

News Release

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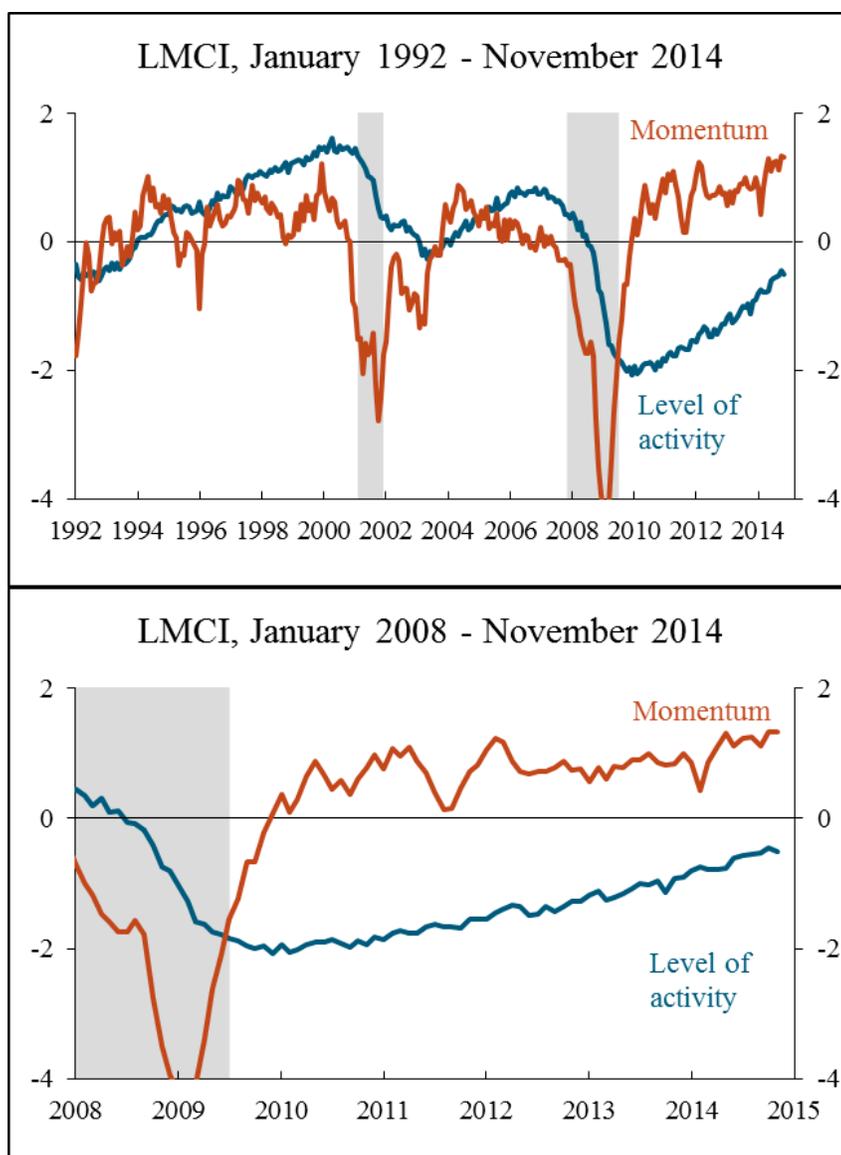
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KC Fed LMCI labor market activity indicator declined slightly while momentum indicator remained high.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest labor market conditions declined slightly while momentum remained high. The level of activity indicator declined in November, from -0.45 in October to -0.50 in November. However, the momentum indicator is at 1.33, essentially unchanged from its level in October that was the highest over the sample.

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 November 2014. The activity indicator increased 0.25 over the last six months. The largest contribution came from an increase in the quits rate. Eighteen variables made a positive contribution, four variables made a negative contribution, and two variables made no contribution. The momentum indicator was 1.33 in November, 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 November 2014
Quits rate	Expected job availability (U of Michigan)
Unemployed for 27 or more weeks	Initial claims
Hires rate	Labor force participation rate
Unemployment forecast (Blue Chip)	Manufacturing employment index (ISM)
Job losers	Announced job cuts (Challenger, Gray & Christmas)
<i>Note: Contributions are ordered from largest to smallest</i>	

