

# U.S. Data Review

- Employment cost index: picking up, although not surging
- Consumer confidence: upper end of range, although still shy of recent peaks

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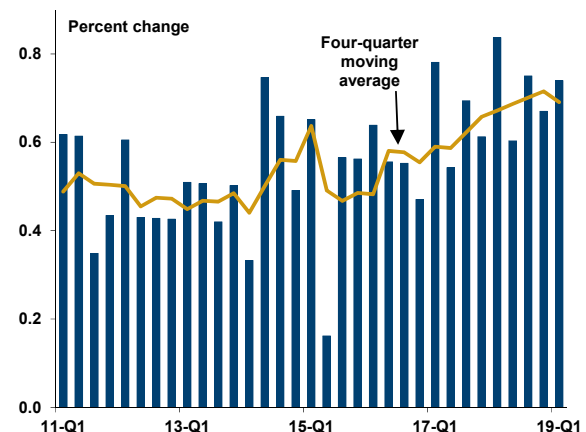
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## Employment Cost Index

The employment cost index rose 0.7 percent in the first quarter, matching the consensus estimate. The quarterly change almost rounded up to 0.8 percent (0.740 percent), and thus it was not far below the best results of the current expansion (only 2017-Q1 and 2018-Q1 were meaningfully firmer; chart). Although the quarterly change was in the upper portion of the recent range, the year-over-year change eased slightly (2.8 percent versus 2.9 percent in the prior quarter). Despite the dip, the underlying trend in compensation growth remained upward; certainly, growth has broken out of the range centered on two percent that was evident during much of the current expansion. However, the pace of growth was not especially rapid, as the latest year-over-year advance was probably slower than the sum of inflation and productivity growth (Q1 productivity will be published on Thursday). With the unemployment rate low and job growth brisk, one might expect more acceleration in labor compensation.

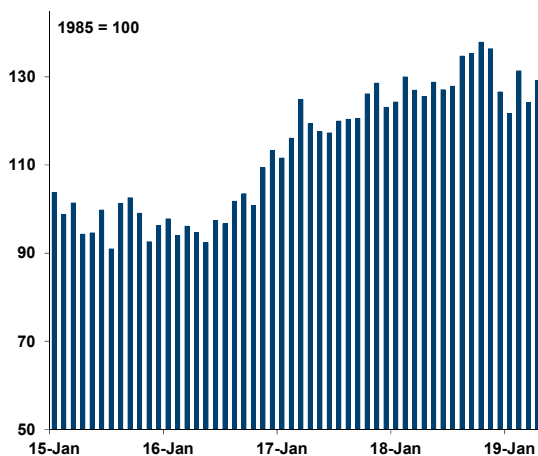
The ECI includes both wages and benefits in measuring compensation, and gains since early 2015 have tilted slightly in favor of wages (year-over-year growth approximately 0.2 percentage point faster for wages). Slower growth in the cost of health care accounts for some of the shift toward wages, as the year-over-year increase in the cost of health-related benefits has been less than two percent since early 2017.

## Employment Cost Index



Source: Bureau of Labor Statistics via Haver Analytics

## Consumer Confidence



Source: The Conference Board via Haver Analytics

## Consumer Confidence

The Conference Board's index of consumer confidence rose 5.0 index points in April, exceeding the expected pickup of 2.7 points. The new level of 129.2 was in the upper portion of its recent range, although shy of the lofty readings in late 2018 (average of 136.1 from August through November). The new reading also was a touch below the February tally of 131.4 (chart).

Both the present situation and expectations components contributed to the increase in April, with the present situation measure a bit firmer (up 5.3 index points versus 4.7 points). Assessments of the labor market played a role in boosting the present situation index, as the share reporting that jobs were plentiful rose 4.3 percentage points to 46.8 percent, matching the high for the current cycle. The share indicating that jobs were hard to get dipped 0.5 percentage point to 13.3 percent. The net reading of 33.5 percent (plentiful less hard to get) was only a touch below the cyclical high of 34.2 percent in November.

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