



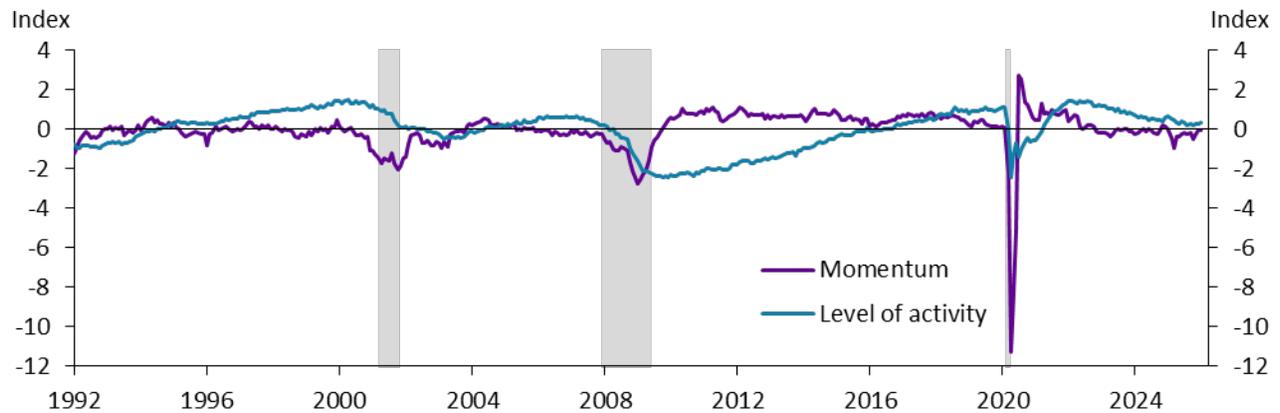
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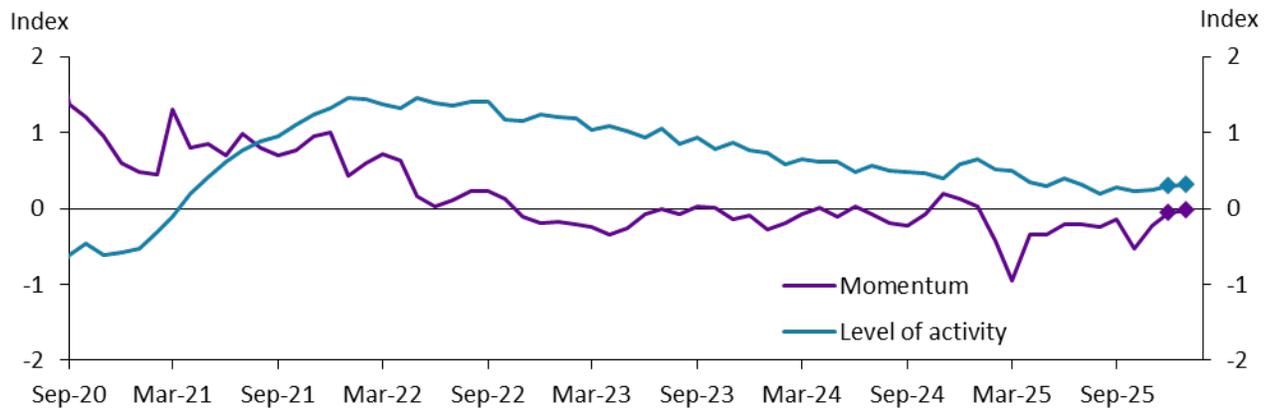
The KC Fed LMCI suggest the level of activity and momentum were little changed in January.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity and momentum were little changed in January. The level of activity was little changed at 0.32, remaining above its historical average. Meanwhile, the momentum indicator was little changed at -0.03 .

LMCI January 1992–January 2026



LMCI September 2020–January 2026



Note: Current Population Survey (CPS) data used as inputs for the October LMCI were imputed as the average of the September and November values.

The first column of the table below shows the labor market variables that made the largest contributions to the 0.03 increase in the activity indicator this month. Overall, nine variables made a positive contribution to the change in the activity indicator, three variables made no contribution, and 12 variables made a negative contribution. The largest positive contributor to the change in the level of activity was job leavers as a percent of the unemployed. In January, 13.7 percent of unemployed workers voluntarily left their previous jobs, up from 11.1 percent in December 2025. The largest negative contributor to the change in the level of activity was the expected job availability index from the Conference Board. In January, the expected job availability index came in at 85.4, down from 91.4 in December, suggesting growing pessimism about the labor market as an increasing share of individuals think there will be fewer jobs in the future.

Largest Contributions to the LMCI

Largest positive contributions to the change in the <i>level of activity</i> indicator in January 2026	Largest positive contributions to the change in the <i>momentum</i> indicator in January 2026
Job leavers	Manufacturing employment index (ISM)
Working part time for economic reasons	Aggregate weekly hours
Largest negative contributions to the change in the <i>level of activity</i> indicator in January 2026	Largest negative contributions to the change in the <i>momentum</i> indicator in January 2026
Expected job availability (Conference Board)	Announced job cuts (Challenger-Gray-Christmas)
Job flows from U to E	Expected job availability (Conference Board)

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 0.02 increase in the momentum indicator this month. Overall, 11 variables made a positive contribution to the change in the momentum indicator, three variables made no contribution, and 10 variables made a negative contribution. The largest positive contributor to the change in momentum was the ISM manufacturing employment index. The index rose to 48.1 in January, up from 44.8 in December. Although readings below 50 signal contraction in manufacturing employment, the January reading is the highest since February 2025, suggesting the pace of job losses may be easing. The largest negative contributor to the change in momentum was announced job cuts (Challenger-Gray-Christmas). In January, firms announced 108,435 job cuts, up from 35,553 a month ago, driven by increases in announced layoffs in the transportation and technology sectors.