

News Release

THE FEDERAL RESERVE BANK of KANSAS CITY
DENVER • OKLAHOMA CITY • OMAHA

One Memorial Drive • Kansas City, MO 64198 • Phone: 816.881.2683

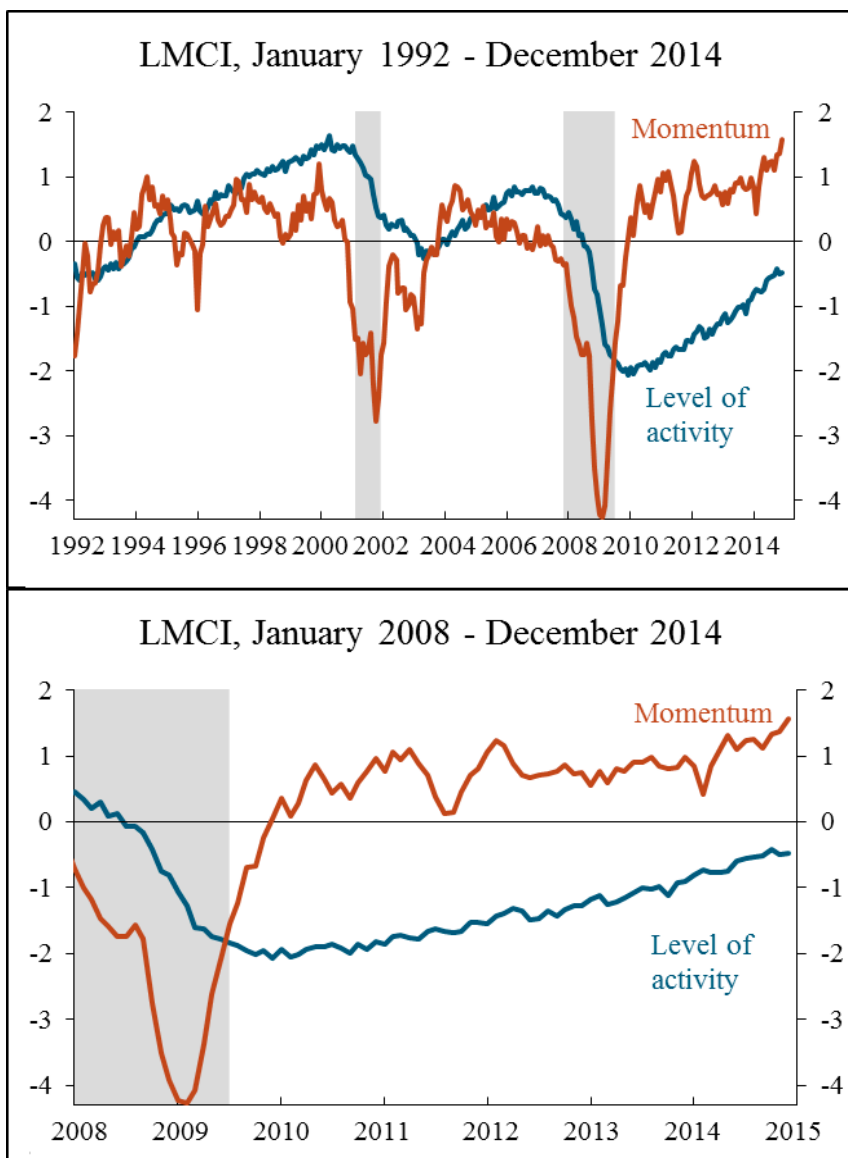
FOR IMMEDIATE RELEASE
January 14, 2015

Contact: Bill Medley
816-881-2556
Bill.Medley@kc.frb.org

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 improved in December, from -0.50 in November to -0.47 in December. The momentum indicator rose significantly to 1.57, its highest level over the sample and up from 1.36 in November.

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 2014. The activity indicator increased 0.12 over the last six months. The largest contribution came from an increase in the quits rate. Sixteen variables made a positive contribution, and eight variables made a negative contribution. The momentum indicator was 1.57 in December, where the largest contributor to momentum was expected job availability from the University of Michigan survey. Twenty variables made a positive contribution, and four 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 2014
Quits rate	Expected job availability (U of Michigan)
Job flows from U to E	Manufacturing employment index (ISM)
Working part-time for economic reasons	Initial claims
Percent of firms planning to increase employment (NFIB)	Aggregate weekly hours
Unemployment forecast (Blue Chip)	Labor force participation rate
<i>Note: Contributions are ordered from largest to smallest</i>	

