

News Release

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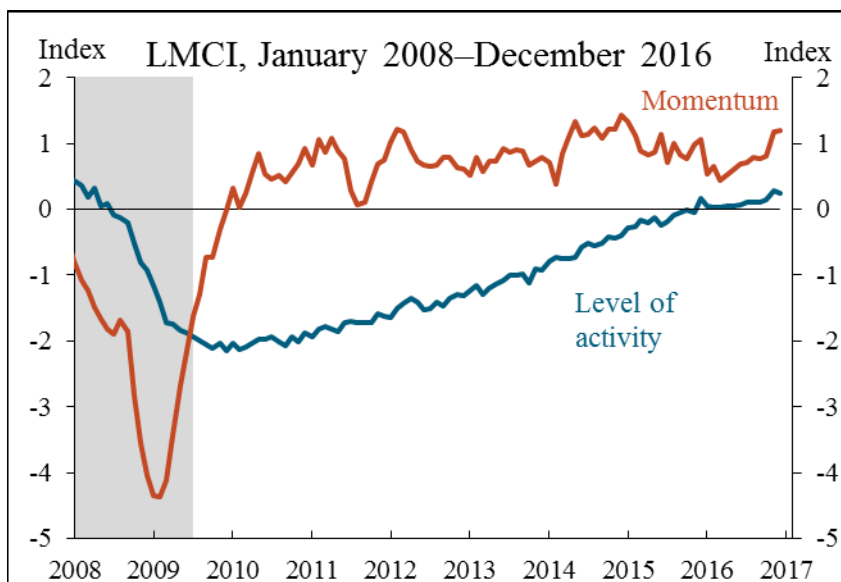
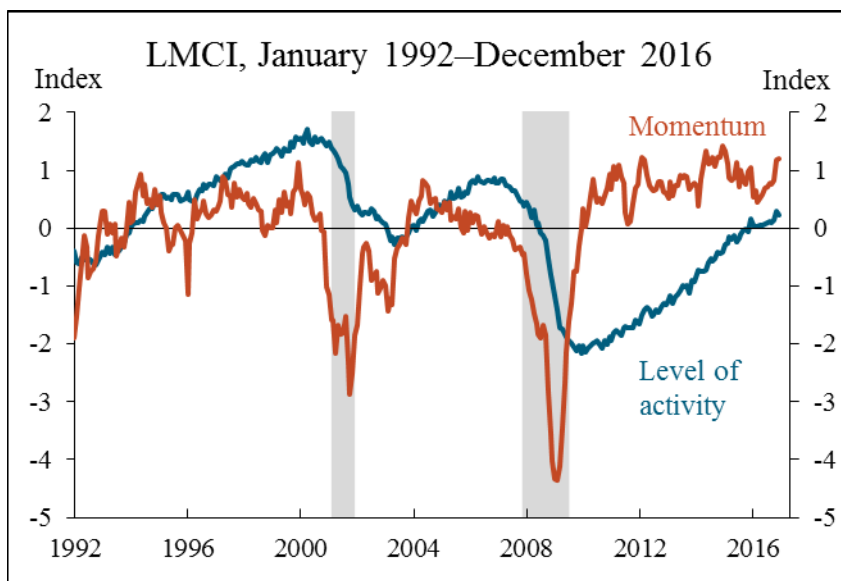
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The KC Fed LMCI suggest the level of activity declined modestly and momentum remained high in December.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity declined modestly and momentum remained high in December. The level of activity indicator declined modestly from 0.28 to 0.23 in December, while the momentum indicator was little changed at 1.19.

The table on the following page shows the five labor market variables that made the largest contributions to the change in the activity indicator over the last six months and the five variables that made the largest positive contributions to the momentum indicator in December 2016. The activity indicator increased 0.17 over the last six months. The largest contribution came from an increase in the percent of firms planning to increase employment (NFIB). Fifteen variables made a positive contribution, three variables made no contribution, and six variables made a negative contribution. The momentum indicator was 1.19 in December, where the largest contributor to momentum was expected job availability (University of Michigan). Seventeen variables made a positive contribution, and seven variables made a negative contribution.



Largest Contributions to the LMCI

Contributions to the increase in the <i>level of activity</i> indicator over the last six months	Positive contributions to the <i>momentum</i> indicator in December 2016
Percent of firms planning to increase employment (NFIB)	Expected job availability (U of Michigan)
Job leavers	Initial claims
Expected job availability (Conference Board)	Expected job availability (Conference Board)
Job flows from U to E	Labor force participation rate
Job availability index (Conference Board)	Announced job cuts (Challenger-Gray-Christmas)

Note: Contributions are ordered from largest to smallest.

