

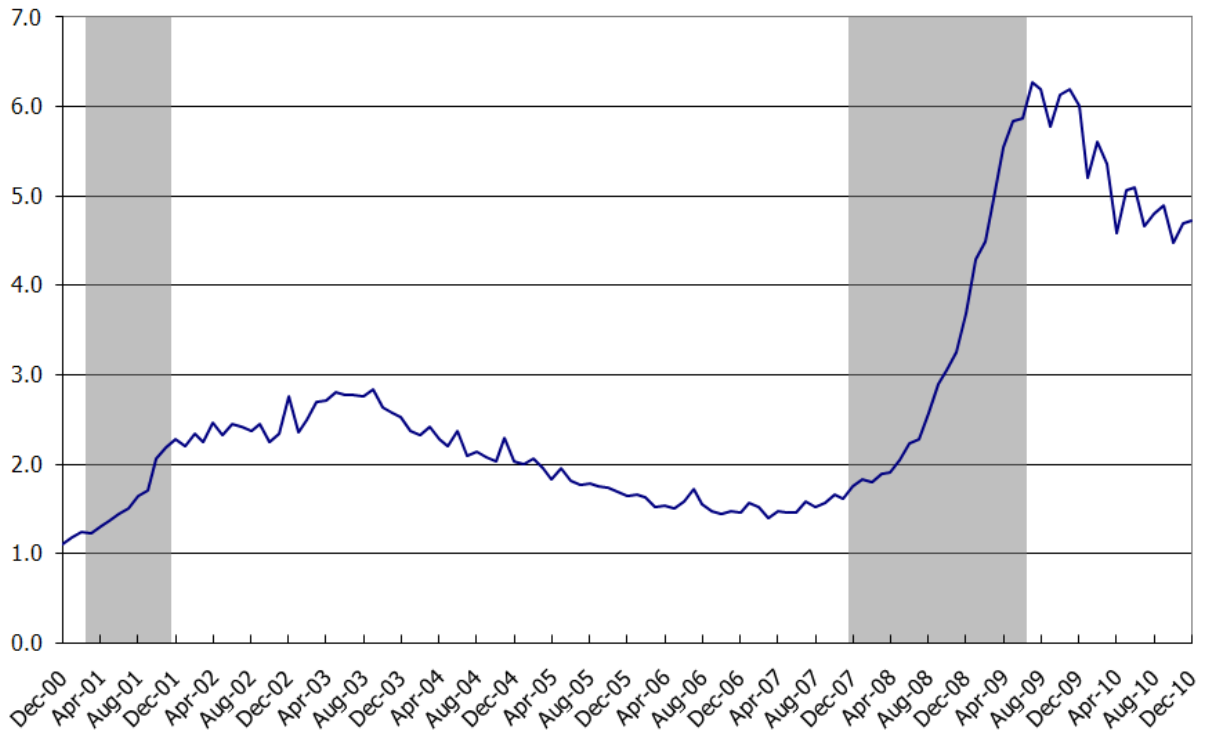


Job Openings and Labor Turnover Survey
Highlights
December 2010

Bureau of Labor Statistics

February 8, 2011

**Chart 1. Number of unemployed persons per job opening
Seasonally adjusted**

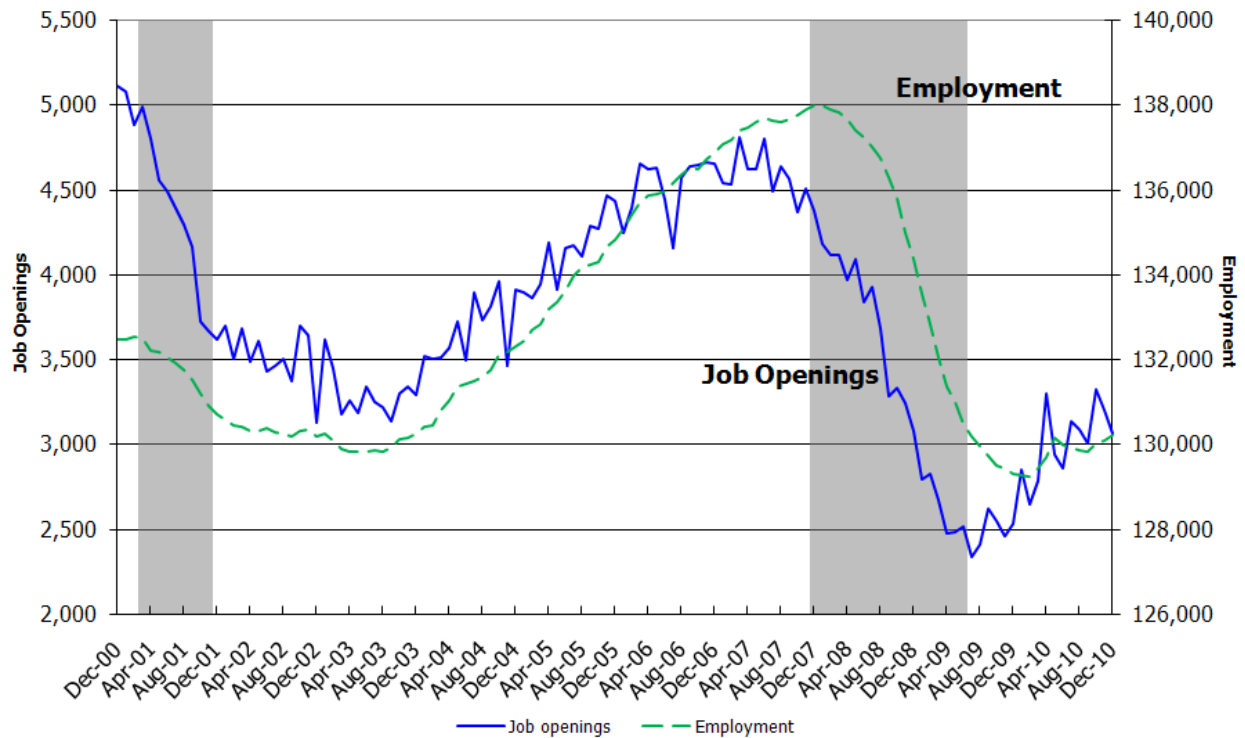


Sources: Bureau of Labor Statistics, Current Population Survey and Job Openings and Labor Turnover Survey, February 8, 2011.

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER).

- The ratio between the unemployment level and job openings level changes over time.
- When the recent recession began, the unemployed persons per job opening was 1.8. When the recession ended (June 2009), there were 5.9 unemployed persons per job opening.
- The unemployed persons per job opening ratio has trended downward since the end of the recession and was 4.7 in December 2010.

**Chart 2. Job openings and employment
Seasonally adjusted, in thousands**

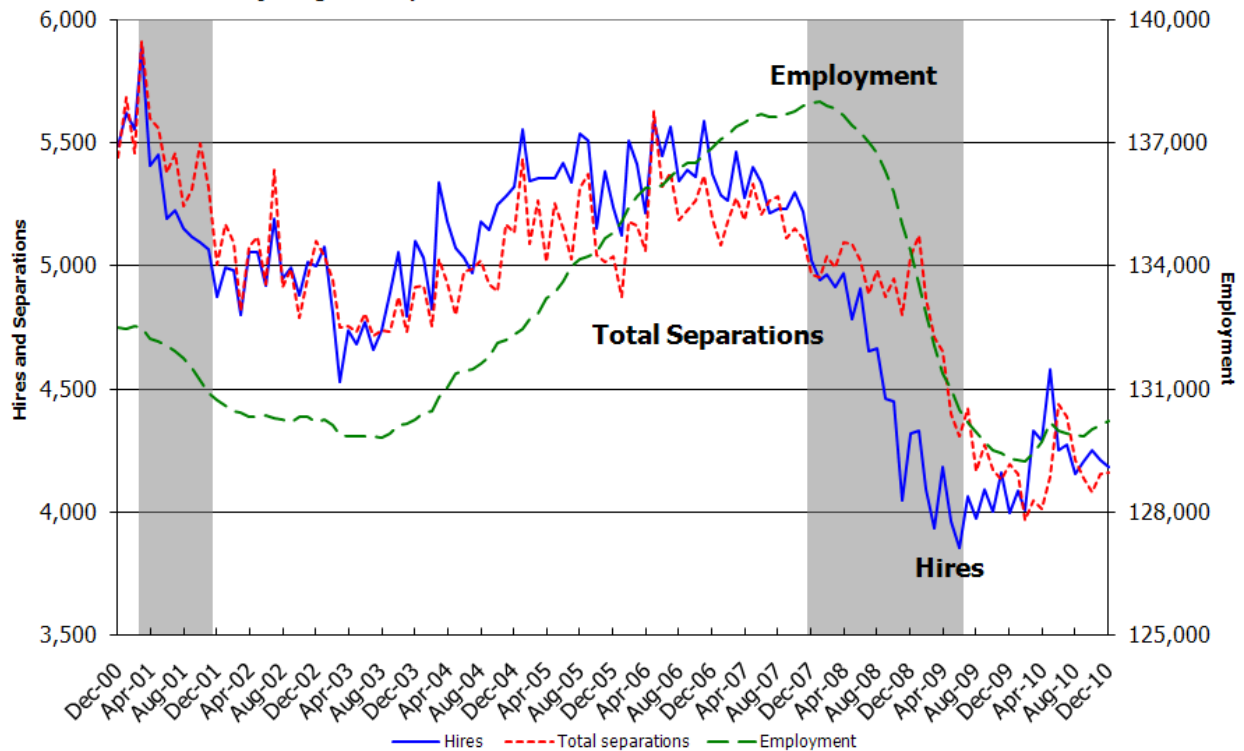


Sources: Bureau of Labor Statistics, Current Employment Statistics and Job Openings and Labor Turnover Survey, February 8, 2011.

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER).

- The number of job openings declined to a series low in July 2009, 1 month after the official end of the recent recession. Employment continued to decline after the end of the recession, reaching a low point in February 2010.
- There were 3.1 million job openings in December 2010, which is 31 percent higher than the recent series low in July 2009. The level is still well below the 4.8 million openings at the peak in March 2007.

Chart 3. Hires, total separations, and employment
Seasonally adjusted, in thousands

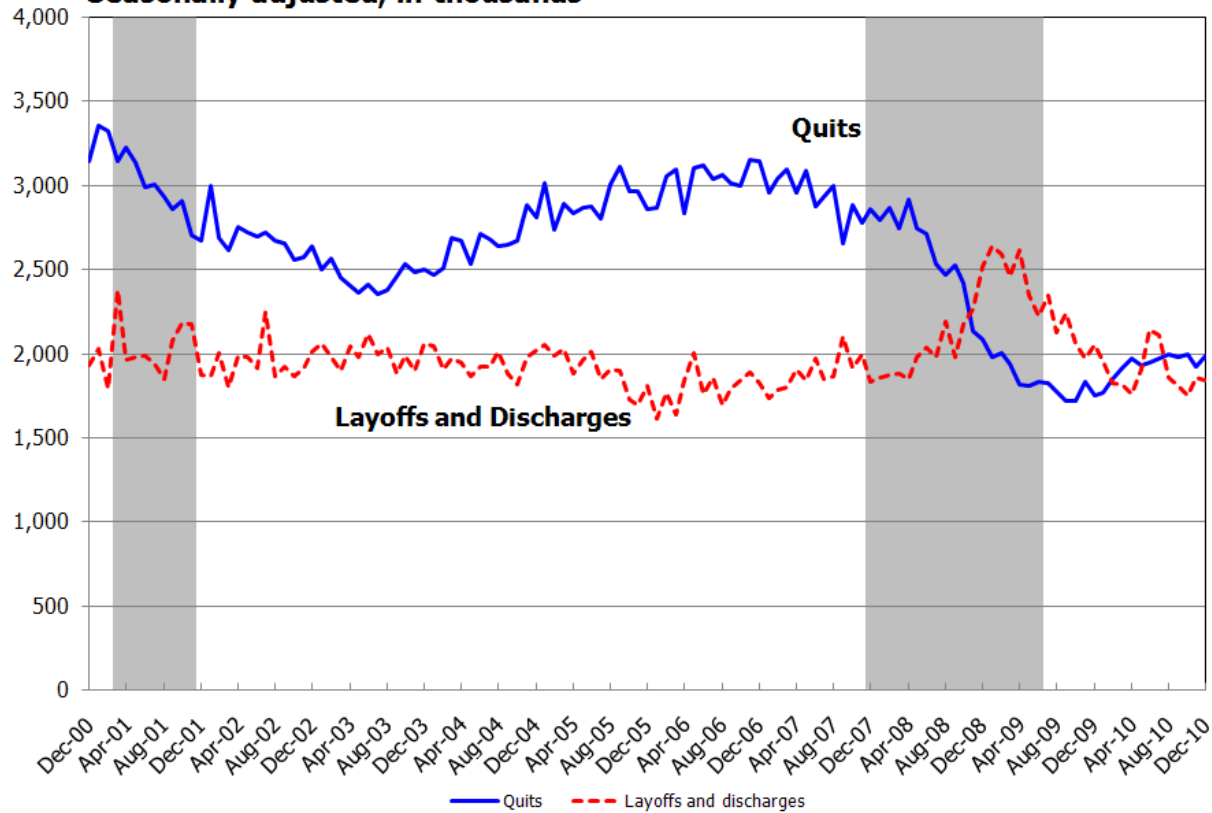


Sources: Bureau of Labor Statistics, Current Employment Statistics and Job Openings and Labor Turnover Survey, February 8, 2011.

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER).

- Hires, total separations, and employment all remained below pre-recession levels in December.
- The number of hires decreased by 23 percent during the recession (December 2007 to June 2009). Since June 2009, the number of hires has increased by only 9 percent. Hires totaled 4.2 million in December.
- Unlike hires, separations continued to decline following the recession. Separations fell by 20 percent between December 2007 and February 2010. In December, there were 4.2 million total separations, only 193,000 more than the low point in February.

Chart 4. Quits and layoffs and discharges
Seasonally adjusted, in thousands

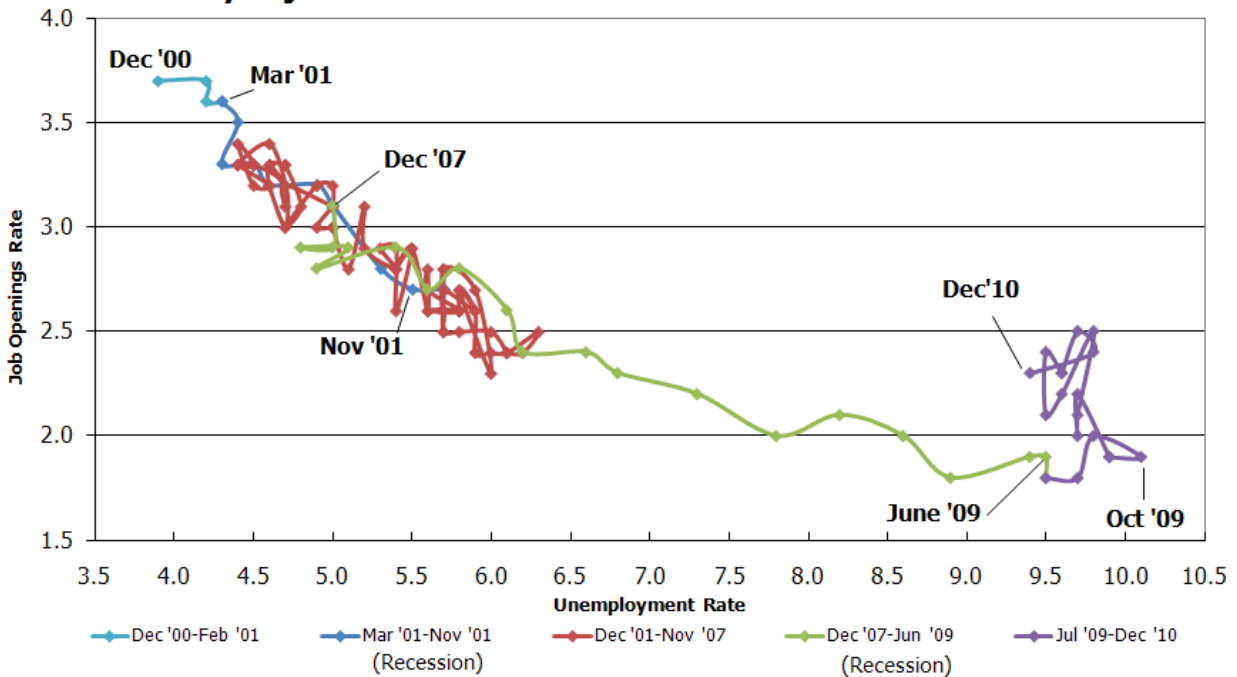


Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, February 8, 2011.

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER).

- Quits tend to rise when there is a perception that another job is available and tend to fall when there is a perception that jobs are scarce.
- For most of the JOLTS series, the number of quits has exceeded the number of layoffs and discharges.
- During the latest recession, this relationship changed as layoffs and discharges outnumbered quits from November 2008 through January 2010. The rise in layoffs and discharges in May and June 2010 is due to layoffs of temporary Census 2010 workers as they completed their work.
- In December, there were 2.0 million quits, still well below the 2.9 million quits in December 2007, the first month of the recession.
- Unlike quits, layoffs and discharges have returned to pre-recession levels. The 1,838,000 layoffs and discharges in December were slightly more than the 1,835,000 layoffs and discharges in December 2007 when the recession began.

**Chart 5. The Beveridge Curve (job openings vs. unemployment rate)
Seasonally adjusted**



Sources: Bureau of Labor Statistics, Current Population Survey and Job Openings and Labor Turnover Survey, February 8, 2011.

- The above graph plots the JOLTS job openings rate against the CPS unemployment rate. This graphical representation of the relationship between the unemployment rate and the vacancy rate is known as the Beveridge Curve, named after the British economist William Henry Beveridge (1879-1963). The economy's position on the downward sloping Beveridge Curve reflects the state of the business cycle.
- During an expansion, the unemployment rate is low and the vacancy rate is high. During a contraction, the unemployment rate is high and the vacancy rate is low. The position of the curve is determined by the efficiency of the labor market. For example, a greater mismatch between available jobs and the unemployed in terms of skills or location would cause the curve to shift outward.
- From the start of the recent recession in December 2007 until October 2009, the point on the curve moved lower and further to the right as the job openings rate declined and the unemployment rate rose. Starting in October 2009, the point has moved up and to the left on the curve as the job openings rate has increased and the unemployment rate has decreased.
- In December 2010, the job openings rate had a small decrease to 2.3 percent and the unemployment rate declined to 9.4 percent.

**Chart 6. Job openings rates, hires rates, and employment by select industries
December 2010, seasonally adjusted**



Sources: Bureau of Labor Statistics, Current Employment Statistics and Job Openings and Labor Turnover Survey, February 8, 2011.

- Professional and business services had a high job openings rate and relatively high hires rate in December, indicating that despite strong hiring, even more employees were needed.
- Education and health services had a high job openings rate and relatively low hires rate in December, indicating that the needed employees were not hired.
- Construction had a high hires rate and a low job openings rate in December, indicating that employees were needed and were easily hired.
- Arts, entertainment, and recreation had a high hires rate in December, but since it is a small industry, that equaled only 103,000 hires.
- Government had very little labor market activity in December with a low job openings rate and the lowest hires rate.