

News Release

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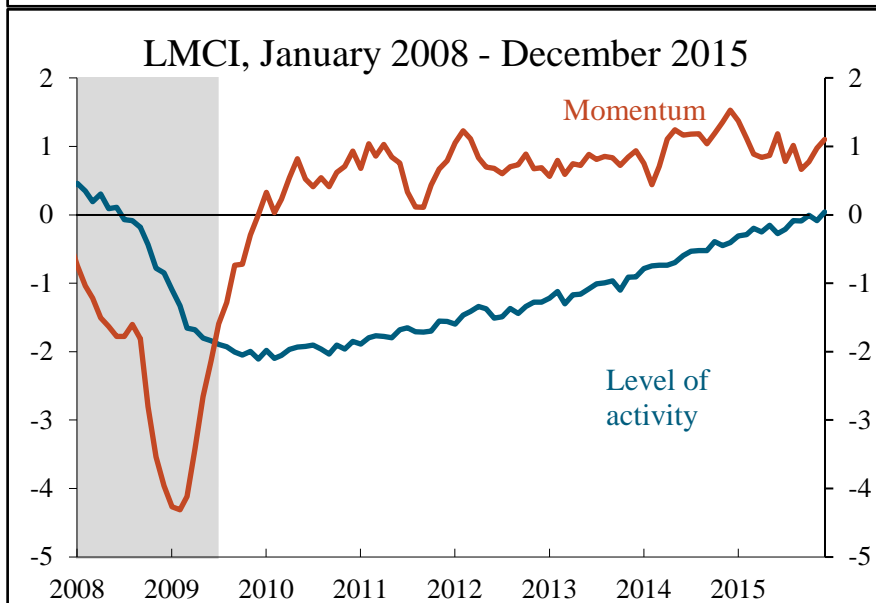
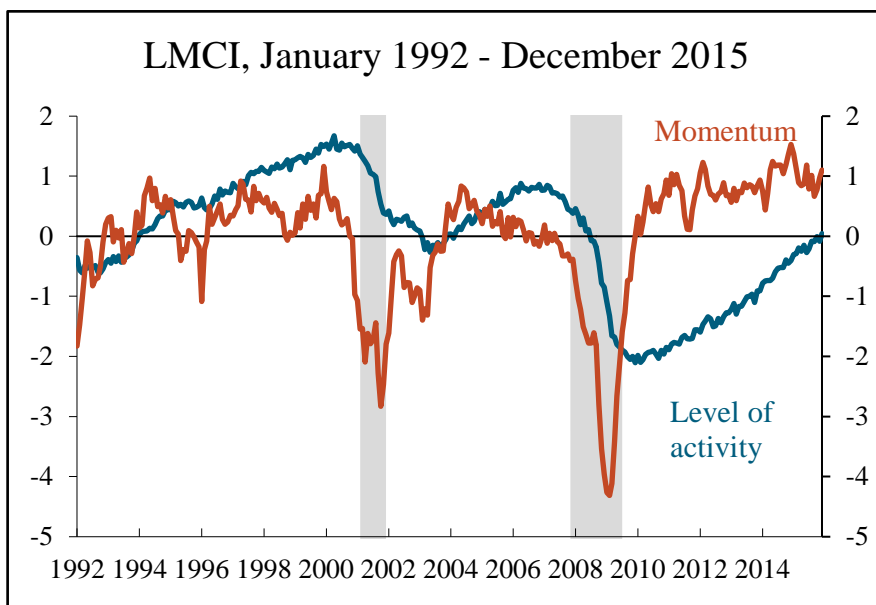
FOR IMMEDIATE RELEASE
January 13, 2016

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The KC Fed LMCI suggest labor market conditions continue to improve.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest labor market conditions continue to improve. The level of activity indicator increased from -0.08 in November to 0.04 in December. This is the first time the level of activity indicator has been positive – indicating that activity is above its historical average – since June 2008. The momentum indicator increased from 0.97 in November to 1.1 in December.

The table on the following page shows the five labor market variables that made the largest contributions to the improvement in the activity indicator over the last six months, and the five variables that made the largest contributions to the momentum indicator in December 2015. The activity indicator increased 0.32 over the last six months. The largest contribution came from the percent of firms planning to increase employment. Seventeen variables made a positive contribution, six variables made a negative contribution, and one variable made no contribution. The momentum indicator was 1.1 in December, where the largest contributor to momentum was initial claims. Seventeen variables made a positive contribution, and seven variables made a negative contribution.



Largest Contributions to the LMCI	
Contributions to the change in the <i>level of activity</i> indicator over the last six months	Contributions to the <i>momentum</i> indicator in December 2015
Percent of firms planning to increase employment (NFIB)	Initial claims
Percent of firms with positions not able to fill right now (NFIB)	Labor force participation rate
Job leavers	Announced job cuts (Challenger-Gray-Christmas)
Manufacturing employment index (ISM)	Expected job availability (U of Michigan)
Job flows from U to E	Aggregate weekly hours
<i>Note: Contributions are ordered from largest to smallest.</i>	

