

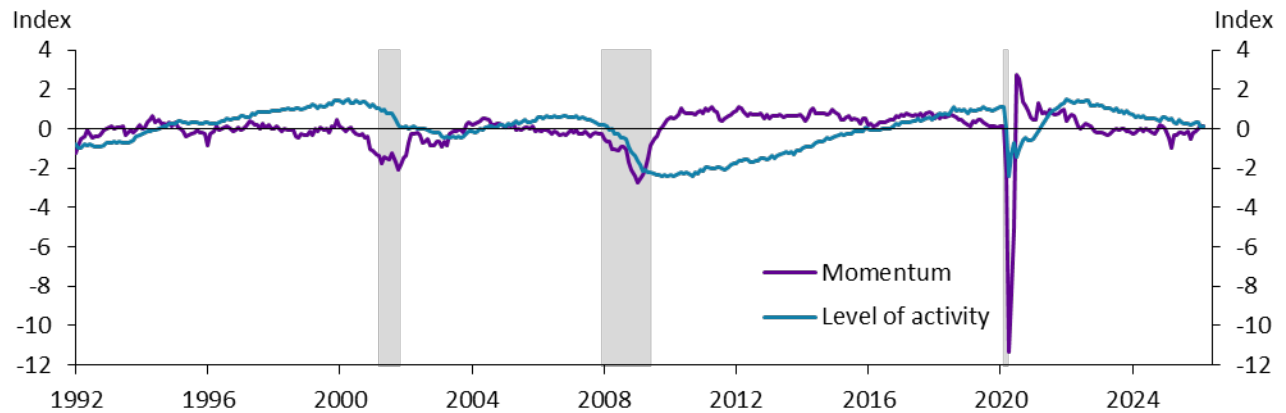
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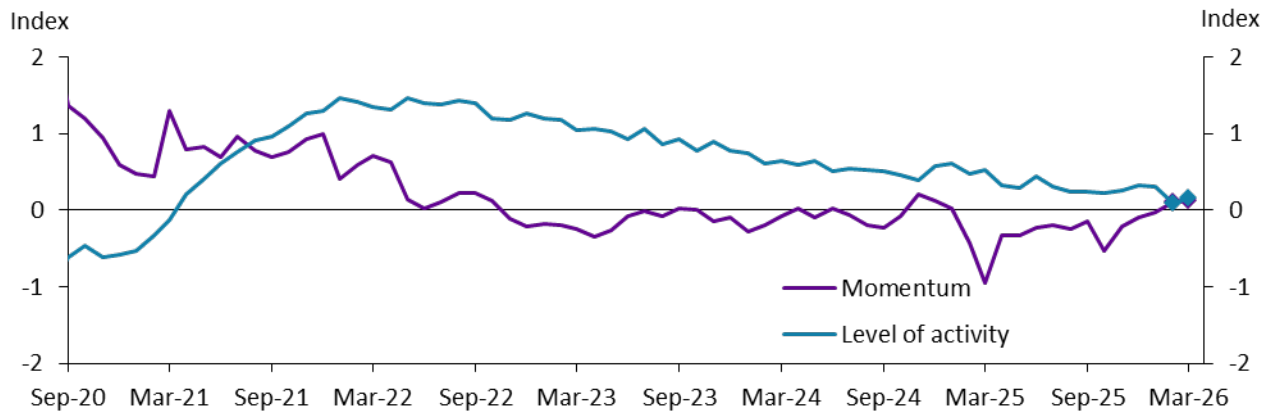
The KC Fed LMCI suggest the level of activity increased slightly and momentum was little changed in March.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased slightly and momentum was little changed in March. The level of activity increased by 0.07, from 0.08 to 0.15, and remains above its historical average. Meanwhile, the momentum indicator was little changed at 0.12.

LMCI January 1992–March 2026



LMCI September 2020–March 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 0.07 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 positive contributor to the change in the level of activity was flows from unemployment to employment (the job-finding rate). In March, 24.9 percent of workers who were previously unemployed found a job, up from 22.9 percent in February. The largest negative contributor to the change in the level of activity was the expected job availability index from the Conference Board. In March, the expected job availability index came in at 87.5, down from 89.8 in February, 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 March 2026	Largest positive contributions to the change in the <i>momentum</i> indicator in March 2026
Job flows from U to E	Aggregate weekly hours
Job leavers	Temporary help employment
Largest negative contributions to the change in the <i>level of activity</i> indicator in March 2026	Largest negative contributions to the change in the <i>momentum</i> indicator in March 2026
Expected job availability (Conference Board)	Announced job cuts (Challenger-Gray-Christmas)
Percent of firms with positions not able to fill right now (NFIB)	Job flows from U to E

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 0.01 increase in the momentum indicator this month. Overall, 10 variables made a positive contribution to the change in the momentum indicator, four variables made no contribution, and 10 variables made a negative contribution. The largest positive contributor to the change in momentum was the three-month percent change in aggregate weekly hours for production and nonsupervisory employees. From January to March, aggregate weekly hours increased by 0.40 percent, up from a 0 percent change from December to February. The largest negative contributor to the change in momentum was announced job cuts (Challenger-Gray-Christmas). In March, firms announced 60,620 job cuts, up from 48,307 a month prior. Since the pandemic announced job cuts have become less predictive of actual layoffs. Thus, ignoring their contribution suggests even more momentum in the labor market.