News Release

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For Immediate Release: 10:00 AM ET, November 9, 2020

The Conference Board Employment Trends Index™ (ETI) Increased in October

Job growth Still Strong, But Moderation Expected

NOTE: This month’s release incorporates a comprehensive benchmark revision, including a methodological change. The Conference Board has decided to move from a simple monthly percent change methodology to a symmetric monthly change methodology. In addition, this 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 annual benchmark revisions would have normally occurred in January. For more information, please refer to the document detailing the methodological change at http://www.conference-board.org/data/eti.cfm or see the last page of the press release.

NEW YORK, November 9, 2020...The Conference Board Employment Trends Index™ (ETI) increased in October, the sixth consecutive monthly increase since May. The index now stands at 97.57, up from 96.33 (revised) in September. However, the index is still down 11.1 percent from a year ago.

“While the Employment Trends Index increased in October, this month marks the smallest increase in the index since May,” said Gad Levanon, Head of The Conference Board Labor Markets Institute. “Strong employment gains in recent months brought the unemployment rate to 6.9 percent. But the number of new COVID-19 cases is rising and the pandemic’s relentlessness may potentially lead to governments enacting additional restrictions on mobility and slower consumer spending. As a result, The Conference Board expects job growth to slow in the coming months, leading to a slower decline in the unemployment rate.”

October’s increase was driven by positive contributions from six of the eight components. From the largest positive contributor to the smallest, the components were: the Number of Employees Hired by the Temporary-Help Industry; Initial Claims for Unemployment Insurance; Real Manufacturing and Trade Sales; Industrial Production; the Percentage of Respondents Who Say They Find “Jobs Hard to Get”; and Job Openings.

The Employment Trends Index aggregates eight labor market indicators, 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 eight labor market indicators 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


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### Employment Trends Index (ETI)™ 2020-2021 Publication Schedule

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* Tuesday release due to holiday.
The Conference Board Employment Trends Index™ and turning points, November 1973 to Present

The Conference Board Employment Trends Index™, January 2000 to Present
Additional information regarding the methodology change and the annual benchmark revision

Starting with the November 2020 release (Monday, November 9, 2020 10:00 AM ET) The Conference Board Employment Trends Index (ETI)™ will be calculated using a symmetric monthly change methodology of the individual components. The symmetric monthly change methodology ensures that if an indicator goes up and then down by the same amount, and gets back to its original level, the index returns to its original level.

The Conference Board decision to move from a simple monthly percent change methodology to a symmetric monthly change methodology was prompted by the unprecedented monthly changes in Initial Claims for Unemployment Insurance during March 2020 through April 2020, due to the COVID-19 pandemic. The former methodology did not properly capture and reflect changes in the ETI. As a result, The Conference Board decided that to better reflect long-term trends in the level of employment, a revision to the methodology was needed.

The chart below shows the ETI pre-benchmark (simple percent change) and post-benchmark (symmetric monthly change). The historical difference through February 2020 is negligible and the timing of the turning points is not affected.

In addition, each January the ETI undergoes annual benchmark revisions that update the standardization factors used to calculate the index. This brings the index up to date with revisions in the source data. The Conference Board decided to apply this revision in November, along with methodological changes. These revisions do not change the cyclical properties of the index. The standardization factors, known as volatility adjustment factors, are calculated using the standard deviation of the monthly percent change in each component. The period used for calculating the standardization factors begins in November 1973 and ends in December 2019. 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

The Conference Board Employment Trends Index™ pre- and post-benchmark methodology comparison

![Graph showing ETI pre- and post-benchmark methodology comparison](https://example.com/eti_graph.png)