



NEWS RELEASE

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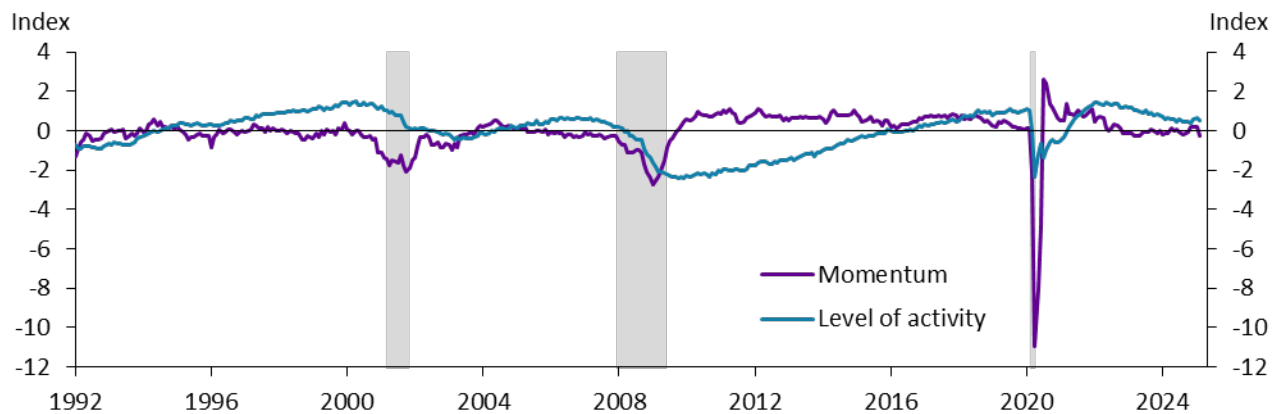
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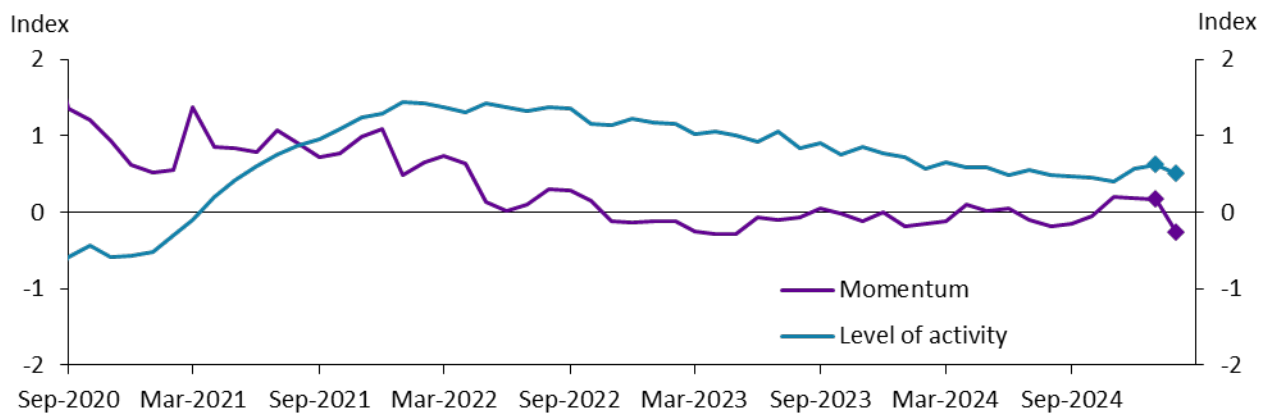
The KC Fed LMCI suggests the level of activity declined and momentum decelerated in February.

The Kansas City Fed Labor Market Conditions Indicators (LMCI) suggest both the level of activity and momentum declined in February. The level of activity declined by 0.13, from 0.63 to 0.50. The momentum indicator decreased by 0.45, from 0.18 to -0.27 , returning momentum to negative territory after three months of being in positive territory.

LMCI January 1992–February 2025



LMCI September 2020–February 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 0.13 decline in the activity indicator this month. Overall, five variables made a positive contribution to the change in the activity indicator, four variables made no contribution, and 15 variables made a negative contribution. The largest positive contributor to the change in the level of activity was the percent of firms with positions not able to fill right now from the National Federation of Independent Business (NFIB) survey. In February, 38 percent of firms had job openings that they could not fill, up from 35 percent the preceding two months. The largest negative contributor to the change in the level of activity was flows from unemployment to employment (the job-finding rate). In February, 25.4 percent of workers who were previously unemployed found a job, retracing last month’s increase and returning to levels seen in December.

Largest Contributions to the LMCI

Largest positive contributions to the change in the level of activity indicator in February 2025	Largest positive contributions to the change in the momentum indicator in February 2025
Percent of firms with positions not able to fill right now (NFIB)	Aggregate weekly hours
Temporary help employment	Job flows from U to E
Largest negative contributions to the change in the level of activity indicator in February 2025	Largest negative contributions to the change in the momentum indicator in February 2025
Job flows from U to E	Announced job cuts (Challenger-Gray-Christmas)
Percent of firms planning to increase employment (NFIB)	Manufacturing employment index (ISM)

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 0.45 decrease in the momentum indicator this month. Overall, nine variables made a positive contribution to the change in the momentum indicator, four variables made no contribution, and 11 variables made a negative contribution. The largest positive contributor to the change in momentum was the three-month percent change in aggregate weekly hours. Aggregate weekly hours increased by 0.57 percent from November 2024 to February 2025, up from a 0.24 percent increase from October 2024 to January 2025. The largest negative contributor to the change in momentum was announced job cuts (Challenger-Gray-Christmas), which accounted for most of the decline in momentum. In February, firms announced 172,017 job cuts, up from 49,795 in January. About half of this increase is from government job cuts, but the February reading may also reflect some payback from a lower-than-anticipated January reading due to weather-related factors and the California wildfires.

