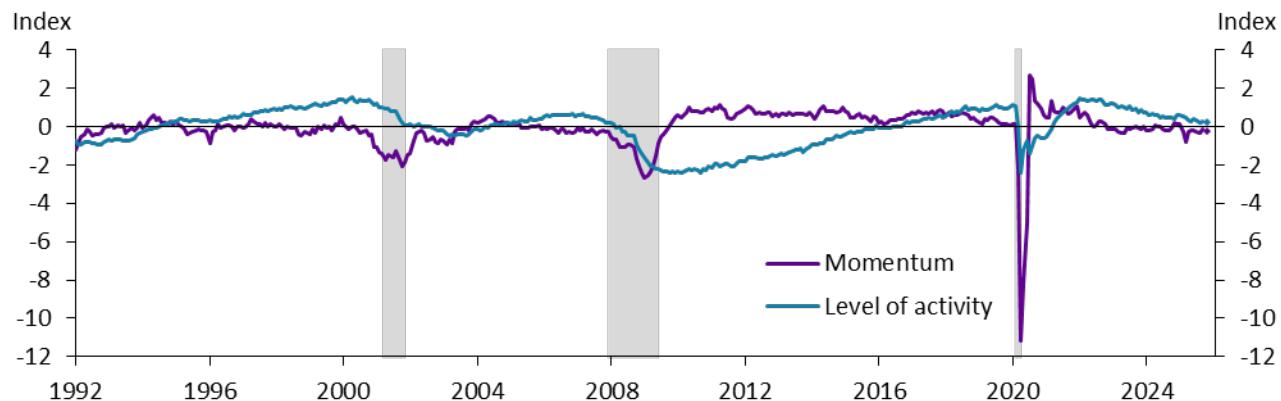
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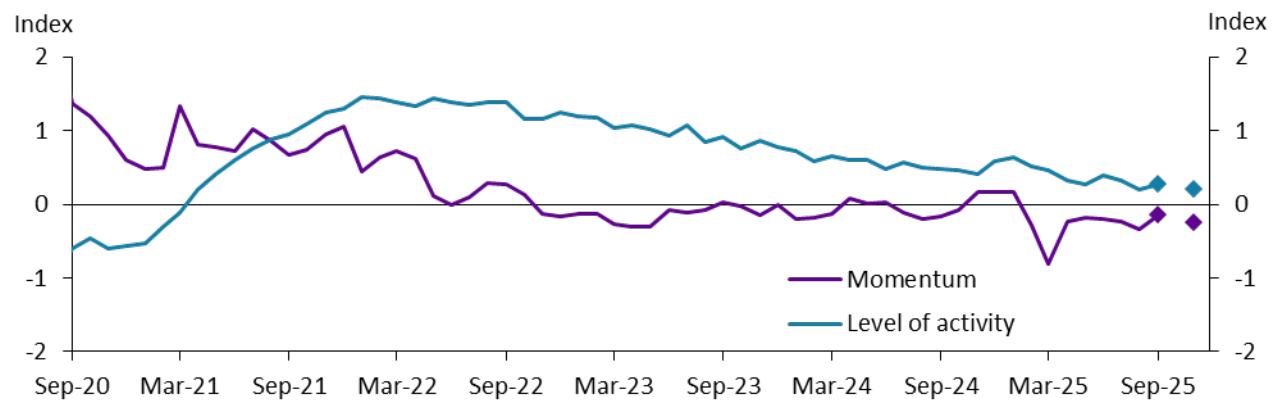
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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity declined modestly and momentum decelerated moderately from September to November. The level of activity decreased by 0.07, from 0.27 in September to 0.20 in November, but remains above its historical average. Meanwhile, the momentum indicator decreased by 0.11, from -0.14 in September to -0.25 in November. Due to missing input data, LMCI figures for October were not calculated.

LMCI January 1992–November 2025



LMCI September 2020–November 2025



The first column of the table below shows the labor market variables that made the largest contributions to the 0.07 decrease in the activity indicator from September to November. Overall, 12 variables made a positive contribution to the change in the activity indicator, one variable made no contribution, and 11 variables made a negative contribution. The largest positive contributor to the change in the level of activity was the net percent of firms planning to increase employment from the National Federation of Independent Business (NFIB) survey. In November, on net, 19 percent of firms planned to increase employment, up from 16 percent in September. The largest negative contributor to the change in the level of activity was the share of employed workers working part time for economic reasons. In November, 3.4 percent of employed workers reported working part time because they could not find full time work, up from 2.8 percent in September.

Largest Contributions to the LMCI

Largest positive contributions to the change in the <i>level of activity</i> indicator in November 2025	Largest positive contributions to the change in the <i>momentum</i> indicator in November 2025
Percent of firms planning to increase employment (NFIB)	Percent of firms planning to increase employment (NFIB)
Average hourly earnings	Hires rate
Largest negative contributions to the change in the <i>level of activity</i> indicator in November 2025	Largest negative contributions to the change in the <i>momentum</i> indicator in November 2025
Working part time for economic reasons	Average hourly earnings
Hires rate	Announced job cuts (Challenger-Gray-Christmas)

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

The second column of the table shows the variables that made the largest contributions to the 0.11 decrease in the momentum indicator from September to November. Overall, 12 variables made a positive contribution to the change in the momentum indicator, one variable made no contribution, and 11 variables made a negative contribution. As with the level of activity, the largest positive contributor to the change in momentum was the net percent of firms planning to increase employment from the NFIB survey. The largest negative contributor to the change in momentum was the three-month percent change in average hourly earnings for production and nonsupervisory employees. From August to November, average hourly earnings increased by 0.99 percent, up from 0.83 percent from June to September. Historically, higher wage growth is negatively correlated with the LMCI's momentum indicator because higher wage growth is often associated with slower employment growth in subsequent months.