

News Release

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The Conference Board Employment Trends Index™ (ETI) Decreased in July *Index Signals a Slowdown in Job Growth is Likely in H2 2024*

NEW YORK, August 5, 2024...The Conference Board Employment Trends Index™ (ETI) decreased in July to 109.61, from an upwardly revised 110.58 in June. The Employment Trends Index is a leading composite index for payroll employment. When the Index increases, employment is likely to grow as well, and vice versa. Turning points in the Index indicate that a change in the trend of job gains or losses is about to occur in the coming months.

“The ETI fell for the second consecutive month in July, continuing the downward trend observed since the index peaked in March 2022,” said Mitchell Barnes, Economist at The Conference Board. “July’s decline in the ETI is consistent with the normalization that is occurring across labor market metrics, including the ongoing moderation of payroll gains. The ETI remains above the pre-pandemic trend but is steadily reverting toward 2019 and early-2020 levels. Thus, the signals of softening that have emerged so far remain well within historic ranges and do not portend broader deterioration.”

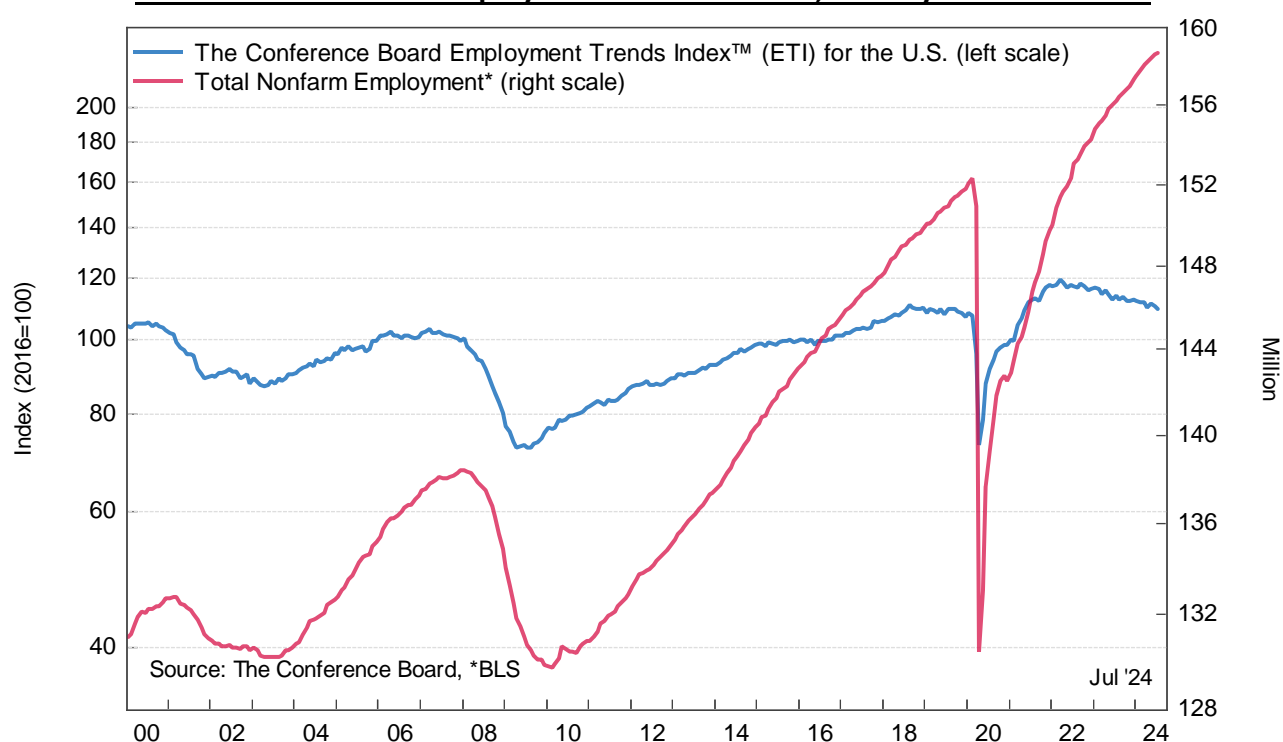
Barnes added: “July’s Employment Report provided 2024’s softest data to date, as monthly payroll gains fell to 114,000. Job growth was once again concentrated in health care and social assistance, construction, and government, with small monthly changes across other industries. The labor market is clearly cooling from its torrid post-pandemic pace, yet the trend of labor hoarding continues, despite rising labor costs. Companies continue to face difficulties finding workers: The **share of small firms that report jobs are ‘not able to be filled right now’** (a component of the ETI) stood at 38% in July, down from 42% in May but well above the July 2009–January 2020 average of 23%. This share is expected to remain elevated due to an aging workforce, labor hoarding, and talent shortages.”

“The unemployment rate ticked up to 4.3% in July from 4.1% in June, its fourth consecutive monthly increase. However, temporary layoffs and labor market re-entrants drove a large share of the rise, indicating that the spike may not be as severe as the headline suggests. **Initial claims for unemployment insurance** (another component of the ETI) ended July at 249,000, after growing moderately from June’s average of 236,800. Despite recent increases, joblessness remains low. The overall unemployment rate has not breached the natural rate of unemployment (4.4%), while initial claims remain close to historical ranges for the summer period. Jobseekers are not yet reporting softening conditions: The **share of respondents who report ‘jobs are hard to get’** (an ETI component from the [Consumer Confidence Survey®](#)) rose in July to 16.0% from an upwardly revised 15.7% in May. That’s up from 12.2% in March, but still roughly half the July 2009–January 2020 average of 30.1%—a sign that options remain for jobseekers seeking employment. On the other hand, the **ratio of involuntary part-time workers relative to all part-time workers** (an ETI component) ticked up to 17.2% in July from 15.9% in June.”

June’s decrease in the Employment Trends Index was driven by negative contributions from six of its eight components: Ratio of Involuntarily Part-time to All Part-time Workers, Industrial Production, Real Manufacturing and Trade Sales, Percentage of Respondents Who Say They Find “Jobs Hard to Get”, Number of Employees Hired by the Temporary-Help Industry, and Job Openings.

The Employment Trends Index aggregates eight leading indicators of employment, each of which has proven accurate in its own area. Aggregating individual indicators into a composite index filters out “noise” to show underlying trends more clearly.

The Conference Board Employment Trends Index™, January 2000 to Present



The eight leading indicators of employment aggregated into the Employment Trends Index include:

- 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 Positions Not Able to Fill Right Now (© National Federation of Independent Business Research Foundation)
- Number of Employees Hired by the Temporary-Help Industry (U.S. Bureau of Labor Statistics)
- Ratio of Involuntarily Part-time to All Part-time Workers (BLS)
- Job Openings (BLS)*
- Industrial Production (Federal Reserve Board)*
- Real Manufacturing and Trade Sales (U.S. Bureau of Economic Analysis)**

*Statistical imputation for the recent month

**Statistical imputation for two most recent months

The Conference Board publishes the Employment Trends Index monthly, at 10 a.m. ET, on the Monday that follows each Friday release of the Bureau of Labor Statistics Employment Situation report. The technical notes to this series are available on The Conference Board website: <http://www.conference-board.org/data/eti.cfm>.

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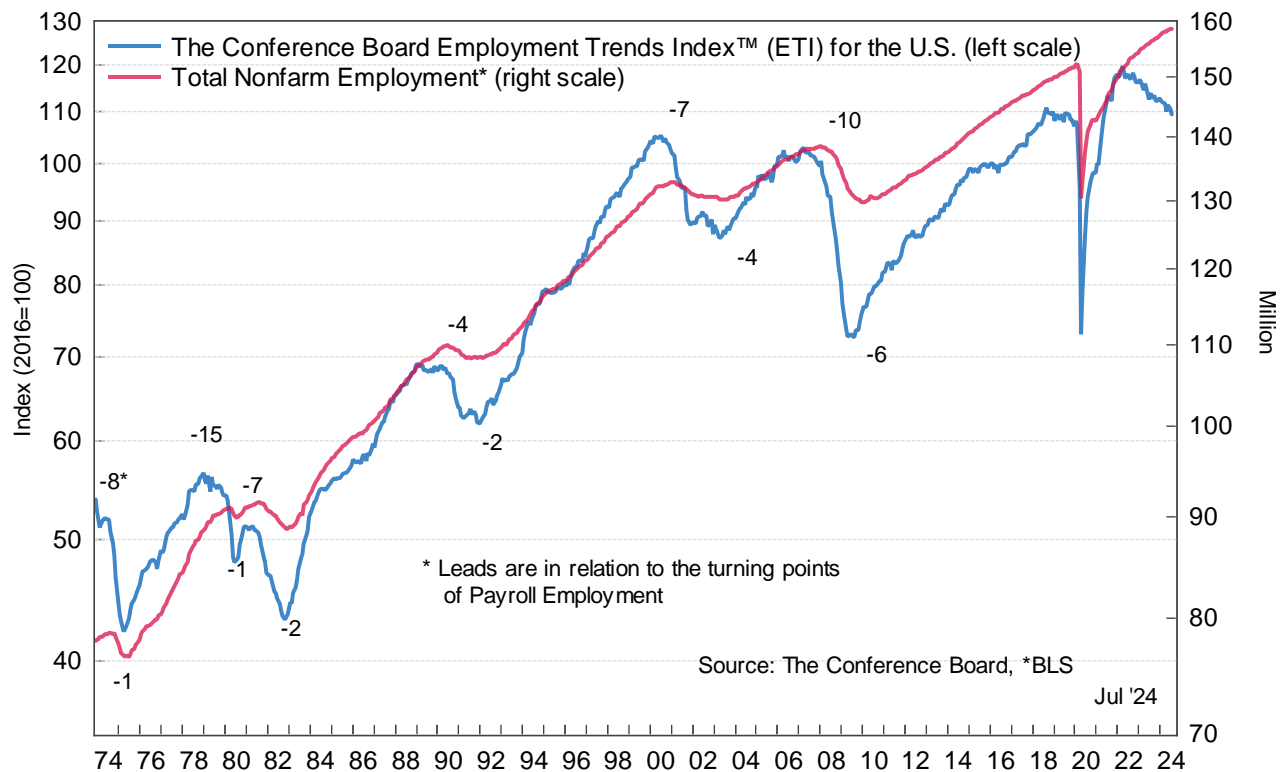
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Employment Trends Index (ETI)[™] 2024 Publication Schedule

Index Release Date (10 AM ET)	Data for the Month
Monday, January 8, 2024	December 2023
Monday, February 5	January 2024
Monday, March 11	February
Monday, April 8	March
Monday, May 6	April
Monday, June 10	May
Monday, July 8	June
Monday, August 5	July
Monday, September 9	August
Monday, October 7	September
Monday, November 4	October
Monday, December 9	November

The Conference Board Employment Trends Index[™] and turning points, November 1973 to Present



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