



CHMURA



# The Future of Labor Data

Mark Hays, Managing Director of Sales and Business Development

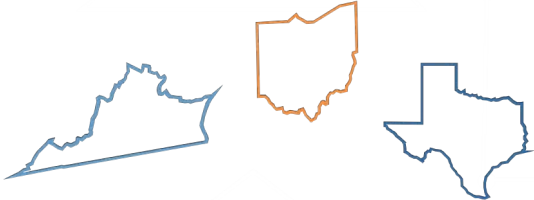
Logan Harrah, Account Manager

Chmura Economics & Analytics

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# Who is Chmura?

We provide labor market data and analysis, so our clients can make informed decisions to help their communities thrive.



Offices in Richmond, Cleveland, and Dallas



We are driven by client satisfaction and success.

Founded in 1998 by Christine Chmura, PhD.



We are economists, data scientists, statisticians, and business professionals who care about helping your community grow.



Excellence is our first priority-- in customer service and data quality.

Summary

U.S. stocks closed little changed on Friday and ended the week mixed. For the week, the Dow Jones Industrial Average inched forward 0.1%, the S&P 500 decreased 0.7%, and the NASDAQ declined 1.5%. Last week's economic reports were mostly positive. Discretionary spending by U.S. consumers jumped in January. Retail sales climbed 5.3% last month as all thirteen major retail sectors posted gains from December, core retail sales, which mirror the consumer spending component of gross domestic product, increased 6.0% in January. Producer prices were up 1.3% last month and core producer prices rose 1.2%

as energy prices advanced 5.1% and food prices edged up 0.2%. From January 2020, producer prices were up 1.7% and core producer prices climbed 2.0%. Initial unemployment claims for the week ending February 13 increased 13,000 to 861,000 and remain extremely elevated. Housing starts declined 6.0% while building permits—a forward looking metric—were up 10.4% in January. Existing home sales rose 0.6% in January and surged 23.7% on a year-over-year basis. There is currently a 1.9-month supply of existing homes for sale. A six-month supply typically indicates the market is balanced. In more

housing news, the National Association of Home Builders February Housing Market Index rose 1 point to 84 signaling very high builder confidence. Industrial production increased more than expected last month as output advanced in the manufacturing and mining sectors. Capacity utilization, a gauge of economic slack, was up 0.7 percentage points from December to 75.6%. In more positive news, business inventories increased 0.6% and business sales rose 0.8% in December.

ECONOMIC RELEASES

Last Week: Indicator	Number Reported	Consensus Expectation*	Comment
Producer Price Index (Jan - We 8:30)	+1.3%	+0.5%	+1.7% from January 2020
Core Producer Price Index (Jan - We 8:30)	+1.2%	+0.2%	+2.0 from January 2020
Retail Sales (Jan - We 8:30)	+5.3%	+0.3%	Core retail sales jumped 6.0%
Retail Sales ex-auto (Jan - We 8:30)	+5.9%	+0.7%	Sales at motor vehicle & parts dealers rose 3.1%
Industrial Production (Jan - We 9:15)	+0.9%	+0.6%	Manufacturing output increased 1.0%
Capacity Utilization (Jan - We 9:15)	75.6%	74.6%	Up 0.7 points from December
Business Inventories (Dec - We 8:30)	+0.6%	+0.6%	Business sales increased 0.8%
NAHB Housing Market Index (Feb - We 10:00)	84	86	Up 1 point from January
Housing Starts (Jan - Th 8:30)	1,580 TUAR	1,670 TUAR	-6.0% from December
Building Permits (Jan - Th 8:30)	1,881 TUAR	1,670 TUAR	Multi-unit permits jumped 27.2% from December
Initial Unemployment Claims (2/13 - Th 8:30)	861 K	775 K	Up 13,000 from previous week
Continuing Claims (2/6 - Th 8:30)	4.494 Mil	NA	
Existing Home Sales (Jan - Fr 10:00)	6.69 MUAR	6.65 MUAR	+23.7% from January 2020
Upcoming Week: Indicator	Consensus Expectation*	Last Period	Comment
Leading Indicators (Jan - Tu 10:00)	+0.4%	+0.3%	
New Home Sales (Jan - We 10:00)	855 TUAR	842 TUAR	
Initial Unemployment Claims (2/20 - Th 8:30)	820 K	861 K	
Continuing Claims (2/13 - Th 8:30)	NA	4.494 Mil	Not available
Durable Orders (Jan - Th 8:30)	+1.2%	+0.2%	
Durable Orders ex-transportation (Jan - Th 8:30)	+0.6%	+0.7%	
Real Gross Domestic Product (Qtr 4 - Th 8:30)	+4.1%	+4.0%	
Chain Deflator (Qtr 4 - Th 8:30)	+2.0%	+2.0%	
Personal Income (Jan - Fr 8:30)	+9.7%	+0.6%	
Personal Spending (Jan - Fr 8:30)	+2.3%	-0.2%	
PCE Prices - Core (Jan - Fr 8:30)	NA	+0.3%	Not available

\*Sources: www.briefing.com and www.federalreserve.gov

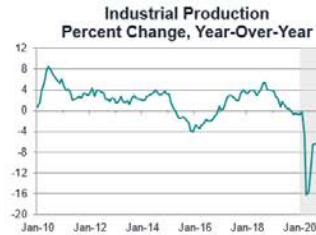
Economic Review

INDUSTRIAL PRODUCTION rose 0.9% in January, beating economists' expectations, as output increased in the manufacturing and mining sectors. From a year earlier, industrial production was down 1.8%, however Manufacturing output, the largest component of industrial production, increased 1.0% in January after rising 0.9% in December. The output of motor vehicles and parts decreased 0.7% after edging down 0.2% in December. Mining production climbed 2.3% after increasing 0.7% in December while utilities production declined 1.2% after advancing 4.9% in December. CAPACITY UTILIZATION climbed 0.7 percentage points to 75.6% in January and manufacturing capacity utilization was also up 0.7 percentage points to 74.6%.

Housing starts fell last month while building permits—a forward-looking metric—climbed. HOUSING STARTS dropped 6.0% in January to 1,580 thousands of units at an annualized rate (TUAR). The January rate is 2.3% below the January 2020 rate of 1,617 TUAR. Starts to build single-family homes tumbled 12.2% while starts to build units in buildings with at least five units advanced 16.2%. By region, total starts increased 2.3% in the Northeast while declining 12.3% in the Midwest, 2.5% in the South, and 11.4% in the West. New BUILDING PERMITS climbed 10.4% to 1,881 TUAR and are 22.5% above the January 2020 rate of 1,536 TUAR. Permits for units in buildings with five units or more increased 28.0% in

January and permits to build single-family homes rose 3.8%. Sales at U.S. retailers surged in January with every major retail sector experiencing increased sales. RETAIL SALES (seasonally adjusted) climbed 5.3% last month after falling a downwardly revised 1.0% in December. From a year earlier, sales were up 7.4%. All thirteen major retail sectors posted gains from December led by department retailers (+11.0%), restaurants & bars (+6.9%), motor vehicle & parts dealers (+3.1%), and general merchandise stores (+5.5%). Core retail sales, which mirror the consumer spending component of gross domestic product (GDP), advanced a healthy 6.0% in January.

Wholesale prices jumped last month but year-over-year price increases remained moderate. The PRODUCER PRICE INDEX (PPI) for final demand advanced 1.3% in February and the core PPI for final demand was up 1.2%. From a year earlier, the index for final demand rose 1.7% and the core measure was up 2.0% from February 2020. Food prices increased 0.2% while energy prices jumped 5.1%.



Interest Rate Forecast\*

The Federal Open Market Committee (FOMC) left the federal funds rate target unchanged at 0.0% to 0.25% at the Fed's January policy meeting. In the statement released following the January meeting, the FOMC said, "The COVID-19 pandemic is causing tremendous human and economic hardship across the United States and around the world." The statement went on to say, "The Committee decided to keep the target range for the federal funds rate at 0 to ¼ percent and expects it will be appropriate to

maintain this target range until labor market conditions have reached levels consistent with the Committee's assessment of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time."

Avg. for:	Prime	Fed Funds	3-Mo. LIBOR	6-Mo. T-Bill	2-Yr. Note	10-Yr. Treasury	30-Yr. Bond	30-Yr Mortgage
1 <sup>st</sup> Qtr '21	3.25	0.11	0.22	0.10	0.15	1.08	1.83	2.76
2 <sup>nd</sup> Qtr	3.25	0.13	0.25	0.12	0.17	1.09	1.83	2.78
3 <sup>rd</sup> Qtr	3.25	0.13	0.28	0.14	0.18	1.11	1.85	2.81
4 <sup>th</sup> Qtr	3.25	0.13	0.32	0.15	0.20	1.13	1.87	2.82
1 <sup>st</sup> Qtr '22	3.25	0.13	0.36	0.16	0.20	1.14	1.90	2.85

\*Forecast as of January 27, 2021

FINANCIAL MARKET SUMMARY

	As of 2/19/2021	As of 2/12/2021	Weekly Change	4-Week Change	13-Week Change
<b>MONEY MARKETS (Changes in BPs)</b>					
Prime	3.25	3.25	0	0	0
LIBOR Index Base Rate (1 Month)	0.11	0.12	(1)	(2)	(4)
Fed Funds (Wed close)	0.08	0.08	0	0	(1)
<b>TREASURIES (BE) (Changes in BPs)</b>					
3 Months	0.04	0.04	0	(4)	(6)
6 Months	0.06	0.05	1	(4)	(4)
1 Year	0.07	0.06	1	(3)	(6)
2 Years	0.11	0.11	0	(2)	(6)
5 Years	0.59	0.50	9	15	19
10 Years	1.34	1.20	14	24	46
30 Years	2.14	2.01	13	29	50
<b>MUNICIPALS - AAA G.O. &amp; MORTGAGE (Changes in BP)</b>					
2-Year Muni	0.14	0.09	5	(1)	(1)
5-Year Muni	0.34	0.19	15	9	10
10-Year Muni	0.86	0.68	18	61	14
30-Year Muni	1.59	1.42	17	7	8
30-Year Conventional Mortgage	2.81	2.73	8	4	9
<b>MARKET INDICATORS (Changes in %)</b>					
DJIA	31,494.32	31,458.40	0.1	1.6	7.6
S&P 500	3,906.71	3,934.83	(0.7)	1.7	9.8
NA SDAQ	13,874.46	14,095.47	(1.6)	2.4	17.0
CRB Futures	200.44	196.90	1.8	9.1	20.8
Oil (WTI Crude)	58.98	59.62	(1.1)	13.3	39.9
Gold	1,780.50	1,822.30	(2.3)	(4.1)	(4.9)
Yen / Dollar	105.46	104.94	0.5	1.6	1.6
Dollar / Euro	1.2114	1.2120	(0.0)	(0.5)	2.2

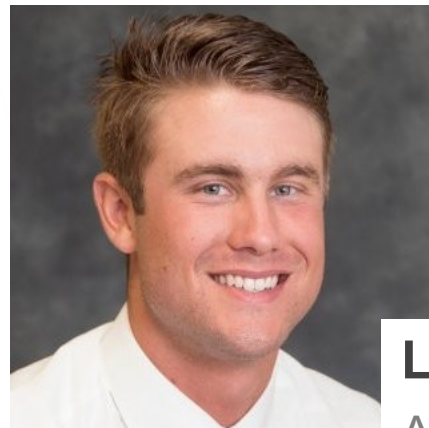
The information in this newsletter is obtained from sources we believe to be reliable. We cannot, however, guarantee its accuracy and completeness. Furthermore, the opinions in this report constitute our present judgment, which is subject to change without notice.

# Meet Our Speakers



**Mark Hays**

Managing Director of Sales  
& Business Development



**Logan Harrah**

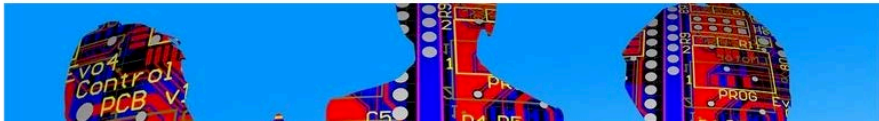
Account Manager

**Skills: the  
currency of the  
future.**



## 'Skills are the currency of the future': The rise of a skills-based economy

Blockchain technology, skill wallets and upward mobility may define the future market, experts said during a U.S. Chamber of Commerce Foundation event.



It's become more evident that skill level outweighs pedigree  
- Chike Aguh

Employers that get better at recognizing skills will be better positioned to improve both the talent and diversity of their workforces, relative to their degree-distracted competitors, and unleash the full potential of their individuals and teams

— Forbes

# Skills

The evolution of the workforce and the jobs of the future are moving toward a skills-based economy, “where skills themselves are the currency of the future.”

- Alex Kaplan, global leader of Blockchain and AI for Industry Credentials at IBM

In this era of risk takers and contrarian thinkers, skillsets are more important than focusing on completing the conventional college degree which does not give you hands-on experience of the real world job scenario

— Entrepreneur Magazine

The screenshot shows the top of an Entrepreneur Magazine article. At the top, there's a navigation bar with the Entrepreneur logo and a search icon. Below that is a banner for Salesforce.org with the text 'The World's #1 CRM is here for Nonprofits.' The article title is 'Why is it About the Skill Sets and not Suit or a Degree?' and the sub-headline reads 'Because skills value more than anything else in changing times, it doesn't matter whether you dress up as a business tycoon or a fresher out of college'. There are social media sharing icons for Facebook, Twitter, LinkedIn, and YouTube. Below the article title is a photo of five diverse professionals in business attire. To the right of the photo is another Salesforce.org advertisement with the text 'The World's #1 CRM is here for'.

# Why Employers Have a Big Responsibility

“It's essential for employers to effectively articulate the skills desired for a particular role as well as provide information on how to obtain the skills...Workers are going to have to be technicians at some fundamental level going forward.”

– *Peter Beard*, Sr. VP of Regional Workforce Development at the Greater Houston Partnership





# Digital Skills Gaps



“Digital skills gaps exist in industries now deemed essential...Roughly one-third (33%) of workers in the health and social work sector had limited or no digital skills, for example.”

– *National Skills Coalition*

# So, what should employers do?



Codify skills for your industry.



Establish ways to validate an employee's skills through apprenticeships, applied examinations, etc.



Insist that your local education systems teach these skills in the classroom.

# Why workforce development, economic developers, and educators should care



- If you're in **secondary or higher education** and teaching skills that aren't relevant to the job market, shame on you.
- If you're in **economic or workforce development** and aren't doing something about about your educational institutions teaching irrelevant skills, shame on you.
- If you're an **employer or a workforce investment** board and allowing tax dollars to be spent on teaching irrelevant skills, shame on you.

# What can we do?



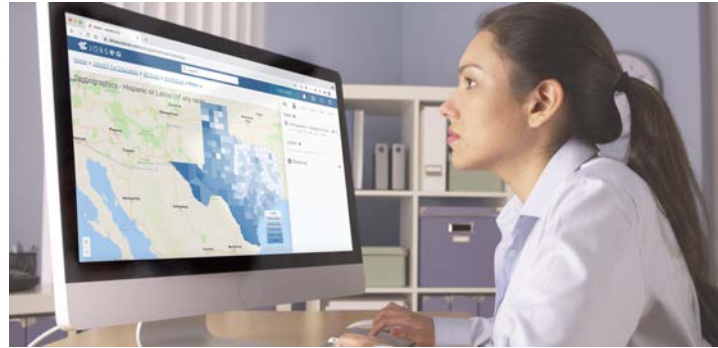
- Realize that **digital skills** will become more relevant in all occupations.
- In order to work toward aligning the skills being taught with the demand in your local labor market, you must understand the **foundational supply/demand** aspects of that market.
- What are you doing to take the training to your most **vulnerable populations**? Adult learners will continue to grow in relevance in your local labor market. They care less about degrees and more about skills that will get them to a living wage in a short period of time.

# Why Using Job Postings, Resumes, and Skills Data Will Improve Your Organization's Reputation



**You'll become the authority in your region on supply and demand.**

You'll be accessing non-duplicative job postings and resumes from thousands of sources. You become the authority in your region on supply and demand in your labor market.



**You'll become the go-to expert on skills gaps, both hard and soft.**

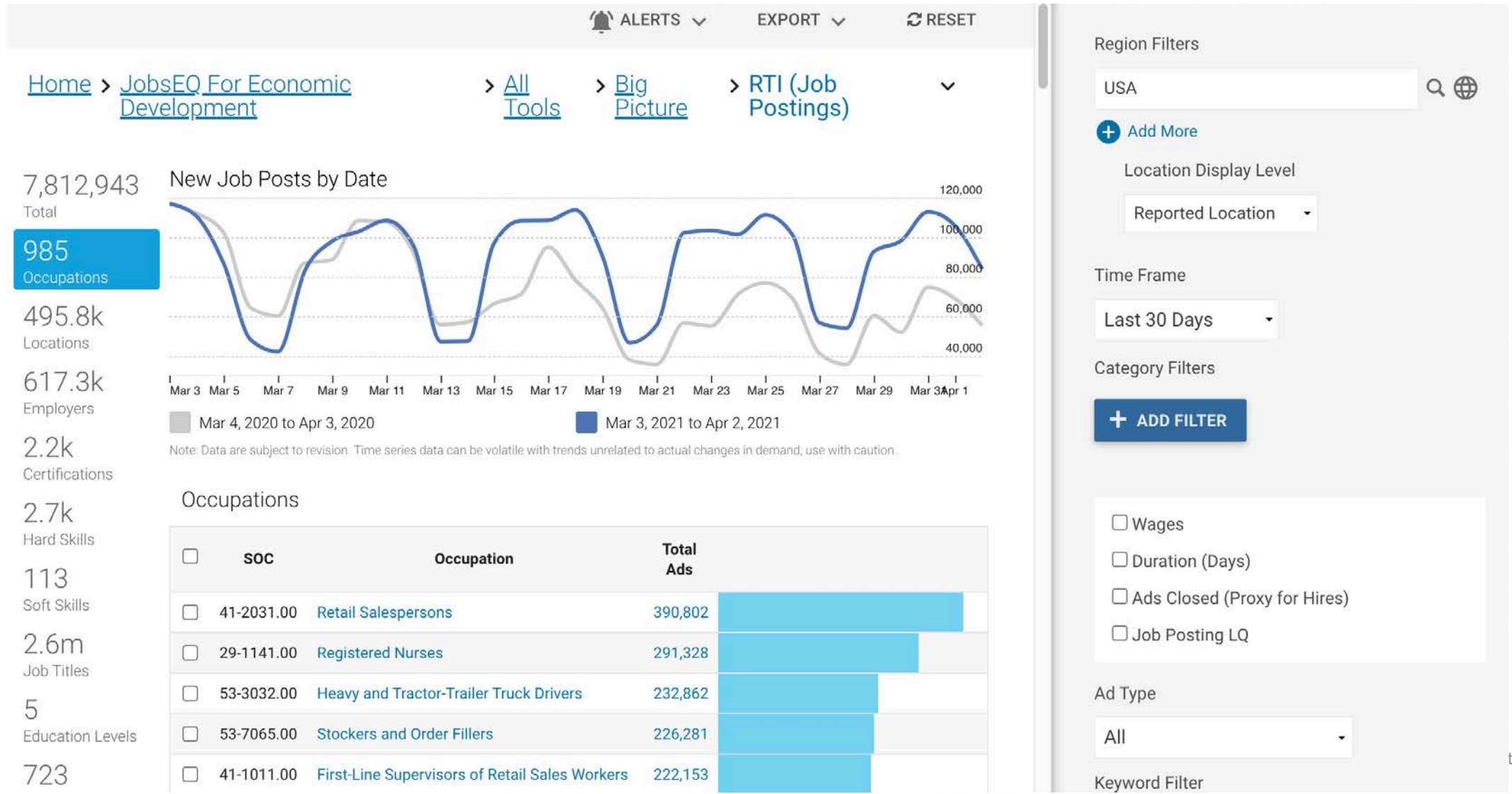
Identifying these skills gaps, as well as where there are surpluses and shortages in your labor market becomes the foundation for identifying strengths and challenges in your region.



**You're proving you're a problem solver.**

If I'm looking to grow my business, or expand operations to a region, I'm not looking for the "perfect" labor market – I'm looking for the region that can identify and solve labor market issues. That starts with having the best data

# Real World Examples Using JobsEQ





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