



NEWS RELEASE

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Contact: Bill Medley

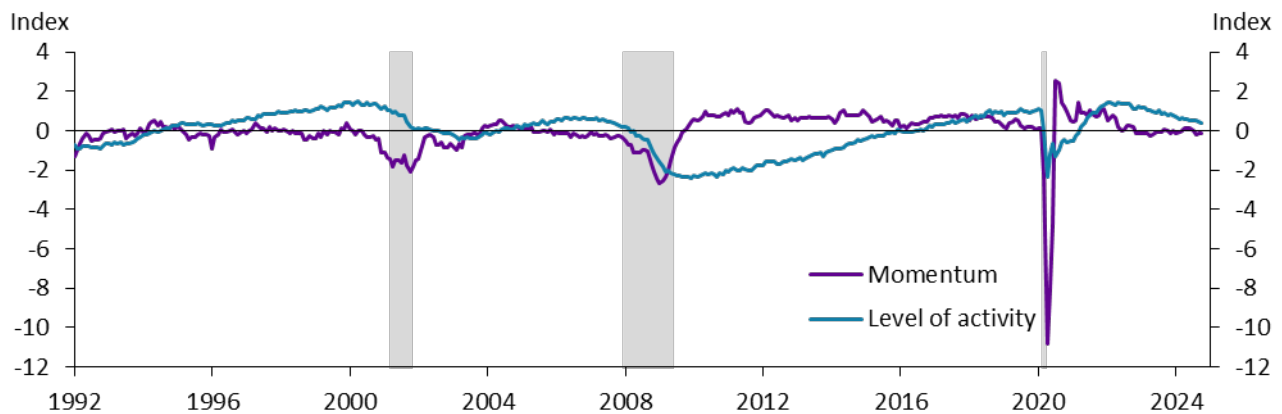
816-881-2556

Bill.Medley@kc.frb.org

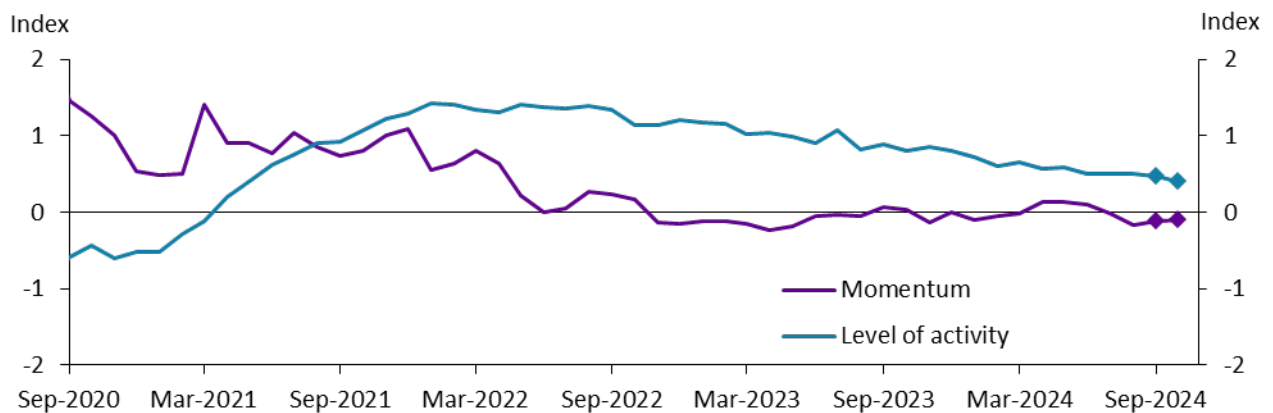
The KC Fed LMCI suggests the level of activity declined slightly and momentum was little changed in October.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity declined slightly and momentum was little changed in October. The level of activity decreased by 0.06 in October, from 0.47 to 0.41, though it remains above its historical average. Meanwhile, the momentum indicator was little changed at -0.11 , remaining near its historical average.

LMCI January 1992–October 2024



LMCI September 2020–October 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 0.06 decrease in the activity indicator this month. Overall, 10 variables made a positive contribution to the change in the activity indicator, five variables made no contribution, and nine variables made a negative contribution. The largest positive contributor to the change in the level of activity was Conference Board’s job availability index. In October, 18.3 percent more respondents thought jobs were plentiful than thought jobs were hard to get, up from 12.7 percent in September. The largest negative contributor to the change in the level of activity was flows from unemployment to employment (the job-finding rate). In October, 24.1 percent of workers who were previously unemployed found a job, down from 28.3 percent a month ago. While this rate has been gradually declining since the second half of 2022, October’s decline was abnormally large, potentially reflecting the influence of Hurricane Milton.

Largest Contributions to the LMCI

Largest positive contributions to the change in the level of activity indicator in October 2024	Largest positive contributions to the change in the momentum indicator in October 2024
Job availability index (Conference Board)	Job flows from U to E
Expected job availability (Conference Board)	Announced job cuts (Challenger-Gray-Christmas)
Largest negative contributions to the change in the level of activity indicator in October 2024	Largest negative contributions to the change in the momentum indicator in October 2024
Job flows from U to E	Temporary help employment
Job leavers	Aggregate weekly hours

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 0.01 increase in the momentum indicator this month. Overall, 10 variables made a positive contribution to the change in the momentum indicator, five variables made no contribution, and nine variables made a negative contribution. The largest positive contributor to the change in momentum was the aforementioned decline in the job-finding rate. A lower job-finding rate typically signals a loosening labor market that has more room to improve, or equivalently, more momentum. The largest negative contributor to the change in momentum was the three-month percent change in temporary help employment. Temporary help employment decreased by 3.4 percent from July to October, larger than the 2.3 percent decrease from June to September. As the October reading may have been affected by the hurricane, temporary help employment’s negative contribution to momentum may wane or reverse in the coming months.

