



## THE CONFERENCE BOARD

### News Release

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### **The Conference Board Employment Trends Index™ Declines, Suggesting More and Steeper Job Losses to Follow**

**July 7, 2008...**The Conference Board's Employment Trends Index (ETI)<sup>™</sup> fell again in June, continuing a decline that began in July 2007 and suggesting more job losses in the coming months. The index fell by 0.6 percent in June to 111.9 from 112.6 in May and is down 8 percent since July 2007.

“Most leading indicators of employment point to an even sharper deterioration in the labor market in the months ahead,” said Gad Levanon, senior economist at The Conference Board. “The steep decline of the employment trends index in recent months, and the fact that its weakness is spread throughout all of its components, does not leave much room for optimism.”

Total non-farm employment peaked in December 2007 and has declined each month since then, reaching a total loss of 438,000 jobs. Says Levanon: “The decline in payroll numbers somewhat understates the weakness of the labor market. In addition to the jobs that were lost, the number of people who were working part-time but wanted a full-time job rose by 750,000 in the last six months. The decline in payrolls is still mostly concentrated in the construction and goods related industries. Manufacturing, trade, construction and truck transportation industries shed 712,000 jobs in the last six months while the rest of the economy added 274,000 jobs.”

The fall in the Employment Trends Index (ETI)<sup>TM</sup> since July 2007 is also seen in all its eight components. The largest negative contributors over the past six months have been “Jobs Hard to Get” (The Conference Board) and “Part-time Workers for Economic Reasons” (Bureau of Labor Statistics).

The Employment Trends Index (ETI)<sup>TM</sup> joins The Conference Board’s other respected indexes of economic indicators such as the Leading Economic Index (LEI) and Coincident Economic Index (CEI), and the Consumer Confidence Index, as well as individual indicators like the CEO Confidence measure and Help-Wanted OnLine Data Series (HWOL). The new index is the latest addition to the labor economics and workforce management areas of The Conference Board’s constantly evolving research and forecasting programs.

The Employment Trends Index (ETI)<sup>TM</sup> aggregates eight labor-market indicators, each of which has proven accurate in its own area. Aggregating individual indicators into a composite index filters out so-called “noise,” to show underlying trends more clearly.

Plotted back to 1973, the Employment Trends Index (ETI)<sup>TM</sup> has accurately signaled every rise and fall in employment over the last 35 years. On average, it leads employment by six-to-nine months at peaks and by zero-to-three months at troughs. Employment, while a critical part of the overall economic picture, sometimes behaves very differently from the more general economic activity measured by the CEI or GDP. By offering a short-term, forward look at employment on its own, the Employment Trends Index (ETI)<sup>TM</sup> gives economists and investors a new forecasting tool, and helps business executives sharpen their short- to medium-term hiring and compensation planning.

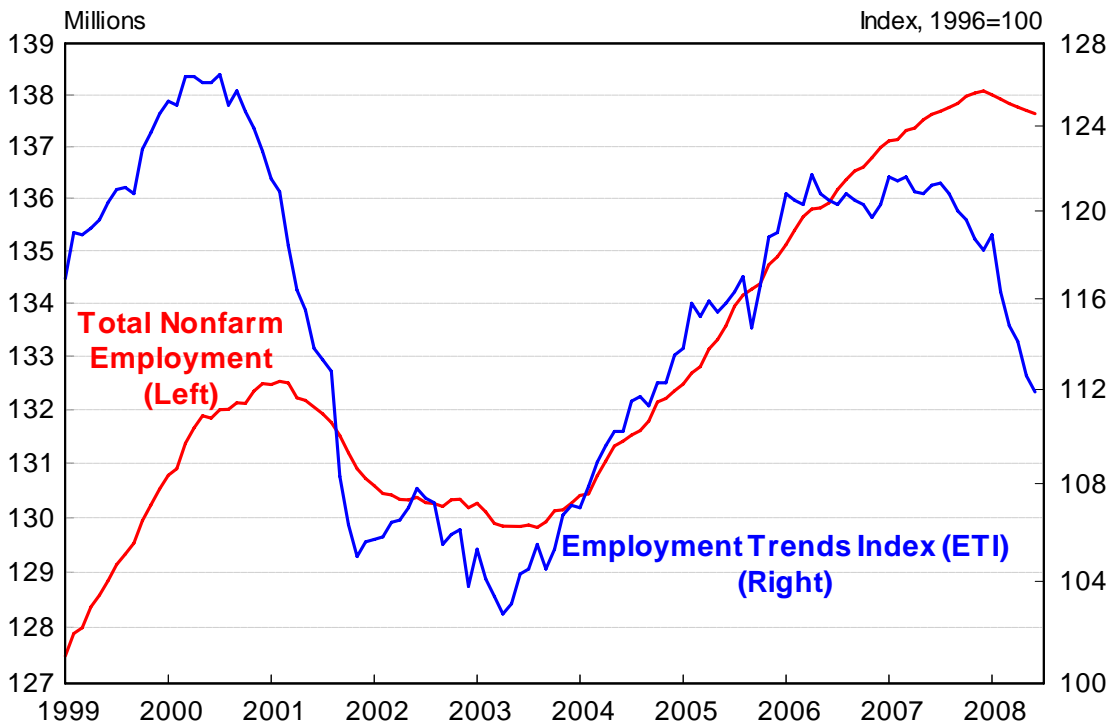
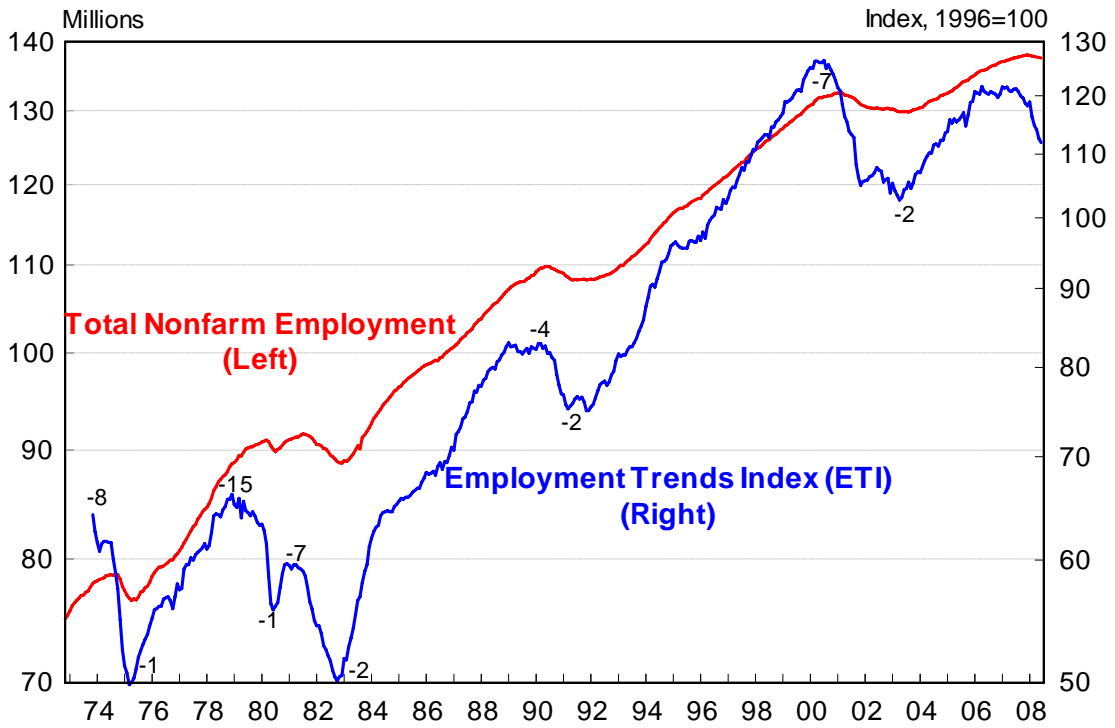
The Conference Board will publish the Employment Trends Index (ETI)<sup>TM</sup> monthly, at 10 a.m. ET on the Monday that follows each Friday release of the Bureau of Labor Statistics situation report. A calendar for the remainder of 2008 is below.

The components of the Employment Trends Index (ETI)<sup>TM</sup>:

- Percentage of respondents who say they find “Jobs Hard to Get” (The Conference Board Consumer Confidence Survey)
- Initial Claims for Unemployment Insurance (U.S. Department of Labor)
- Percentage of Firms with One or More Jobs Open (National Federation of Independent Business)
- Number of employees hired by the temporary-help industry (U.S. Bureau of Labor Statistics)
- Part-time Workers for Economic Reasons (BLS)
- Job Openings (BLS)
- Industrial Production (Federal Reserve)
- Real Manufacturing and Trade Sales (U.S. Bureau of Economic Analysis)

### Employment Trends Index (ETI)<sup>TM</sup> 2008 Publication Schedule

Data for the Month	Index Release Date (10 AM ET)
June	Monday, July 7
July	Monday, Aug. 4
August	Monday, Sep. 8
September	Monday, Oct. 6
October	Monday, Nov. 10
November	Monday, Dec. 8



Source: June 2008 Employment Trends Index (ETI)™  
The Conference Board