News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY
DENVER · OKLAHOMA CITY · OMAHA

One Memorial Drive · Kansas City, MO 64198 · Phone: 816.881.2683
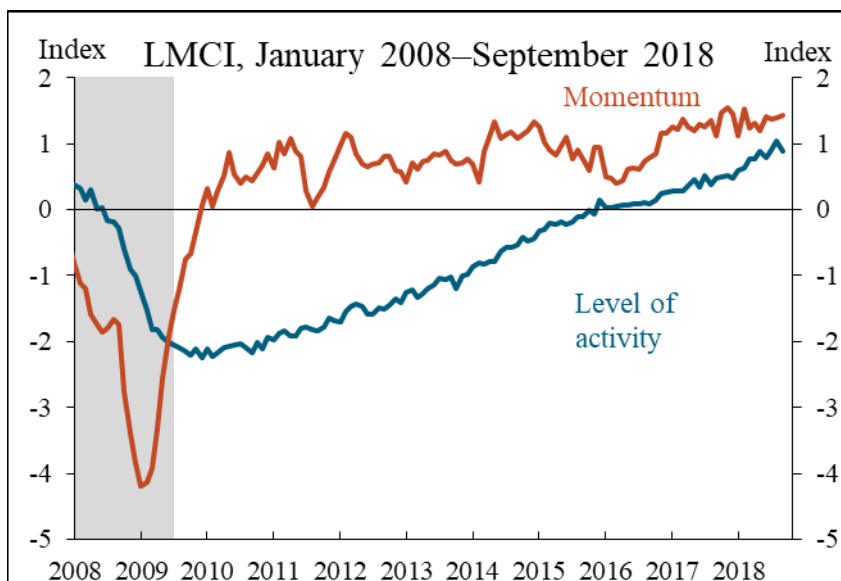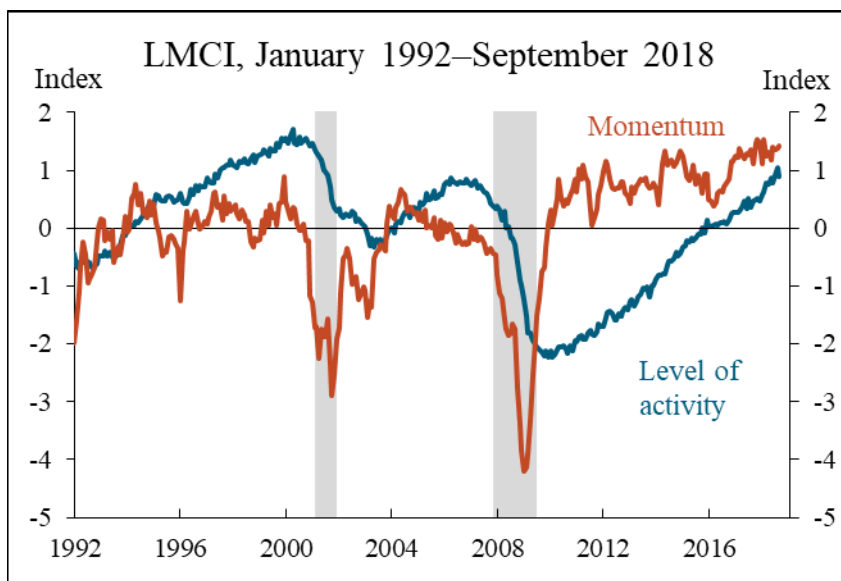
The KC Fed LMCI suggest the level of activity declined and momentum remained high in September.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity declined and momentum remained high in September. The level of activity indicator decreased in September from 1.05 to 0.89, while the momentum indicator was little changed at 1.43.

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 September 2018. The activity indicator increased 0.12 over the last six months. The largest contributor to the level of activity was the percent of firms planning to increase employment (NFIB). Fourteen variables made a positive contribution, one variable made no contribution, and nine variables made a negative contribution. The momentum indicator was 1.43 in September, where the largest contributor to momentum was initial claims. Seventeen variables made a positive contribution, and seven variables made a negative contribution.

LMCI, January 1992–September 2018

LMCI, January 2008–September 2018

Largest Contributions to the LMCI	
Contributions to the increase in the *level of activity* indicator over the last six months	**Positive contributions to the *momentum* indicator in September 2018**
Percent of firms planning to increase employment (NFIB)	Initial claims
Average hourly earnings	Expected job availability (U of Michigan)
Percent of firms with positions not able to fill right now (NFIB)	Manufacturing employment index (ISM)
Job availability index (Conference Board)	Expected job availability (Conference Board)
Unemployment rate (U3)	Labor force participation rate
Note: Contributions are ordered from largest to smallest.	