



# NEWS RELEASE

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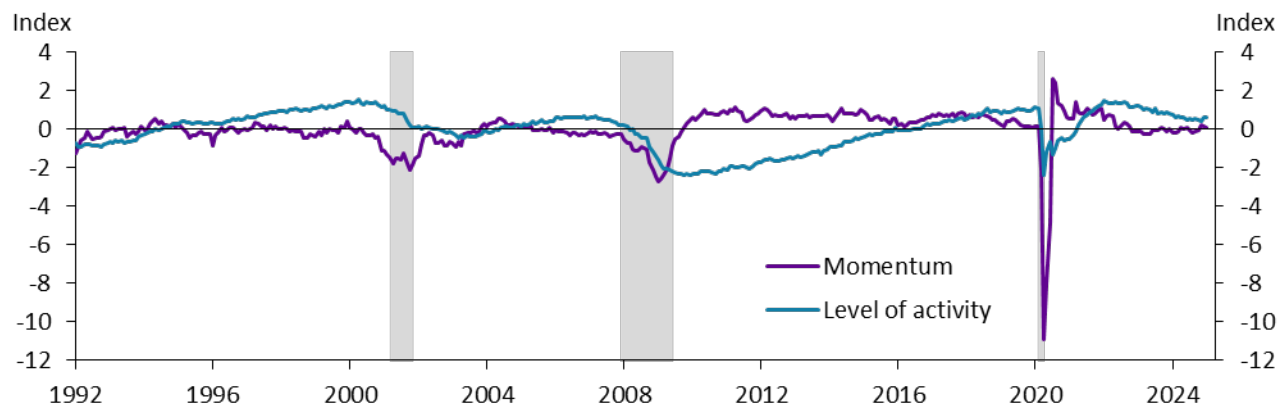
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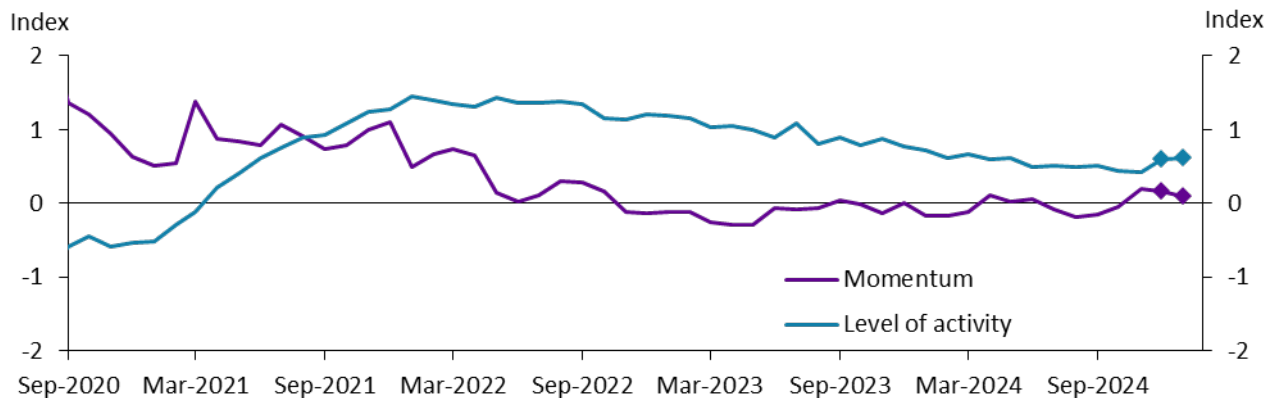
## The KC Fed LMCI suggests the level of activity and momentum were little changed in January.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest the level of activity and momentum were little changed in January. The level of activity was little changed at 0.61, remaining above its historical average. Meanwhile, the momentum indicator was little changed at 0.10.

### LMCI January 1992–January 2025



### LMCI September 2020–January 2025



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 0.01 increase in the activity indicator this month. Overall, 11 variables made a positive contribution to the change in the activity indicator, five variables made no contribution, and eight variables made a negative contribution. The largest positive contributor to the change in the level of activity was flows from unemployment to employment (the job-finding rate). In January, 27.3 percent of workers who were previously unemployed found a job, up from 25.4 percent a month ago. This measure has been normalizing after falling in October and November of last year, likely due to hurricane-related effects. The largest negative contributor to the change in the level of activity was job leavers as a percent of the unemployed. In January, 13.2 percent of unemployed workers had voluntarily left their previous jobs, down from 13.8 percent in December 2024.

### Largest Contributions to the LMCI

<b>Largest positive contributions to the change in the level of activity indicator in January 2025</b>	<b>Largest positive contributions to the change in the momentum indicator in January 2025</b>
Job flows from U to E	Manufacturing employment index (ISM)
Average hourly earnings	Temporary help employment
<b>Largest negative contributions to the change in the level of activity indicator in January 2025</b>	<b>Largest negative contributions to the change in the momentum indicator in January 2025</b>
Job leavers	Expected job availability (U of Michigan)
Job availability index (Conference Board)	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 0.07 decrease in the momentum indicator this month. Overall, nine variables made a positive contribution to the change in the momentum indicator, five variables made no contribution, and 10 variables made a negative contribution. The largest positive contributor to the change in momentum was the ISM manufacturing employment index. The index increased from 45.4 in December 2024 to 50.3 in January 2025, entering expansionary territory after being in contractionary territory for seven consecutive months (readings above 50 indicate economic expansion). The largest negative contributor to the change in momentum was the University of Michigan’s expected job availability index. The index came in at –28 in January, down from –17 a month ago. Readings below zero indicate that more respondents expect unemployment to increase in the next year than expect it to decrease.

