NEWS RELEASE
FEDERAL RESERVE BANK *of* KANSAS CITY
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The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity increased, and momentum decelerated moderately in November. The level of activity increased by 0.12, from 0.79 to 0.91, offsetting the decline seen last month and bringing the level of activity back to its September level. The momentum indicator decelerated by 0.14, from 0.06 to −0.08, returning momentum to negative territory after two months of being in positive territory. Despite these fluctuations, momentum has been very close to its historical average throughout the year.

LMCI January 1992–November 2023
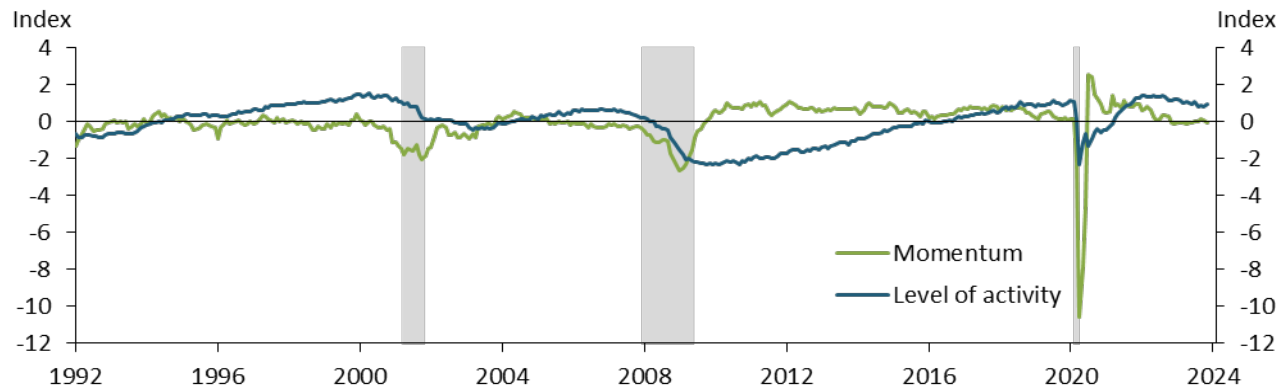
LMCI September 2020–November 2023
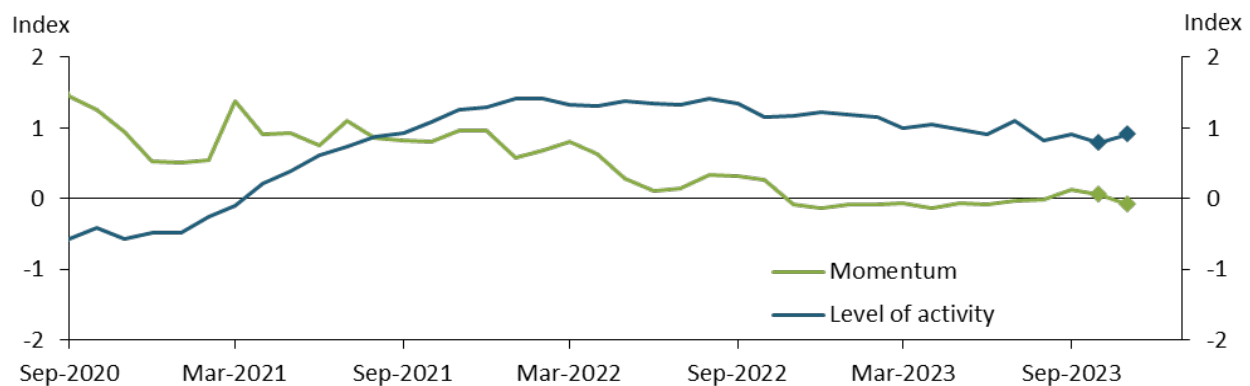
Note: Bottom chart begins in September 2020 to remove pandemic-related volatility and more clearly illustrate recent developments in the series.

These readings likely do not fully describe the state of the labor market at the end of November, 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 November 12 through November 18. Additionally, the most recent data from the Job Openings and Labor Turnover Survey (JOLTS) are for October. Therefore, labor market developments in the latter half of November will likely show up in the December 2023 LMCI readings.

As previously noted, the level of activity indicator increased by 0.12 from October to November. The first column of the table below shows the five labor market variables that made the largest contributions to the increase in the activity indicator this month. Overall, 16 variables made a positive contribution to the change in the activity indicator, two variables made no contribution, and six variables made a negative contribution. The largest contributor to the increase in the level of activity was flows from unemployment to employment (the job finding rate). In November, 29 percent of workers who were previously unemployed found a job, up from 27 percent a month ago.

Largest Contributions to the LMCI

Contributions to the increase in the *level of activity* indicator in November 2023	Negative contributions to the *momentum* indicator in November 2023
Job flows from U to E	Manufacturing employment index (ISM)
Average hourly earnings	Temporary help employment
Job leavers	Average hourly earnings
Working part time for economic reasons	Unemployed 27 or more weeks
Unemployed 27 or more weeks	Expected job availability (U of Michigan)

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 negative contributions to the momentum indicator in November 2023. The momentum indicator was −0.08 in November. Overall, 12 variables made a negative contribution to momentum in November, and 12 variables made a positive contribution. The largest negative contributor to momentum was ISM's manufacturing employment index. In November, the index came in at 45.8. Values below 50 are associated with employment contraction.