



## THE CONFERENCE BOARD

News Release

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### **New Employment Trends Index (ETI)<sup>TM</sup>**

### **Suggests More Labor-Market Weakening to Come**

**June 9, 2008...**The Conference Board's new Employment Trends Index (ETI)<sup>TM</sup> fell in May, continuing a decline that began in July 2007 and suggesting more softening to come in the labor market. The index, launched today, fell in May by 0.5 percent to 113.7 from 114.3 in April and is down 6 percent since July 2007.

"We forecast further softening in the labor market, a moderate rise in unemployment, and weaker wage growth over the next several quarters," said Gad Levanon, senior economist at The Conference Board. "Employers will find it easier to recruit and hire, and will be looking at slower growth in compensation costs. Workers will find it harder to get a job, a raise or a bonus — all of which will further rein in consumer spending.

"The Employment Trends Index peaked in summer 2007, leading the job losses that began in January 2008, and we don't see signs of a turnaround yet," Levanon added. "Over the last year, the index — like each of its eight components — has fallen at rates consistent with those we saw in previous periods of employment decline such as 2001. That said, we don't anticipate job losses on the scale of those in that last contraction, in good part because employers have kept their payrolls leaner."

Total non-farm employment peaked in December 2007 and has declined each month since then, reaching a total loss of 324,000 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> today 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.

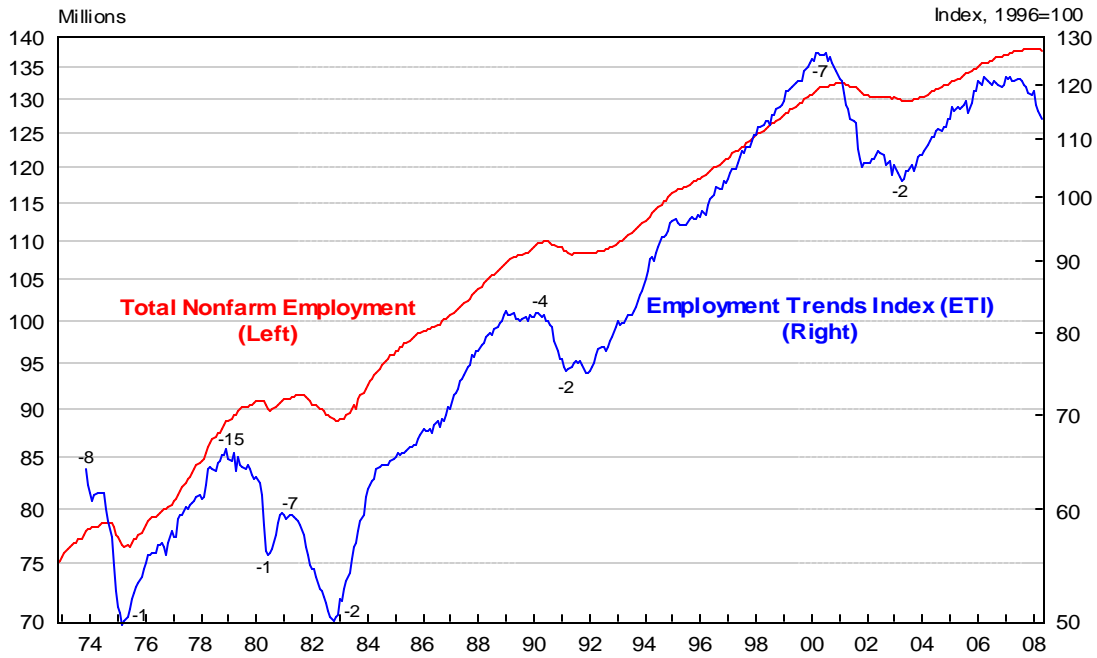
The components of the Employment Trends Index (ETI)<sup>TM</sup>:

- 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

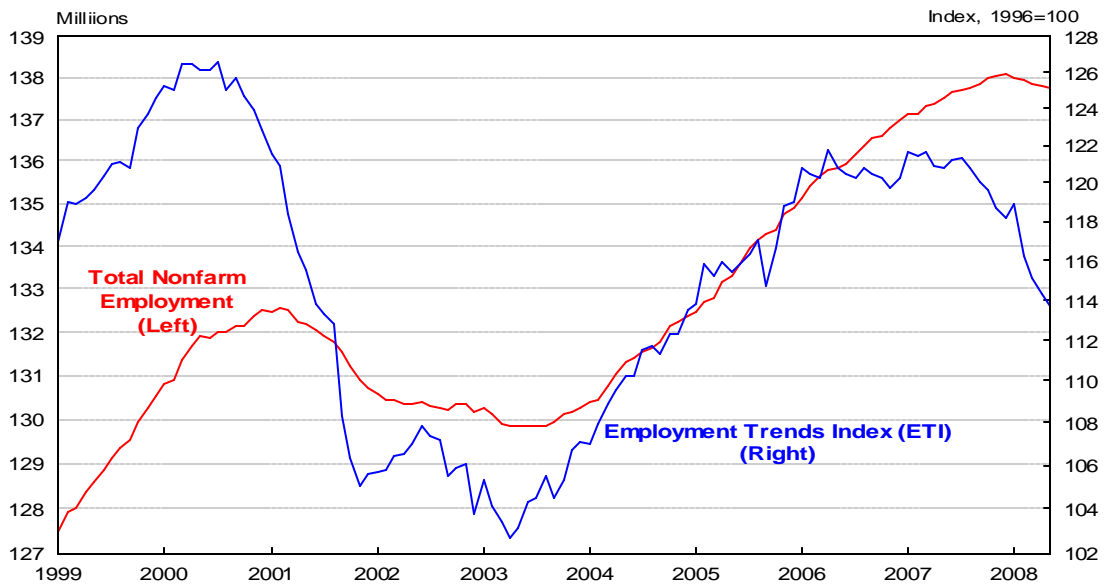
Data for the Month	Index Release Date (10 AM ET)
May	Monday, June 9
June	Monday, July 7
July	Monday, Aug. 4
August	Monday, Sep. 8
September	Monday, Oct. 6
October	Monday, Nov. 10
November	Monday, Dec. 8

Figure 1 - The Conference Board Employment Trends Index (ETI)™ 1973-2008



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Figure 2 - The Conference Board Employment Trends Index (ETI)™ 1999-2008



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