

## The European Central Bank (ECB) story

# LinkedIn data informs earlier and improved labor forecasts.

### **The opportunity:** Make unemployment estimates more timely

The ECB sought a more up-to-date picture of unemployment rate changes during the early stages of the COVID-19 pandemic.

### **How we partner:** Use LinkedIn Hiring Rate (LHR) to predict labor market shocks

ECB macroeconomists analyzed labor market shocks related to COVID-19 in real-time using LinkedIn's high frequency data.

### **What's worked:** Unemployment rate forecasts with LHR provided early signals

LHR provided the ECB governing board with earlier signals and better forecasts that were otherwise unavailable during the COVID-19 pandemic.



The ECB sets monetary policy for the 19 Eurozone countries.

“The LinkedIn hiring rate complements the information that can be retrieved from the official statistical data, providing a timely, high-frequency indicator on gross hires in the euro area during the pandemic.”

Vasco Botelho and Agostino Cosnolo, ECB Economic ECB Economic Bulletin, May 2021