

News Release

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The Conference Board Employment Trends Index™ (ETI) Decreased in September

In Wake of Delta Surge, a Return to Strong Job Growth in the US May Take Several Months

NEW YORK, October 11, 2021...The Conference Board Employment Trends Index™ (ETI) fell marginally in September, the first decrease in seven months. The index now stands at 110.35, down from 110.68 (an upward revision) in June.

“The Employment Trends Index has flattened since July, suggesting it may be a few months before the pace of job growth regains the momentum of earlier this year,” said **Gad Levanon, Head of The Conference Board Labor Markets Institute**. “The chief culprit behind lagging job growth has been the summer surge in COVID-19 infections associated with the Delta variant. Spending on—and hiring in— in-person services significantly slowed in recent months. With new cases now trending downward, the risk of infection seems poised to decline over the rest of the year but remain significant. Thus, we expect more risk-averse consumers to continue to spend less on in-person services than they did pre-pandemic.”

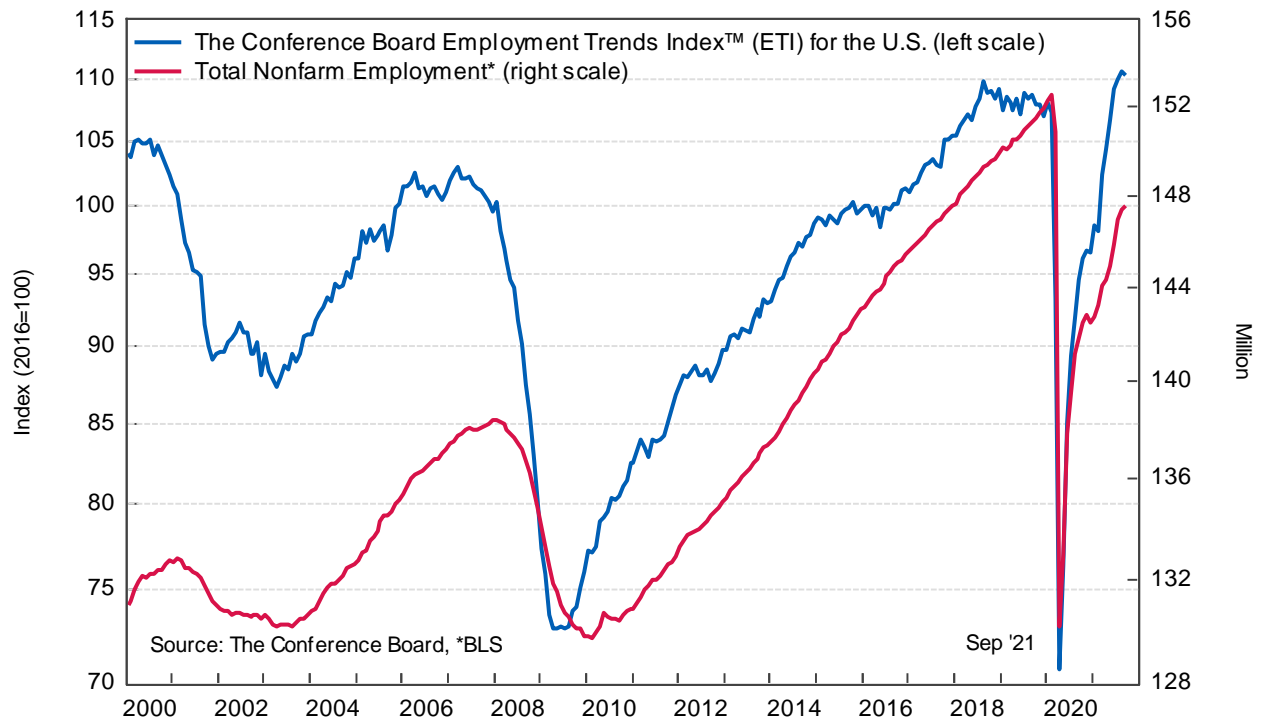
Despite expectations that labor supply would begin to increase as pandemic-related unemployment assistance expired and schools reopened, recruiting difficulties remained historically high in September, and perhaps even worsened. New vaccine mandates for employment is causing terminations and reduces the labor supply for large employers, government contractors, and the healthcare sector. “It is becoming more likely that severe labor shortages will continue impacting the US economy in the months ahead,” said Levanon. “In such a scenario, wages will continue to rise rapidly— contributing to faster inflation—and economic growth will gradually become more encumbered by labor supply constraints.”

September’s decrease in the Employment Trends Index was driven by negative contributions from two of eight components: Percentage of Respondents Who Say They Find “Jobs Hard to Get” and Number of Temporary Employees. The other six components, from the largest positive contributor to the smallest, were: Initial Claims for Unemployment Insurance; Industrial Production; Job Openings; Real Manufacturing and Trade Sales; Percentage of Firms With Positions Not Able to Fill Right Now; and Ratio of Involuntarily Part-time to All Part-time Workers.

The Employment Trends Index is a leading composite index for employment. Turning points in the Index indicate that a turning point in the number of jobs added is about to occur in the coming

months. 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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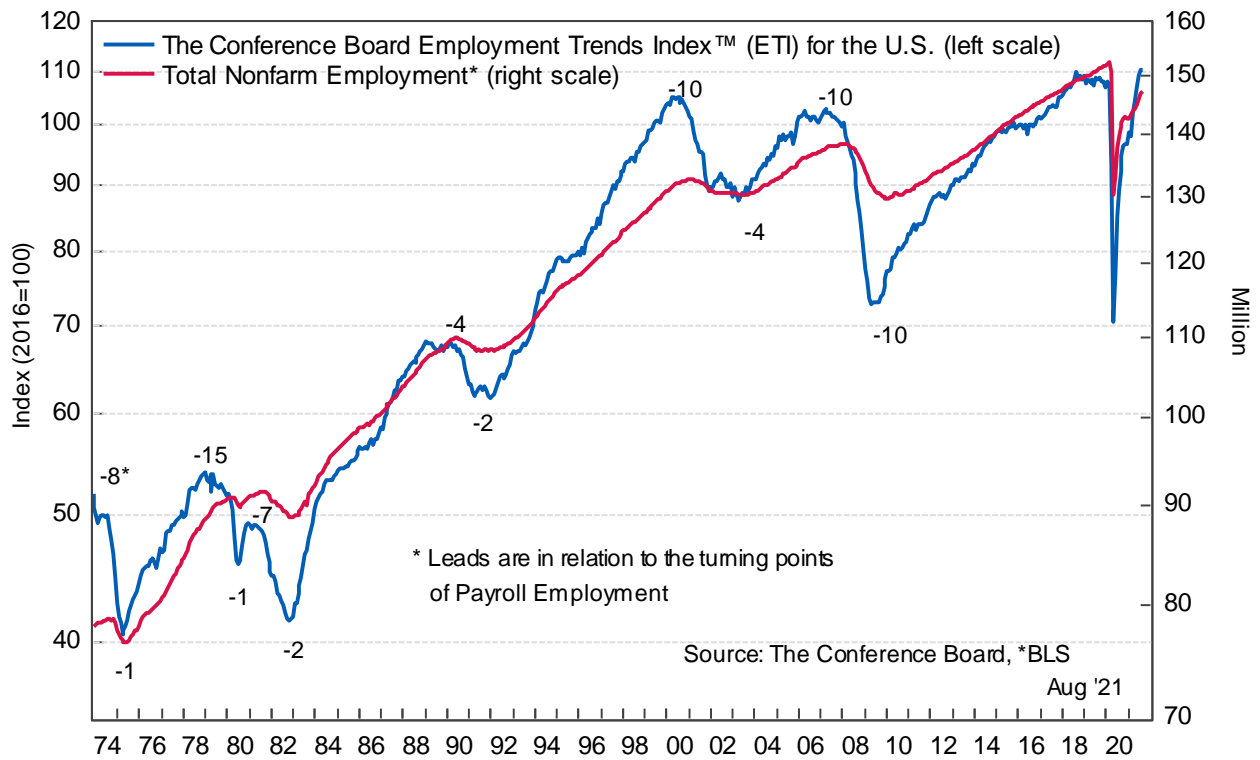
Employment Trends Index (ETI)TM 2021 Publication Schedule

Index Release Date (10 AM ET)	Data for the Month
Monday, November 8	October
Monday, December 6	November

* Tuesday release due to holiday

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

Present



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