

News Release

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

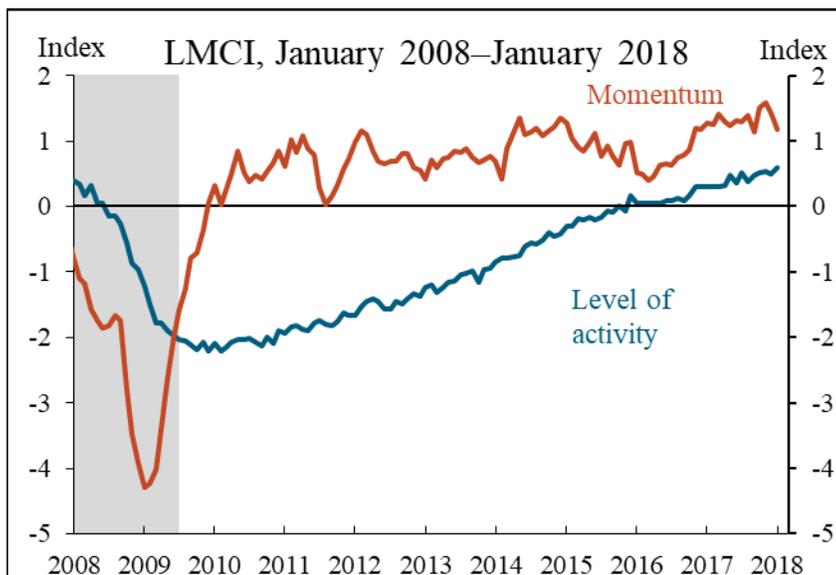
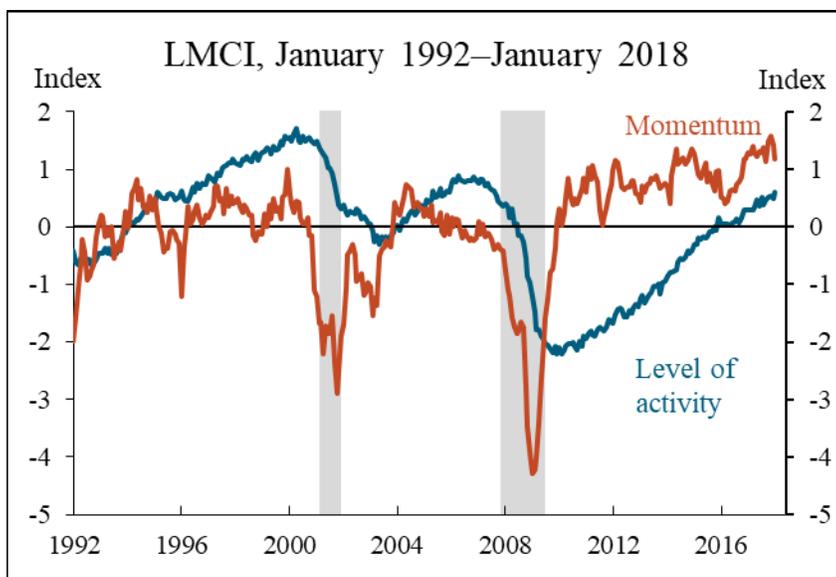
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Contact: Bill Medley
816-881-2556
Bill.Medley@kc.frb.org

The KC Fed LMCI suggest the level of activity increased and momentum remained high in January.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased and momentum remained high in January. The level of activity indicator increased in January from 0.49 to 0.59, while the momentum indicator decelerated from 1.42 to 1.18.

The table on the following page shows the five labor market variables that made the largest contributions to the increase in the activity indicator over the last six months and the five variables that made the largest positive contributions to the momentum indicator in January 2018. The activity indicator increased 0.07 over the last six months. The largest contribution came from an increase in average hourly earnings. Sixteen variables made a positive contribution, and eight variables made a negative contribution. The momentum indicator was 1.18 in January, where the largest contributor to momentum was initial claims. Fifteen variables made a positive contribution, and nine 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 January 2018 |
|---|--|
| Average hourly earnings | Initial claims |
| Unemployed 27 or more weeks | Expected job availability (U of Michigan) |
| Job availability index (Conference Board) | Labor force participation rate |
| Unemployment forecast (Blue Chip) | Expected job availability (Conference Board) |
| Working part time for economic reasons | Manufacturing employment index (ISM) |

Note: Contributions are ordered from largest to smallest.

