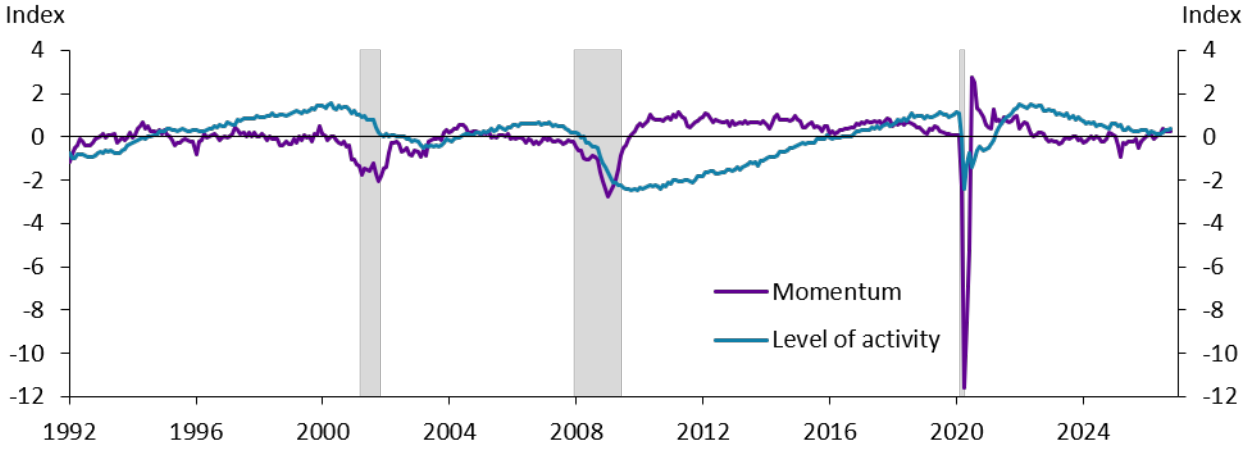
Labor Market Conditions Indicators

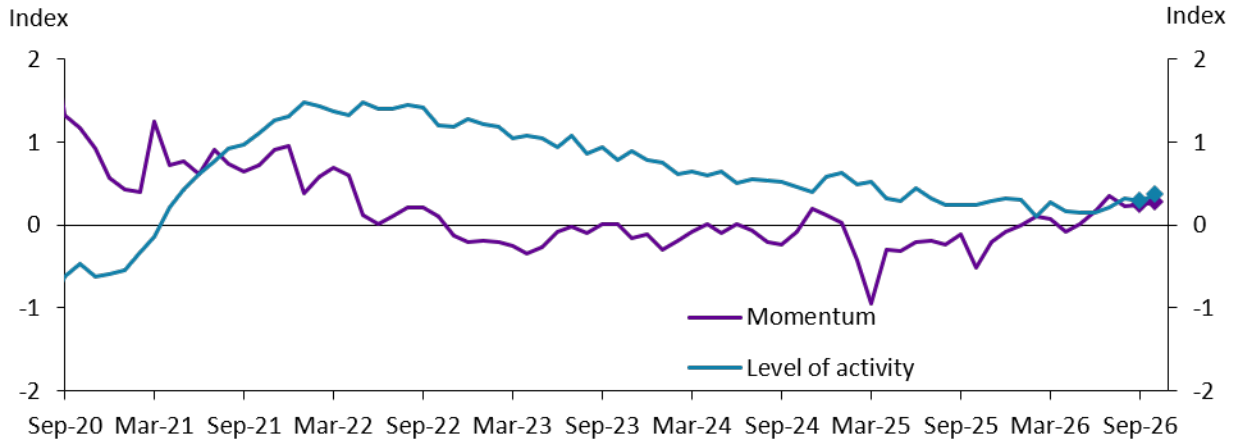
The KC Fed LMCI suggest the level of activity increased modestly and momentum was little changed in October.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased modestly and momentum was little changed in October. The level of activity indicator increased by 0.08, from 0.29 to 0.37, and remains above its historical average. The momentum indicator was little changed at 0.27.

LMCI January 1992–October 2026



LMCI September 2020–October 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 0.08 increase in the activity indicator this month. Overall, 15 variables made a positive contribution to the change in the activity indicator, two variables made no contribution, and seven variables made a negative contribution. The largest positive contributor to the change in the level of activity was the percent of firms with positions not able to fill right now from the National Federation of Independent Business (NFIB) survey. In October, 36 percent of firms had job openings that they could not fill, up from 32 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 October, 2.96 percent of employed workers reported working part time because they could not find full-time work, up from 2.76 percent in September.

Largest Contributions to the LMCI

Largest positive contributions to the change in the *level of activity* indicator in October 2026	**Largest positive contributions to the change in the *momentum* indicator in October 2026**
Percent of firms with positions not able to fill right now (NFIB)	Temporary help employment
Average hourly earnings	Expected job availability (U of Michigan)
Largest negative contributions to the change in the *level of activity* indicator in October 2026	**Largest negative contributions to the change in the *momentum* indicator in October 2026**
Working part time for economic reasons	Average hourly earnings
Broad unemployment rate (U6)	Aggregate weekly hours

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, 13 variables made a positive contribution to the change in the momentum indicator, two variables made no contribution, and nine variables made a negative contribution. The largest positive contributor to the change in momentum was the three-month percent change in temporary help employment. Temporary help employment increased by 1.14 percent from July to October, following little change from June to September. Growth in temporary help employment is a leading indicator of broader employment growth, hence its positive correlation with momentum. 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 July to October, average hourly earnings increased by 1.02 percent, up from 0.77 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.