

News Release

Further information:

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The Conference Board Employment Trends Index™ (ETI) Declined in December

Index Signals Job Growth to Slow Further Heading Into 2023

NEW YORK, January 9, 2023...The Conference Board Employment Trends Index™ (ETI) fell in December to 116.31 from a downwardly revised 117.14 in November 2022. The Employment Trends Index is a leading composite index for employment. When the index increases, employment is likely to grow as well, and vice versa. Turning points in the index indicate that a turning point in the number of jobs is about to occur in the coming months.

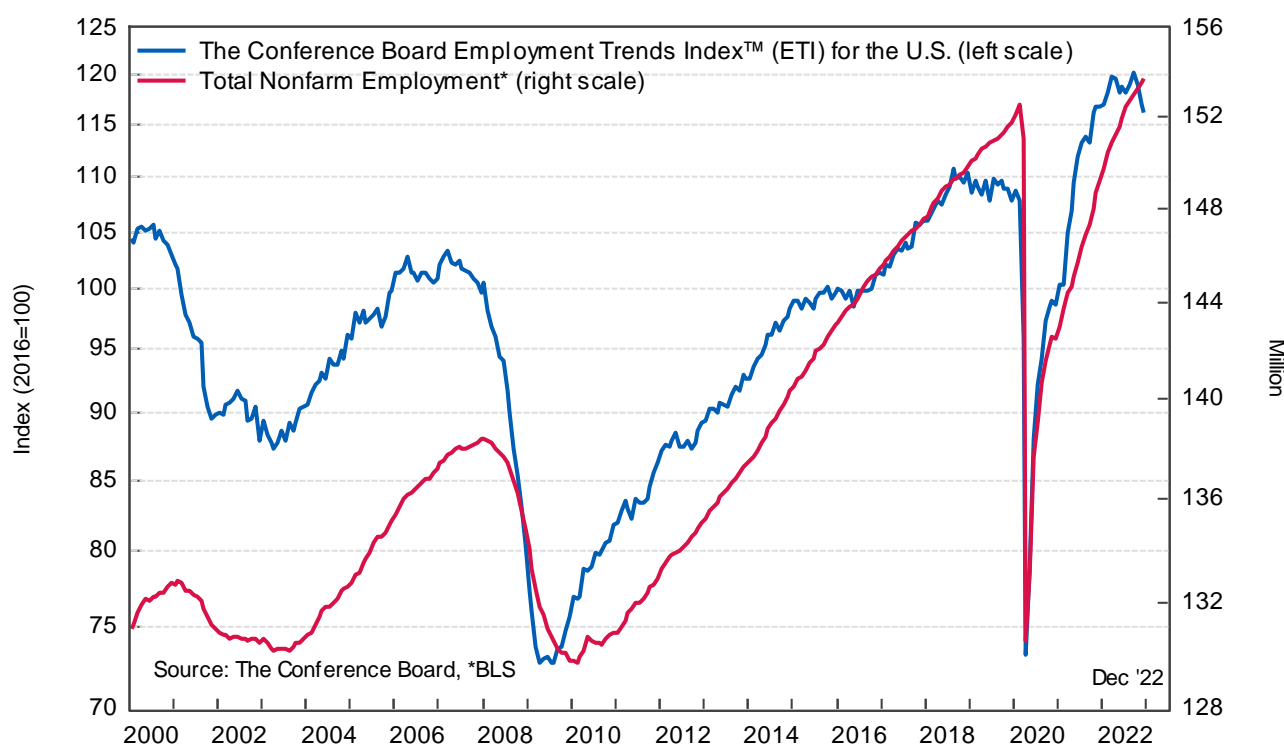
“The ETI declined for the third consecutive month in December 2022—a signal that further deceleration in job growth is likely over the coming months,” said **Frank Steemers, Senior Economist at The Conference Board**. “However, the ETI remains at a high level and job gains are currently still robust. The ETI would need to further decline before it may signal that a turning point in employment is about to occur.”

Steemers added: “Overall, the labor market remains tight. Job openings and voluntary quits continue to be elevated across most industries and layoffs remain low. On the other hand, the number of employees working in temporary help services—a component of the ETI and an important leading indicator for hiring—has fallen for five consecutive months and may foreshadow weaker job gains or even job losses in other industries. In addition, wage growth seems to be gradually slowing compared to early 2022, although it is still significantly higher than its prepandemic rate. Looking ahead, we expect the Federal Reserve’s rapid interest rate hikes to have a more visible, negative impact on the economy and job growth as 2023 proceeds. By yearend, we forecast the unemployment rate to rise to about 4.5 percent and labor force participation to decline to 61.8 percent—from 3.5 percent and 62.3 percent, respectively, in December 2022.”

December’s decrease in the Employment Trends Index was driven by negative contributions from seven of eight components: Initial Claims for Unemployment, Percentage of Firms With Positions Not Able to Fill Right Now, Ratio of Involuntarily Part-time to All Part-time Workers, Number of Employees Hired by the Temporary-Help Industry, Industrial Production, Real Manufacturing and Trade Sales, 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>.

NOTE: This month’s release incorporates annual revisions of standardization factors to the Employment Trends Index, which bring it up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the index. The standardization factors, known as volatility adjustment factors, are done by calculating the standard deviation of the monthly percent change in each component. The updated period used for calculating the standardization factors is November 1973 to December 2021. The standardization factors are then used to construct the index from November 1973 to present. As a result, the revised index, in levels and month-on-month changes, will not be directly comparable to those issued prior to this annual revision. For more information, please visit our website at <http://www.conference-board.org/data/eti.cfm>

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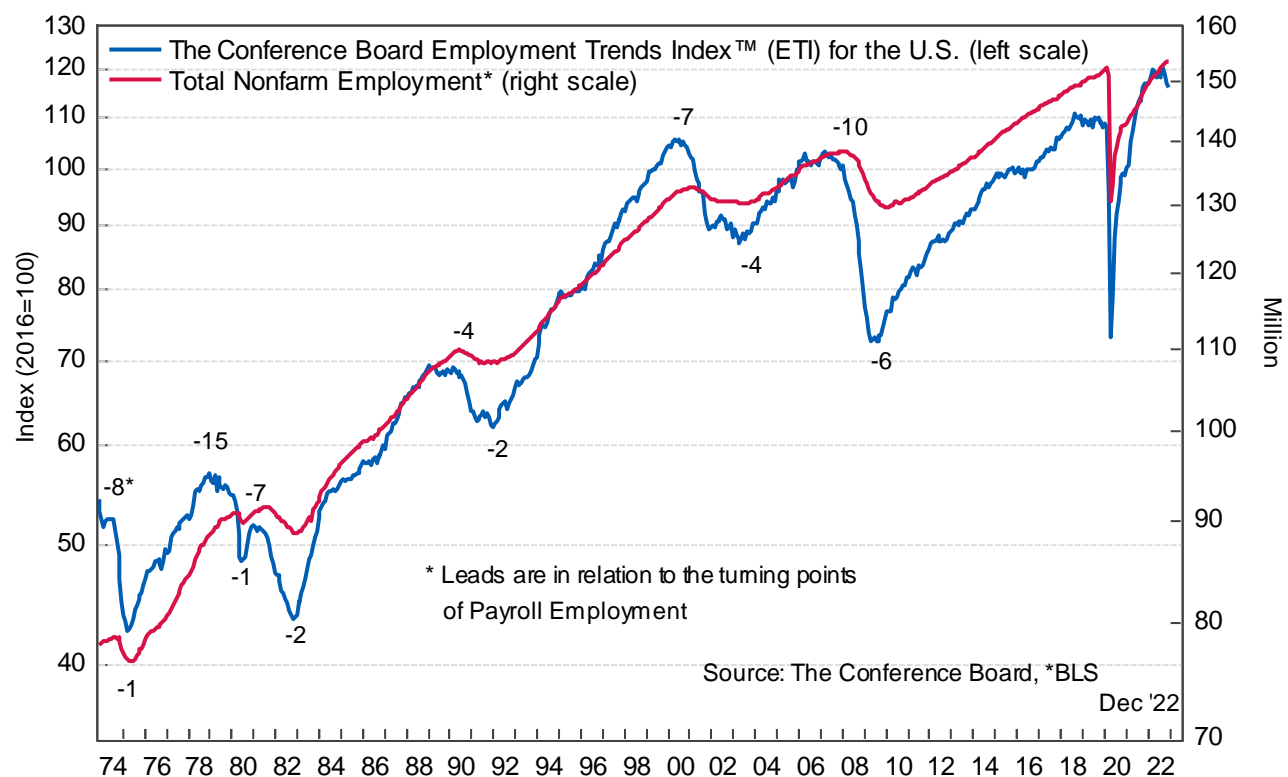
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Employment Trends Index (ETI)TM 2023 Publication Schedule

Index Release Date (10 AM ET)	Data for the Month
Monday, January 9 2023	December 2022
Monday, February 6	January 2023
Monday, March 13	February
Monday, April 10	March
Monday, May 8	April
Monday, June 5	May
Monday, July 10	June
Monday, August 7	July
Tuesday, September 5*	August
Monday, October 9	September
Monday, November 6	October
Monday, December 11	November

* Tuesday release due to holiday

The Conference Board Employment Trends IndexTM and turning points, November 1973 to Present



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