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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased and momentum remained high in July. The level of activity indicator increased in July from 0.36 to 0.51, while the momentum indicator was little changed at 1.24.

The table on the following page shows the five labor market variables that made the largest contributions to the change in the activity indicator over the last six months and the five variables that made the largest positive contributions to the momentum indicator in July 2017. The activity indicator increased 0.23 over the last six months. The largest contribution came from an increase in the job flows from U to E. Seventeen variables made a positive contribution, one variable made no contribution, and six variables made a negative contribution. The momentum indicator was 1.24 in July, where the largest contributor to momentum was initial claims. Nineteen variables made a positive contribution, and five variables made a negative contribution.

LMCI, January 1992–July 2017

LMCI, January 2008–July 2017
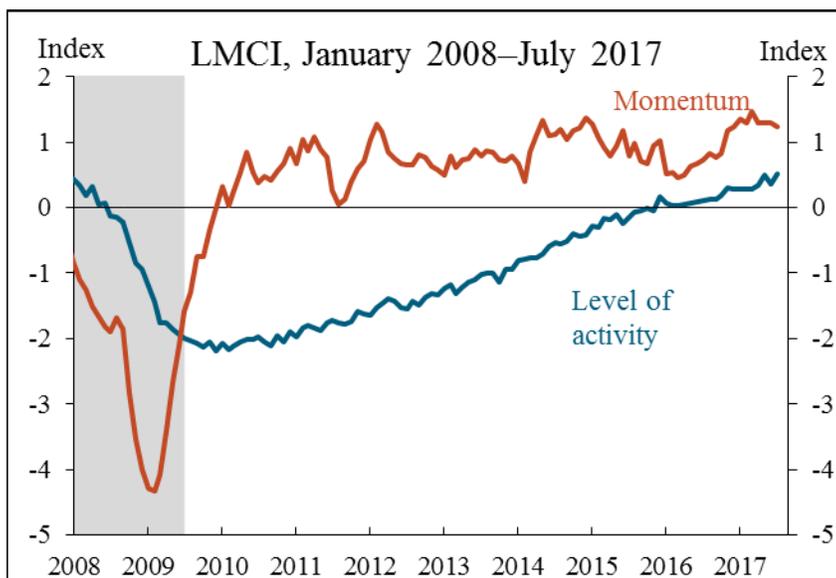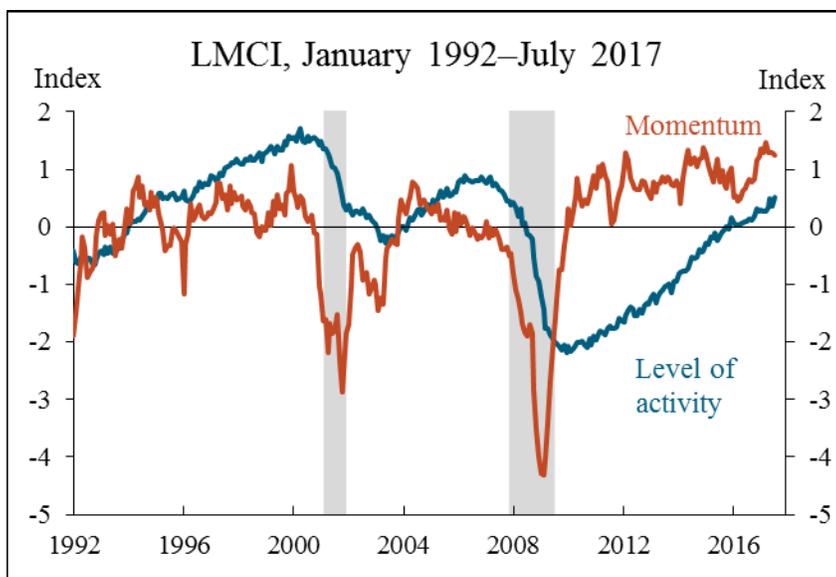
Largest Contributions to the LMCI

Contributions to the increase in the *level of activity* indicator over the last six months	Positive contributions to the *momentum* indicator in July 2017
Job flows from U to E	Initial claims
Percent of firms with positions not able to fill right now (NFIB)	Labor force participation rate
Average hourly earnings	Manufacturing employment index (ISM)
Job availability index (Conference Board)	Expected job availability (Conference Board)
Working part time for economic reasons	Expected job availability (U of Michigan)
Note: Contributions are ordered from largest to smallest.	