FEDERAL RESERVE BANK OF KANSAS CITY
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News Release

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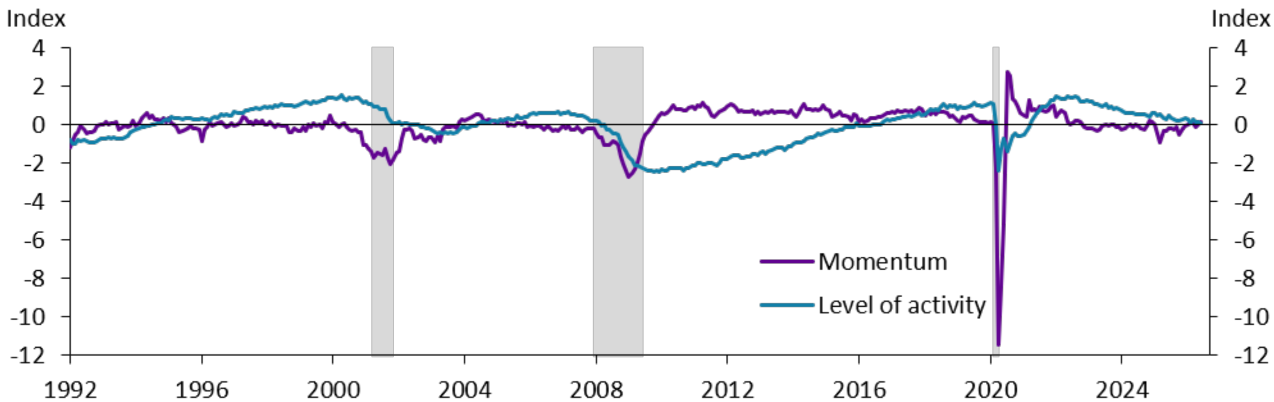
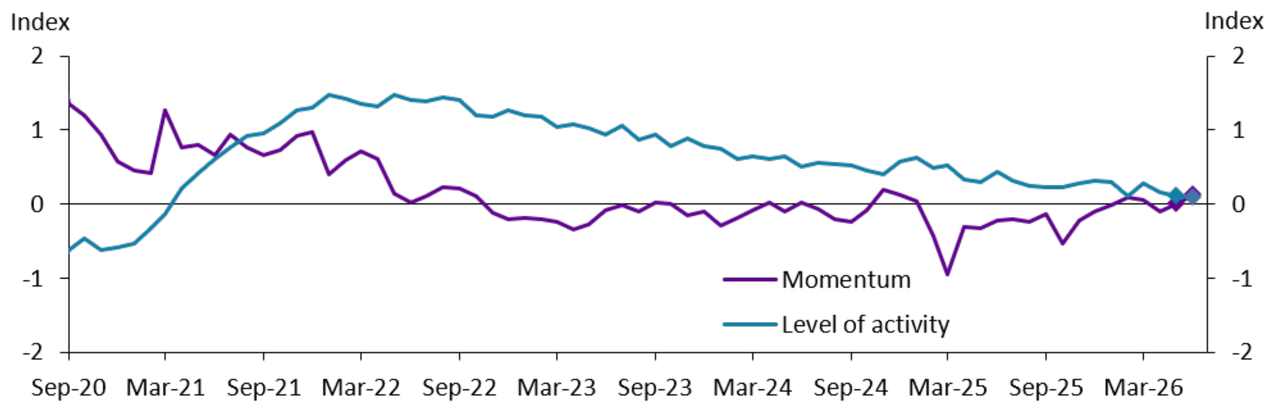
The KC Fed LMCI suggest the level of activity was little changed and momentum accelerated moderately in June.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity was little changed and momentum accelerated moderately in June. The level of activity was 0.09 in June and remains above its historical average. The momentum indicator increased by 0.12, from 0.00 to 0.12.

LMCI January 1992–June 2026



LMCI September 2020–June 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 0.02 decrease 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 the percentage of firms planning to increase employment (NFIB). In June, a net 11 percent of firms planned to increase employment in the next three months, up from 9 percent in May. The largest negative contributor to the change in the level of activity was job leavers as a percentage of the unemployed. In June, 11.0 percent of unemployed workers had voluntarily left their previous jobs, down from 12.5 percent in May but essentially back to its April reading.

Largest Contributions to the LMCI

Largest positive contributions to the change in the *level of activity* indicator in June 2026	**Largest positive contributions to the change in the *momentum* indicator in June 2026**
Percent of firms planning to increase employment (NFIB)	Announced job cuts (Challenger-Gray-Christmas)
Percent of firms with positions not able to fill right now (NFIB)	Manufacturing employment index (ISM)
Largest negative contributions to the change in the *level of activity* indicator in June 2026	**Largest negative contributions to the change in the *momentum* indicator in June 2026**
Job leavers	Aggregate weekly hours
Job flows from U to E	Private nonfarm payroll employment

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 0.12 increase in the momentum indicator this month. Overall, 15 variables made a positive contribution to the change in the momentum indicator, three variables made no contribution, and six variables made a negative contribution. The largest positive contributor to the change in momentum was announced job cuts (Challenger-Gray-Christmas). In June, firms announced 45,849 job cuts, down from 97,006 cuts the previous month. The largest negative contributor to the change in momentum was the three-month percent change in aggregate weekly hours for production and nonsupervisory employees. From March to June, aggregate weekly hours decreased by 0.08 percent, down from a 0.56 percent increase from February to May.