# 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 was little changed and momentum accelerated in November. The level of activity was little changed at 0.42, and it remains above its historical average. Meanwhile, the momentum indicator increased by 0.24 in November, from 0.00 to 0.24.

LMCI January 1992–November 2024
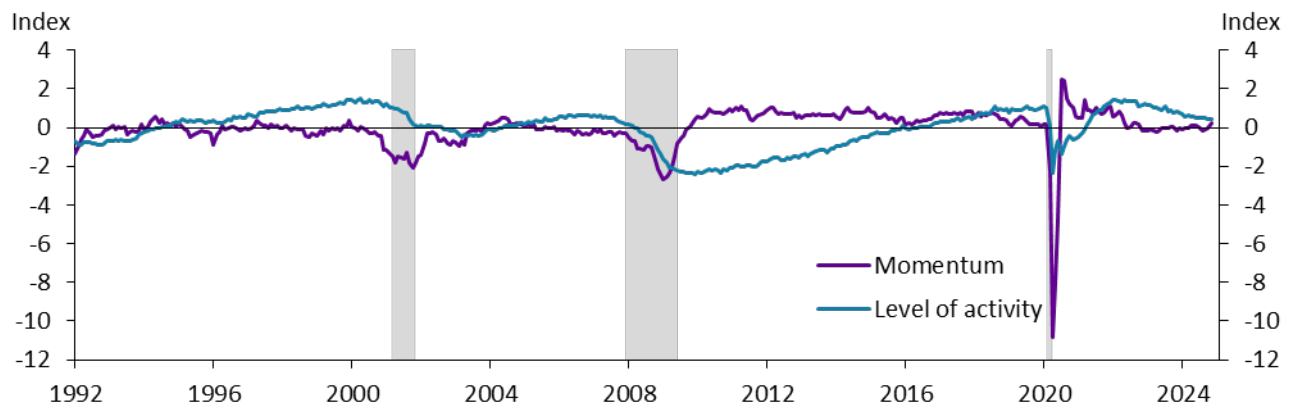
LMCI September 2020–November 2024
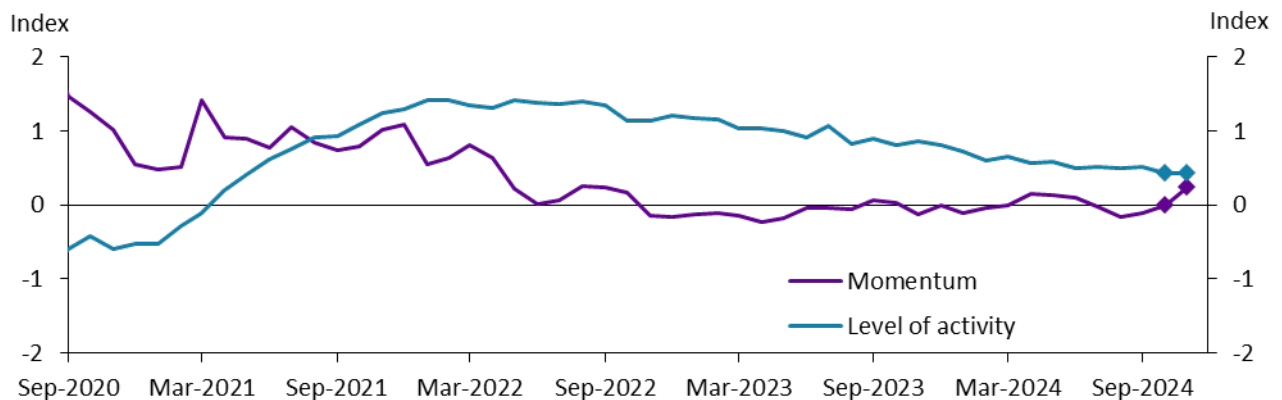
Note: Bottom chart begins in September 2020 to remove pandemic-related volatility and more clearly illustrate recent developments in the series.

The first column of the table below shows the labor market variables that made the largest contributions to the 0.002 decrease in the activity indicator this month. Overall, 11 variables made a positive contribution to the change in the activity indicator, two variables made no contribution, and 11 variables made a negative contribution. The largest positive contributor to the change in the level of activity was the percentage of firms planning to increase employment (NFIB). In November, 18 percent of firms reported plans to increase employment, up from 15 percent a month ago. The largest negative contributor to the change in the level of activity was flows from unemployment to employment (the job-finding rate). In November, 21.3 percent of workers who were previously unemployed found a job, down from 24.1 percent a month ago. While this rate has been gradually declining since the second half of 2022, the declines have been abnormally large the last two months, potentially reflecting the difficulty in tracking individuals across consecutive months during severe weather events such as hurricane Milton.

Largest Contributions to the LMCI

Largest positive contributions to the change in the *level of activity* indicator in November 2024	Largest positive contributions to the change in the *momentum* indicator in November 2024
Percent of firms planning to increase employment (NFIB)	Manufacturing employment index (ISM)
Job leavers	Temporary help employment
Largest negative contributions to the change in the *level of activity* indicator in November 2024	**Largest negative contributions to the change in the *momentum* indicator in November 2024**
Job flows from U to E	Announced job cuts (Challenger-Gray-Christmas)
Manufacturing employment index (ISM)	Unemployment rate (U3)

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

The second column of the table shows the variables that made the largest contributions to the 0.24 increase in the momentum indicator this month. Overall, 15 variables made a positive contribution to the change in the momentum indicator, two variables made no contribution, and seven variables made a negative contribution. The largest positive contributor to the change in momentum was the ISM manufacturing employment index. Readings above 50 indicate economic expansion. The index increased from 44.4 in October to 48.1 in November, suggesting manufacturing employment is approaching expansionary territory after being in contractionary territory for six consecutive months. The largest negative contributor to the change in momentum was announced job cuts (Challenger-Gray-Christmas). In November, firms announced 58,000 job cuts, up from 56,000 one month ago.