

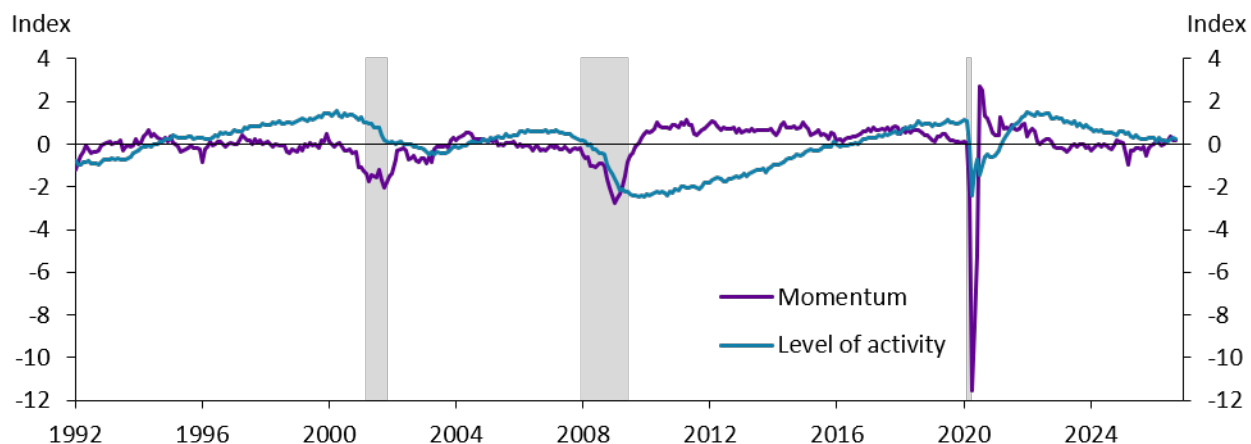


Labor Market Conditions Indicators

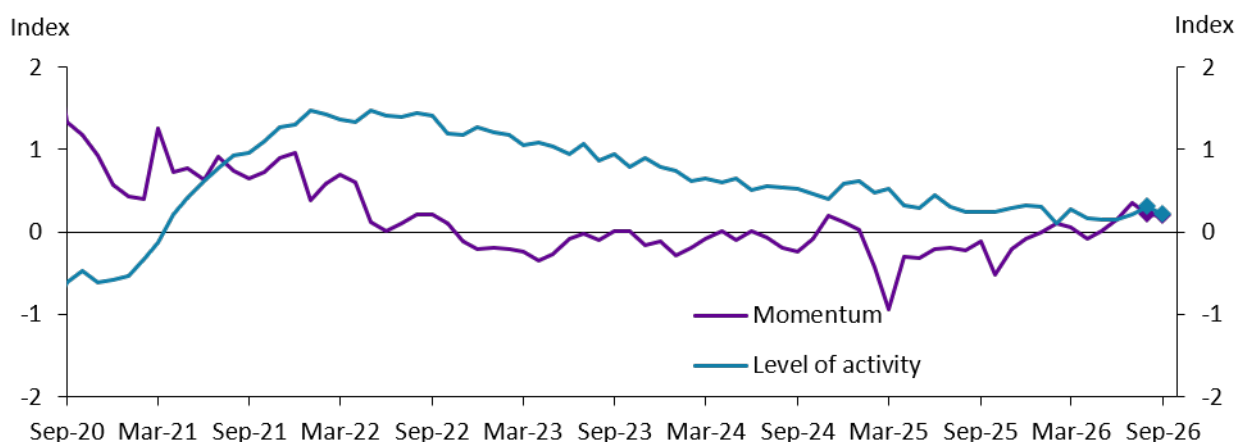
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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity declined modestly and momentum was little changed in September. The level of activity indicator decreased by 0.09, from 0.31 to 0.22, but remains above its historical average. The momentum indicator was little changed at 0.19.

LMCI January 1992–September 2026



LMCI September 2020–September 2026



Note: Current Population Survey (CPS) data used as inputs for the October 2025 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 0.09 decrease 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 September, 26.4 percent of workers who were previously unemployed found a job, up from 24.9 percent in August. The largest negative contributor to the change in the level of activity was job leavers as a percent of the unemployed. The share declined from 13.1 percent in August to 10.5 percent in September. A higher share of job leavers is generally associated with stronger labor market conditions.

Largest Contributions to the LMCI

Largest positive contributions to the change in the <i>level of activity</i> indicator in September 2026	Largest positive contributions to the change in the <i>momentum</i> indicator in September 2026
Job flows from U to E	Manufacturing employment index (ISM)
Job losers	Announced job cuts (Challenger-Gray-Christmas)
Largest negative contributions to the change in the <i>level of activity</i> indicator in September 2026	Largest negative contributions to the change in the <i>momentum</i> indicator in September 2026
Job leavers	Temporary help employment
Percent of firms with positions not able to fill right now (NFIB)	Expected job availability (U of Michigan)

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 decrease in the momentum indicator this month. Overall, 12 variables made a positive contribution to the change in the momentum indicator, four variables made no contribution, and eight variables made a negative contribution. The largest positive contributor to the change in momentum was the ISM manufacturing employment index. The index increased from 51.2 in August to 52.7 in September, remaining in expansionary territory (readings above 50 indicate economic expansion). The largest negative contributor to the change in momentum was the three-month percent change in temporary help employment. From June to September, temporary help employment declined 0.8 percent, marking its first three-month decline since December 2025.