



NEWS RELEASE

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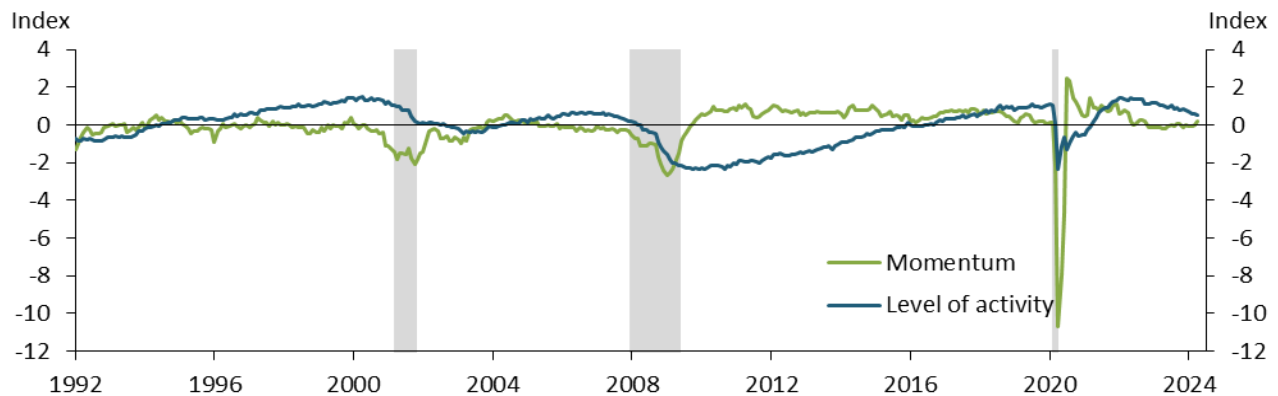
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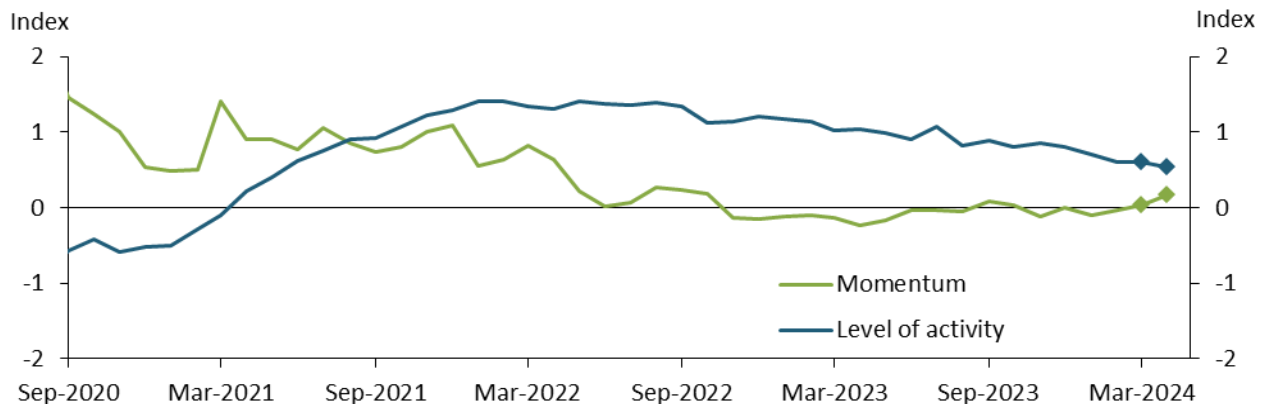
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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity declined modestly, and momentum accelerated moderately in April. The level of activity decreased by 0.07, from 0.61 to 0.54. While the level of activity remains above its historical average, it has been on a gradual decline since summer 2023 and is now at levels last seen in mid-2021, when the post-pandemic labor market recovery was taking hold. Meanwhile, the momentum indicator accelerated moderately from 0.03 to 0.18, though it remains near its historical average (as it has for the last year and a half).

LMCI January 1992–April 2024



LMCI September 2020–April 2024



Note: Bottom chart begins in September 2020 to remove pandemic-related volatility and more clearly illustrate recent developments in the series.

These readings likely do not fully describe the state of the labor market at the end of April, as many of the input data series reflect conditions early in the month. For example, data from the Bureau of Labor Statistics’ Household Survey are from the reference period of April 7 through April 13. Additionally, the most recent data from the Job Openings and Labor Turnover Survey (JOLTS) are for March. Therefore, labor market developments in the latter half of April will likely show up in the May 2024 LMCI readings.

As previously noted, the level of activity indicator decreased by 0.07 from March to April. The first column of the table below shows the five labor market variables that made the largest contributions to the decrease in the activity indicator this month. Overall, 14 variables made a negative contribution to the change in the activity indicator, four variables made no contribution, and six variables made a positive contribution. The largest contributor to the decrease in the level of activity was job losers as a percent of the unemployed. In April, 49.6 percent of unemployed workers had involuntarily left their previous jobs, up from 47.1 percent in March.

Largest Contributions to the LMCI

Contributions to the decrease in the <i>level of activity</i> indicator in April 2024	Positive contributions to the <i>momentum</i> indicator in April 2024
Job losers	Initial claims
Job leavers	Labor force participation rate
Average hourly earnings	Aggregate weekly hours
Job availability index (Conference Board)	Average hourly earnings
Expected job availability (Conference Board)	Hires rate

Note: Contributions are ordered from largest in absolute value to smallest.

The second column of the table shows the five variables that made the largest positive contributions to the momentum indicator in April 2024. The momentum indicator was 0.18 in April. Overall, 14 variables made a positive contribution to momentum in April, and 10 variables made a negative contribution. The largest positive contributor to momentum was initial unemployment insurance claims. In April, initial claims averaged roughly 210,000 per week, well-below the series’ pre-pandemic average of 344,000 per week.

