News Release

THE FEDERAL RESERVE BANK of KANSAS CITY

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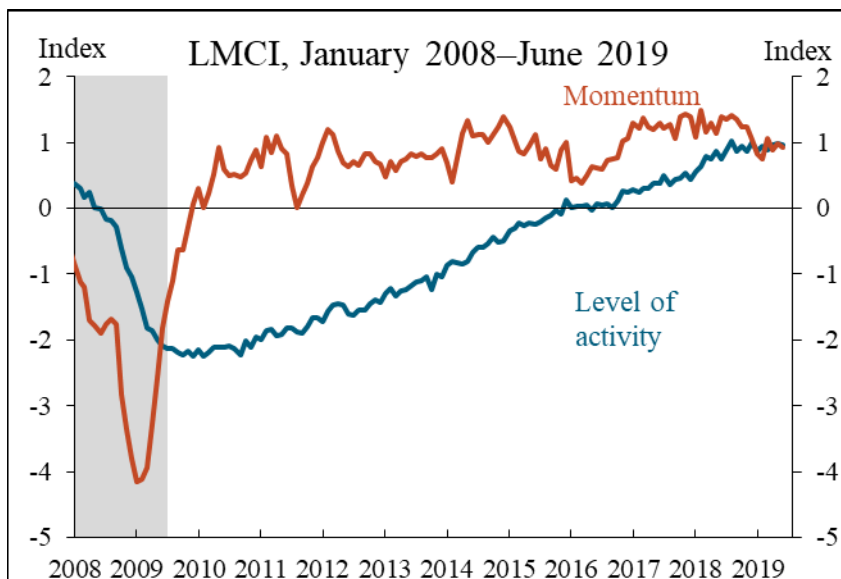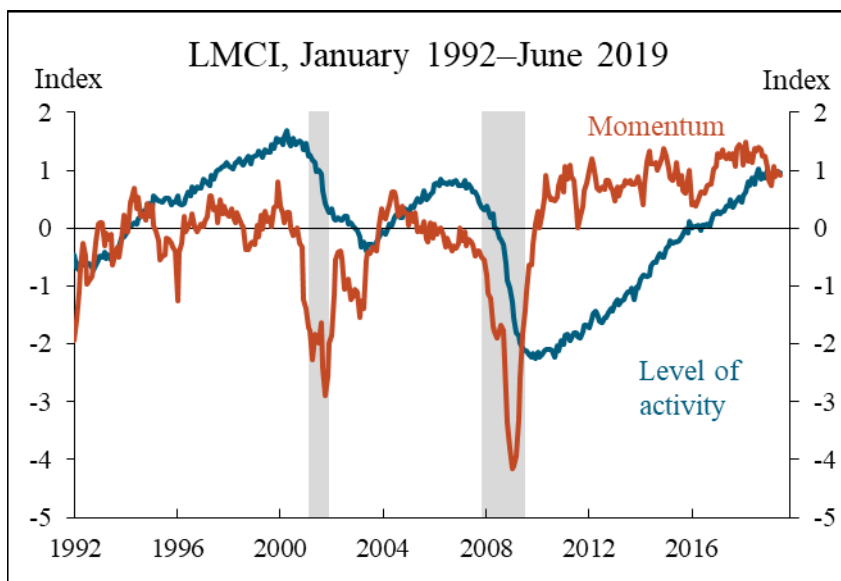
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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity was little changed and momentum remained high in June. The level of activity indicator was little changed in June at 0.96, while the momentum indicator was little changed at 0.92.

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 June 2019. The activity indicator decreased 0.05 over the last six months. The largest contributor to the decrease in the level of activity was average hourly earnings. Eleven variables made a negative contribution, one variable made no contribution, and 12 variables made a positive contribution. The momentum indicator was 0.92 in June, where the largest contributor to momentum was initial claims. Fifteen variables made a positive contribution, and nine variables made a negative contribution.

LMCI, January 1992–June 2019

LMCI, January 2008–June 2019

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 June 2019
Average hourly earnings	Initial claims
Percent of firms planning to increase employment (NFIB)	Labor force participation rate
Unemployed 27 or more weeks	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)	Percent of firms with positions not able to fill right now (NFIB)
Note: Contributions are ordered from largest to smallest.	