News Release
THE FEDERAL RESERVE BANK of KANSAS CITY
DENVER • OKLAHOMA CITY • OMAHA
One Memorial Drive • Kansas City, MO 64198 • Phone: 816.881.2683

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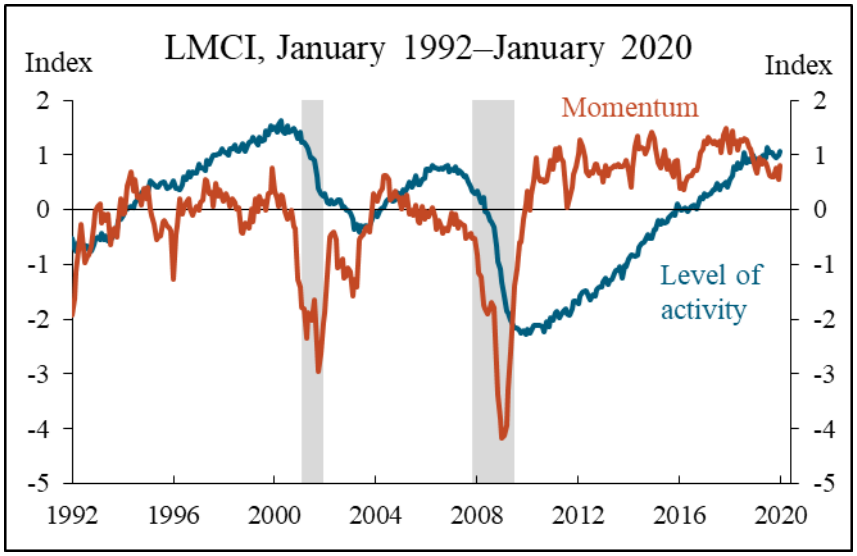
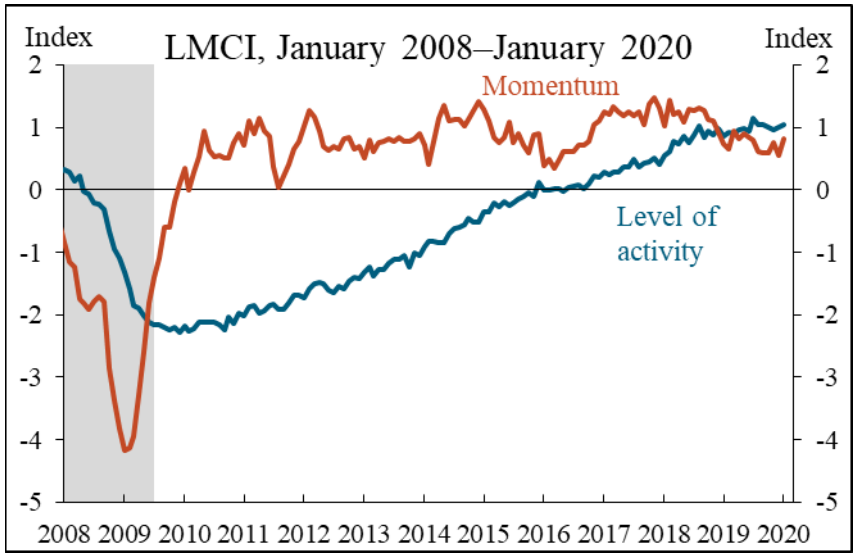
Contact: Bill Medley
816-881-2556
Bill.Medley@kc.frb.org

The KC Fed LMCI suggest the level of activity increased modestly and momentum accelerated in January.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased modestly and momentum accelerated in January. The level of activity indicator increased modestly in January from 1.00 to 1.06, while the momentum indicator accelerated from 0.56 to 0.82.

The table on the following page shows the five labor market variables that made the largest contributions to the decrease 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 2020. The activity indicator decreased 0.08 over the last six months. The largest contributor to the decrease in the level of activity was average hourly earnings. Twelve variables made a negative contribution, one variable made no contribution, and 11 variables made a positive contribution. The momentum indicator was 0.82 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 decrease in the *level of activity* indicator over the last six months	**Positive contributions to the *momentum* indicator in January 2020**
Average hourly earnings	Initial claims
Quits rate	Expected job availability (U of Michigan)
Hires rate	Labor force participation rate
Percent of firms planning to increase employment (NFIB)	Percent of firms with positions not able to fill right now (NFIB)
Percent of firms with positions not able to fill right now (NFIB)	Expected job availability (Conference Board)
Note: Contributions are ordered from largest to smallest.	