



Job Openings and Labor Turnover Survey

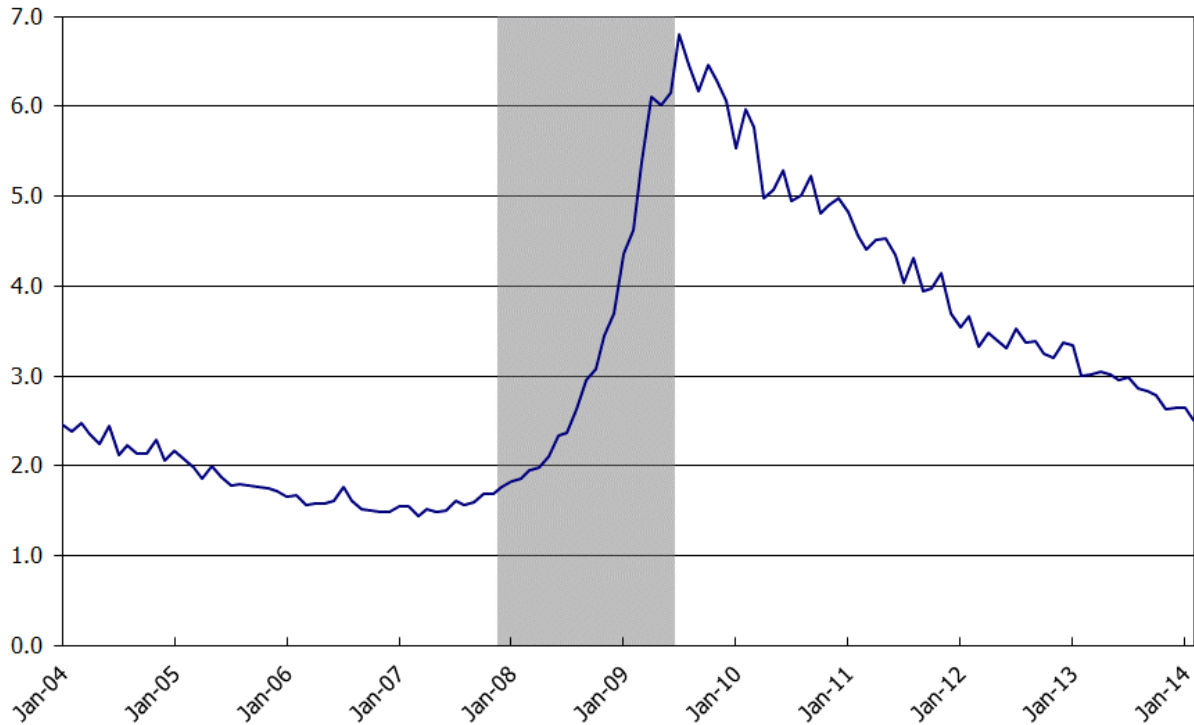
Highlights

February 2014

Bureau of Labor Statistics

April 8, 2014

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

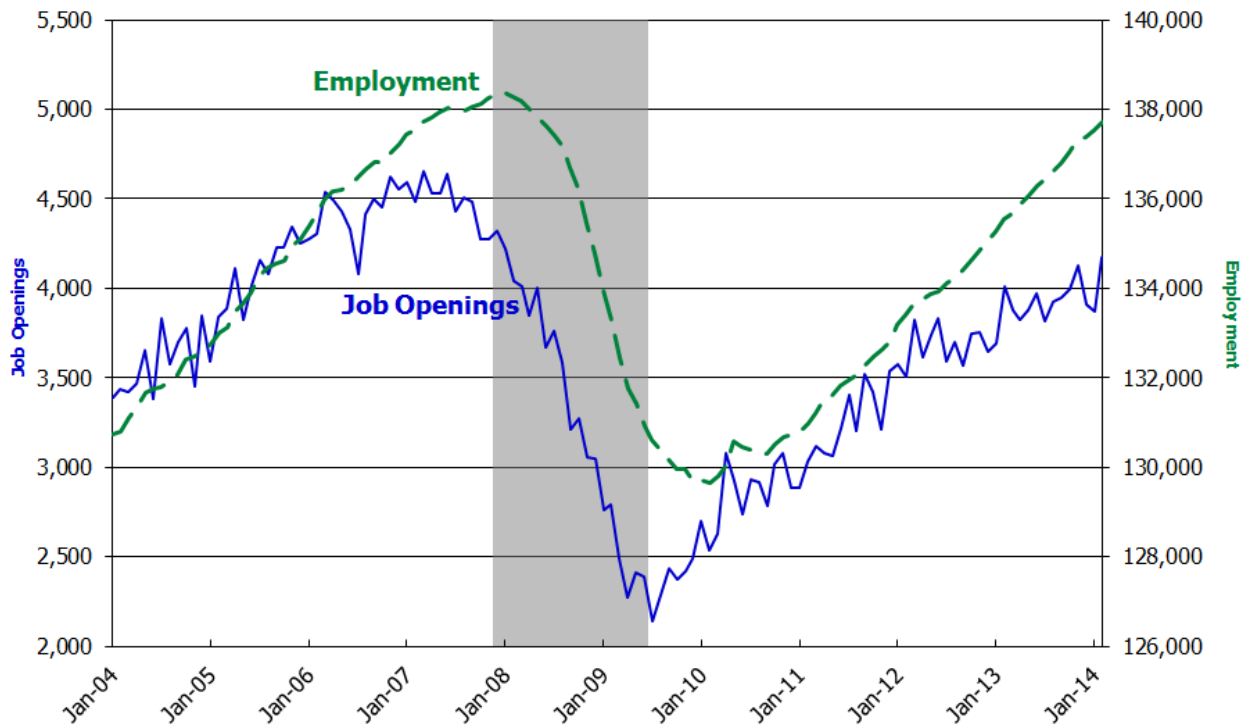


Source: Bureau of Labor Statistics, Current Population Survey and Job Openings and Labor Turnover Survey, April 8, 2014.

Note: Shaded area represents recession 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 most recent recession began (December 2007), the number of unemployed persons per job opening was 1.8. When the recession ended (June 2009), there were 6.2 unemployed persons per job opening.
- The unemployed persons per job opening ratio has trended downward since the end of the recession and was 2.5 in February 2014.

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

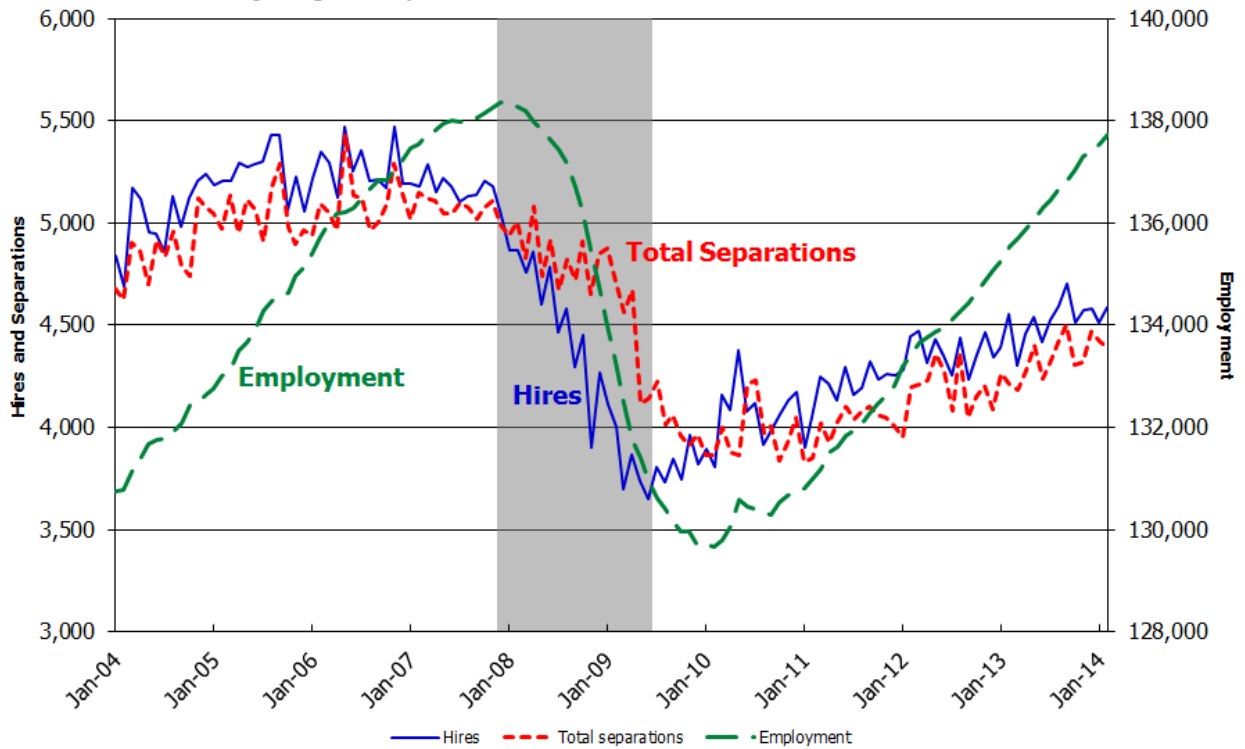


Source: Bureau of Labor Statistics, Current Employment Statistics and Job Openings and Labor Turnover Survey, April 8, 2014.

Note: Shaded area represents recession as determined by the National Bureau of Economic Research (NBER).

- The number of job openings declined to a series low in July 2009, one month after the official end of the most recent recession. Employment continued to decline after the end of the recession, reaching a low point in February 2010.
- In February 2014, there were 4.2 million job openings, which was 94 percent higher than the series low in July 2009. The level was still below the 4.7 million openings at the peak in March 2007.

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

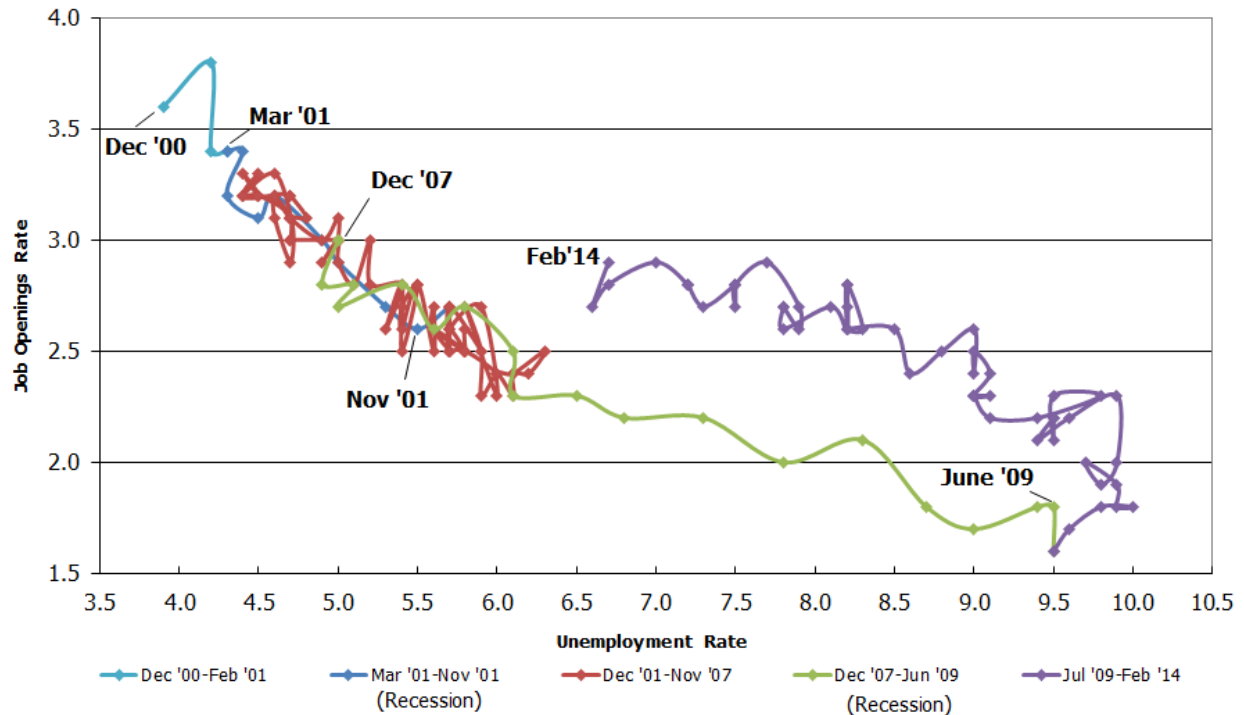


Source: Bureau of Labor Statistics, Current Employment Statistics and Job Openings and Labor Turnover Survey, April 8, 2014.

Note: Shaded area represents recession as determined by the National Bureau of Economic Research (NBER).

- Hires, total separations, and employment all remained below pre-recession levels in February 2014.
- In February, there were 4.6 million hires, which was 26 percent higher than the trough in June 2009.
- There were 4.4 million total separations in February.

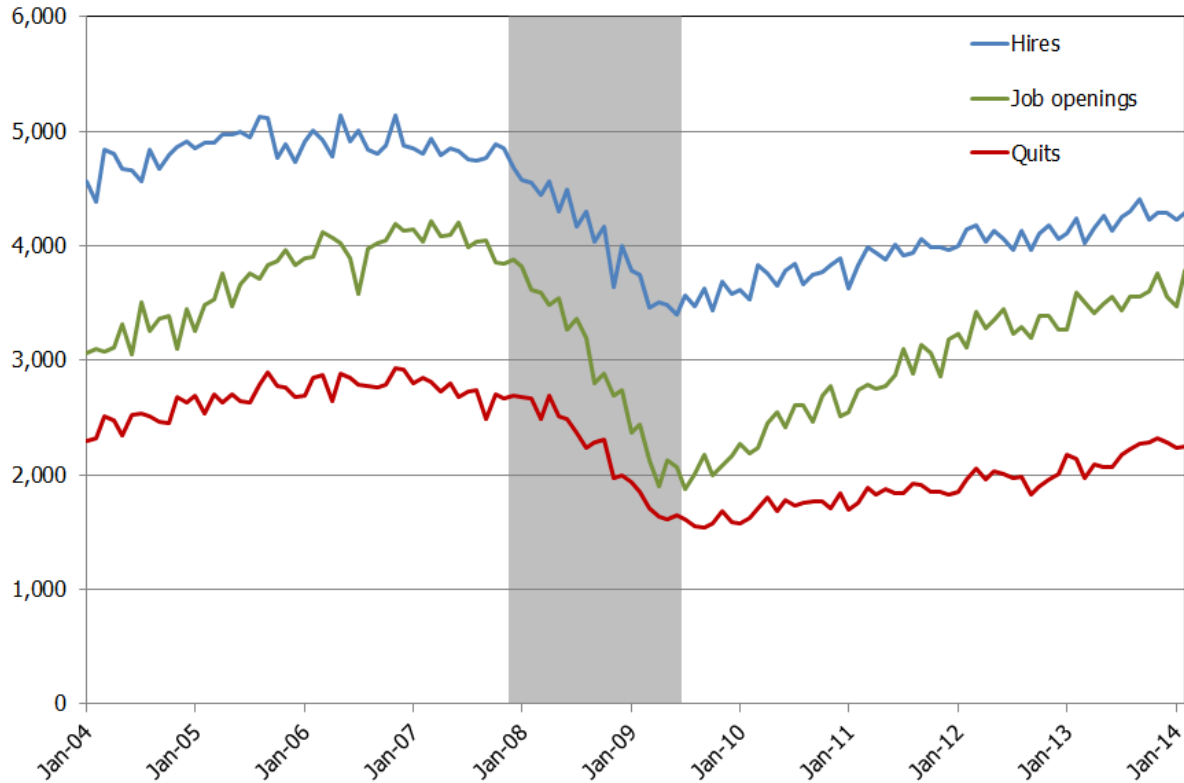
**Chart 4. The Beveridge Curve (job openings vs. unemployment rate)
Seasonally adjusted**



Source: Bureau of Labor Statistics, Current Population Survey and Job Openings and Labor Turnover Survey, April 8, 2014.

- This graph plots the job openings rate against the unemployment rate. This graphical representation 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 job openings rate is high. Conversely, during a contraction, the unemployment rate is high and the job openings 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 (up and toward the right).
- From the start of the most recent recession in December 2007 through the end of 2009, each **month's** point on the curve moved lower and further to the right as the job openings rate declined and the unemployment rate rose. From 2010 to the present, the point moved up and to the left as the job openings rate increased and the unemployment rate decreased.
- In February 2014, the job openings rate was 2.9 percent and the unemployment rate was 6.7 percent.

Chart 5. Total private job openings, hires, and quits
Seasonally adjusted, in thousands

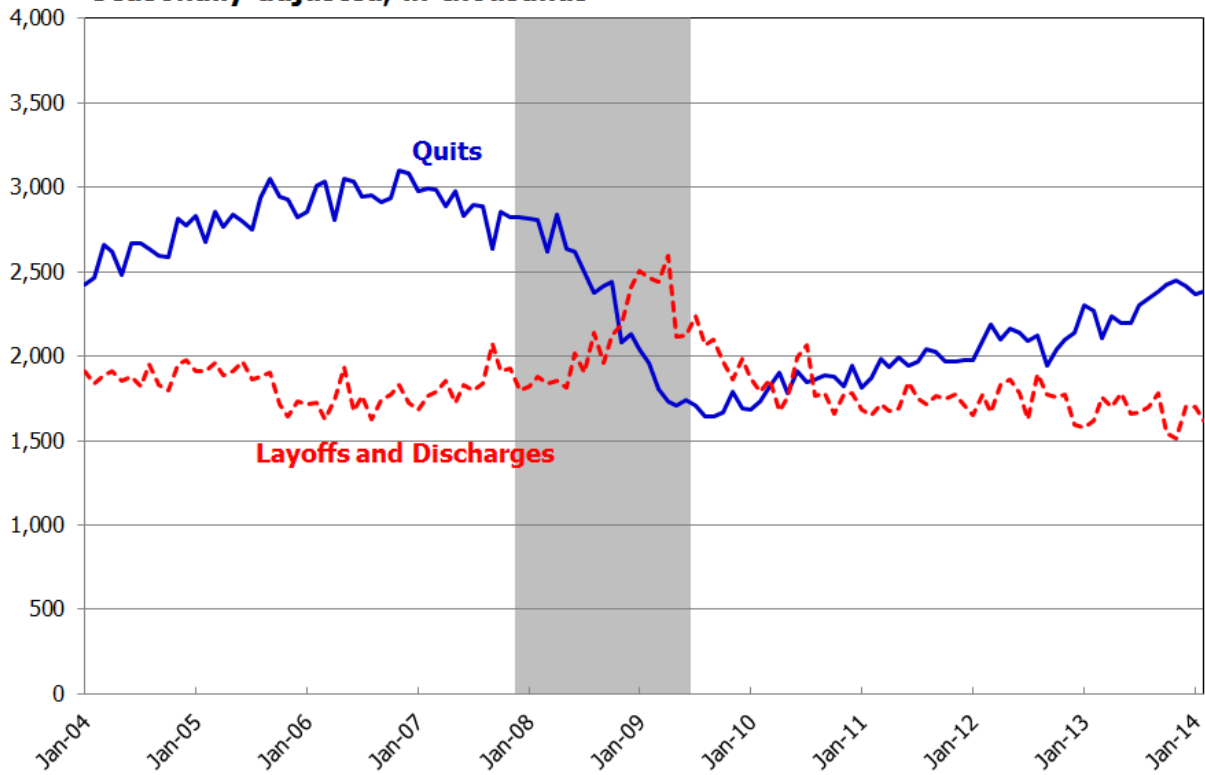


Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, April 8, 2014.

Note: Shaded area represents recession as determined by the National Bureau of Economic Research (NBER).

- Since reaching their respective post-recession troughs, the number of job openings has steadily increased and the numbers of hires and quits have increased slightly.
- Job openings in the private sector decreased steeply during the recession, falling from 3.9 million in December 2007 (the beginning of the recession) to a low of 1.9 million in July 2009. Since the trough in July 2009, the number of openings has increased by 102 percent, reaching 3.8 million in February 2014.
- Hires in the private sector also fell throughout the recession, although less steeply than job openings, falling from 4.7 million in December 2007 to a low of 3.4 million in June 2009. Since the trough, the number of hires has increased by 26 percent to 4.3 million in February 2014.
- Quits in the private sector also declined during the recession, starting at 2.7 million in December 2007 and reaching a low of 1.5 million in September 2009. Since the trough, the number of quits has increased by 46 percent, to 2.3 million in February 2014.

Chart 6. Quits and layoffs and discharges
Seasonally adjusted, in thousands

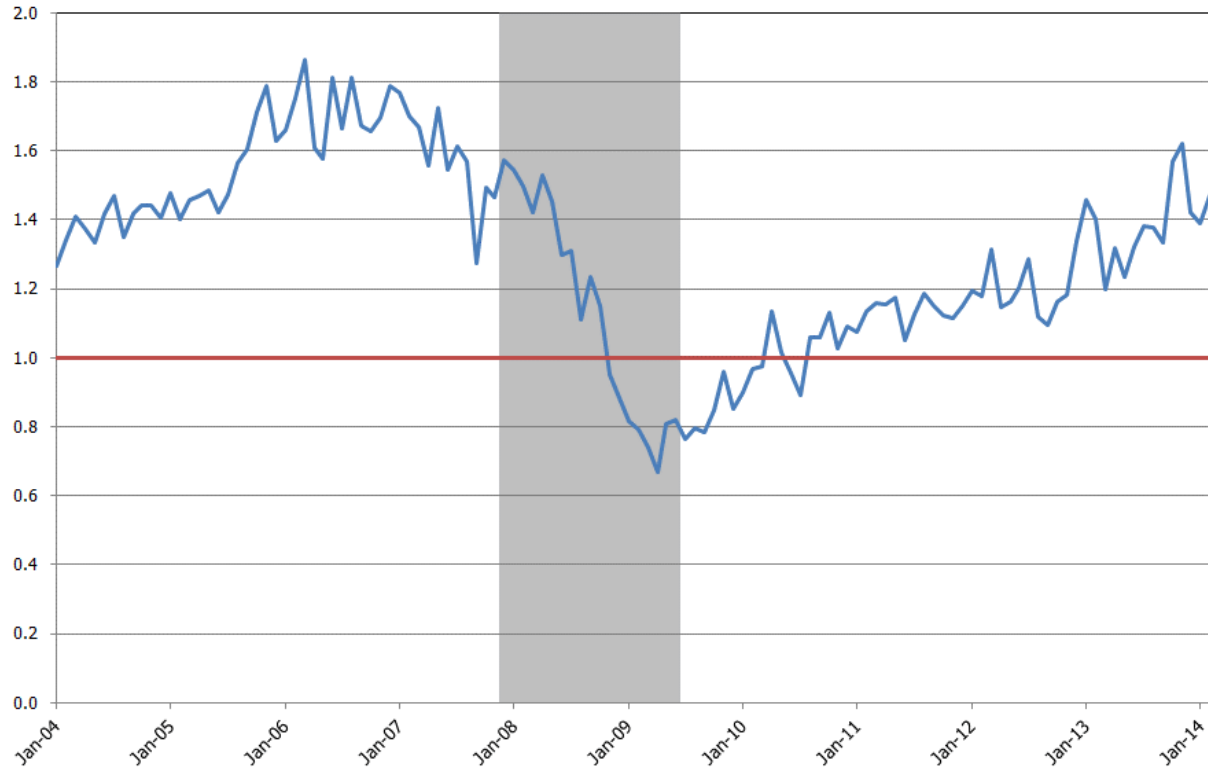


Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, April 8, 2014.

Note: Shaded area represents recession as determined by the National Bureau of Economic Research (NBER).

- Quits are generally voluntary separations initiated by employees. Therefore, the quits rate can **serve as a measure of workers' willingness or ability to leave jobs.**
- The number of quits has exceeded the number of layoffs and discharges for most of the 12-year JOLTS history. During the latest recession, this relationship changed as layoffs and discharges outnumbered quits from November 2008 through March 2010.
- In February 2014, there were 2.4 million quits, still well below the 2.8 million quits in December 2007, the first month of the recession.
- The total number of nonfarm layoffs and discharges was 1.6 million in February, down from a peak of 2.6 million in April 2009.

**Chart 7. Ratio of quits per layoff and discharge
Seasonally adjusted**

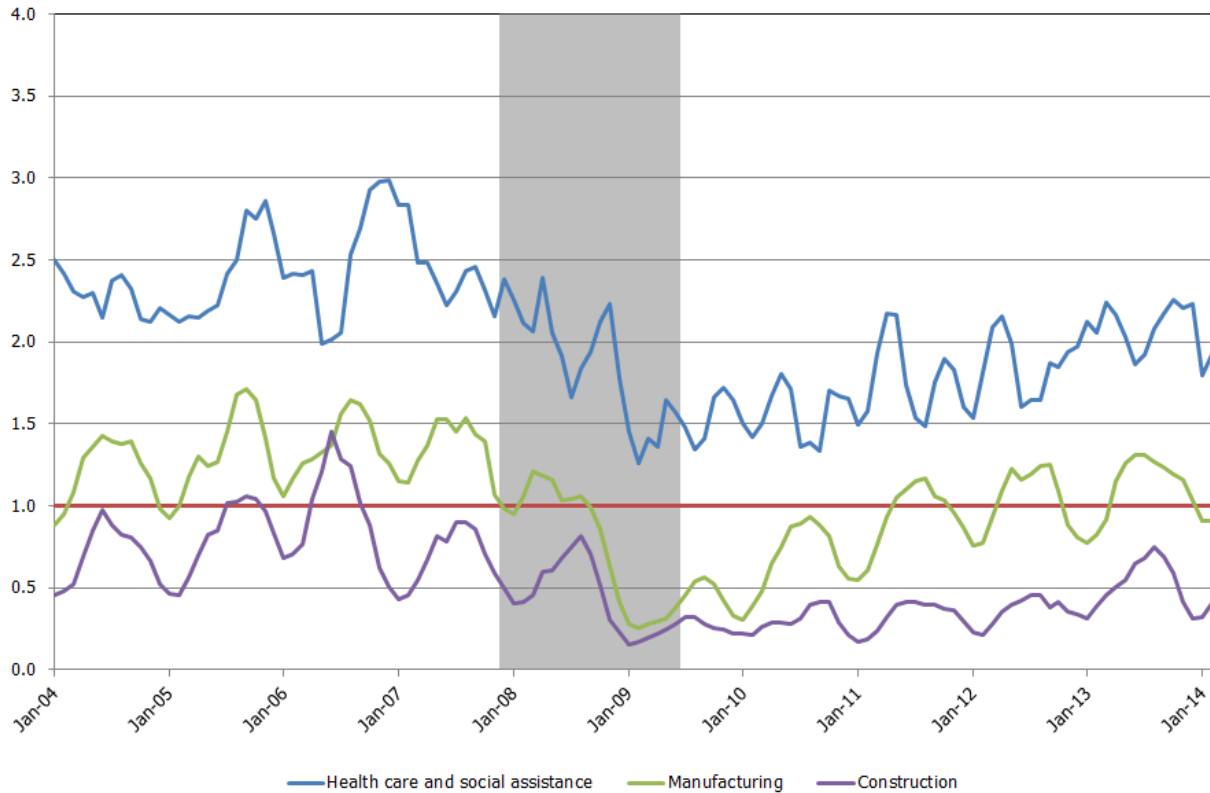


Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, April 8, 2014.

Note: Shaded area represents recession as determined by the National Bureau of Economic Research (NBER).

- Quits are generally voluntary separations initiated by employees. Quits are procyclical, rising with an improving economy and falling with a faltering economy. Layoffs and discharges are generally involuntary separations initiated by an employer and are countercyclical, moving in the opposite direction of quits. The ratio of the number of quits to the number of layoffs and discharges provides insight into churn in the labor market over the business cycle.
- In August 2006, before the recession, the ratio was highest at 1.8 with nearly two people quitting their job for each person laid off or discharged.
- From November 2008 through March 2010, layoffs and discharges outnumbered quits and the ratio fell below 1.0. The ratio was lowest at 0.7 in April 2009 toward the end of the recession, with less than one person quitting for each person laid off or discharged.
- The quits per layoff and discharge ratio was 1.5 in February 2014.

Chart 8. Ratio of quits per layoff and discharge, select industries
Not seasonally adjusted, 3-month moving average



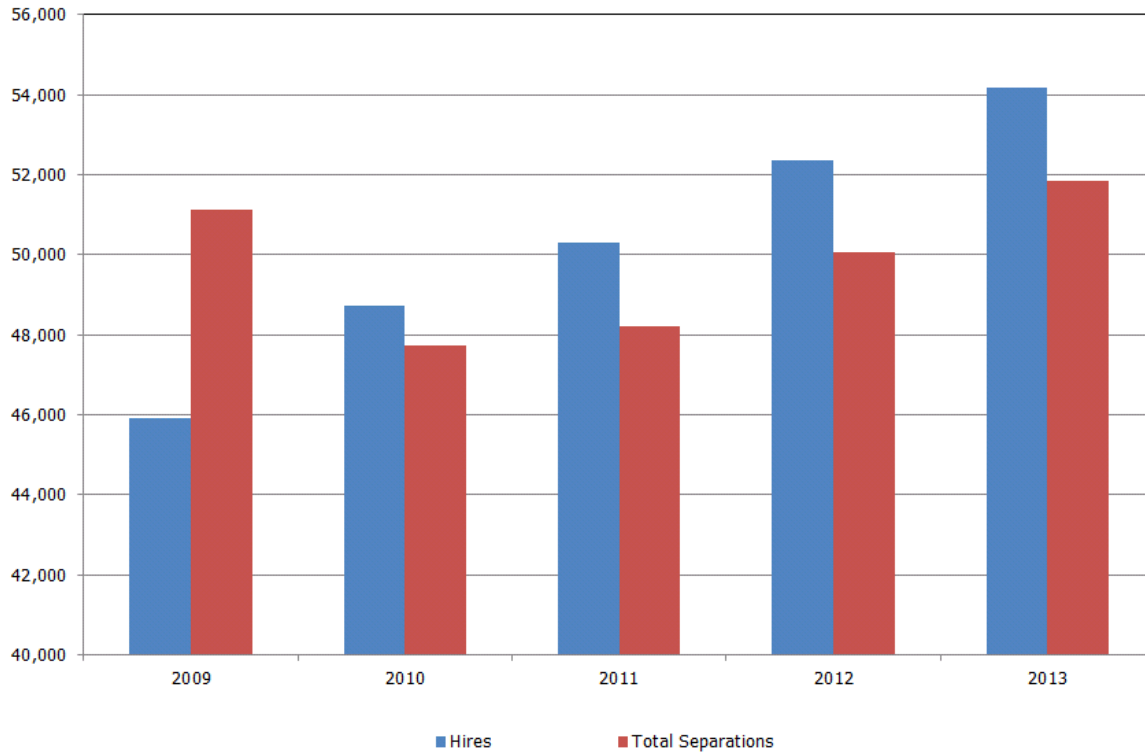
Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, April 8, 2014.

Note 1: Shaded area represents recession as determined by the National Bureau of Economic Research (NBER).

Note 2: Seasonally adjusted data are not available for layoffs and discharges by industry.

- Although all industries experienced a change in the ratio of quits to layoffs and discharges over the business cycle, there are also ongoing differences among the industries regardless of the economic climate.
- The ratio for health care and social assistance remains above 1.0 throughout the business cycle and for the history of JOLTS. The high ratio suggests a need for workers as evidenced by constant voluntary turnover and few layoffs and discharges.
- The ratio for manufacturing goes above and below 1.0 across the business cycle, indicating that both quits and layoffs and discharges in the industry depend on the economy.
- The ratio for construction is below 1.0 for nearly every month in the JOLTS history, indicating that layoffs and discharges are more common than quits in this industry as workers are routinely laid off as projects are completed, and then rehired elsewhere for new projects.

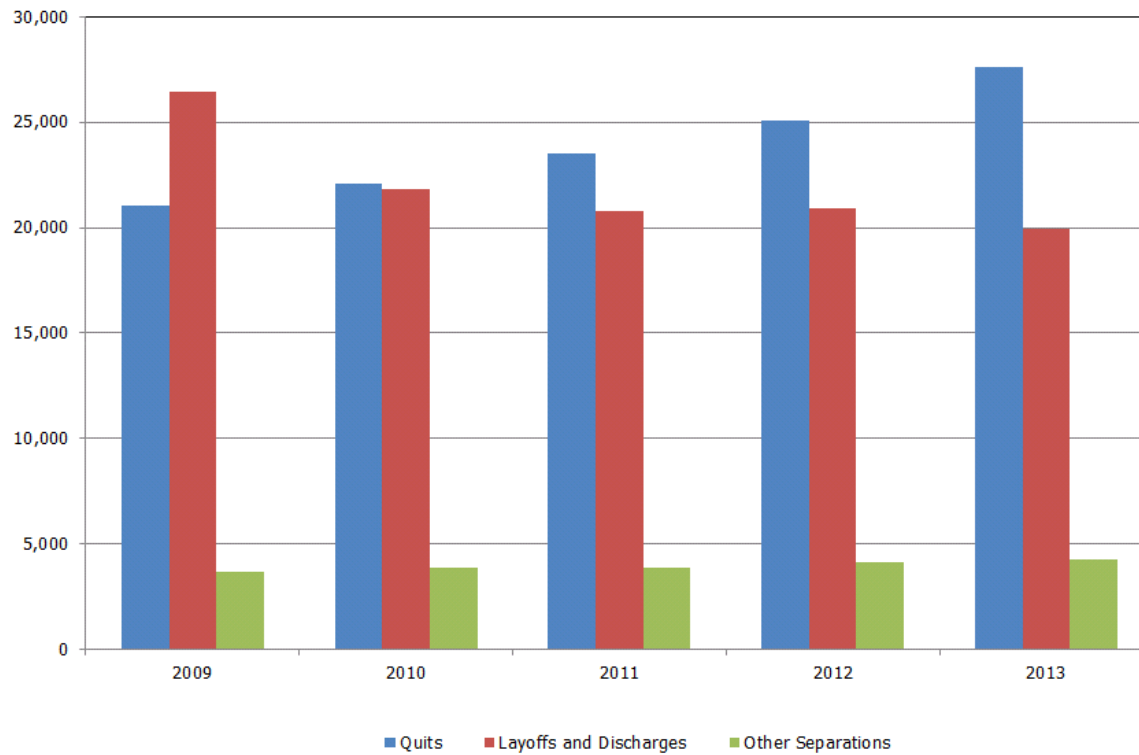
**Chart 9. Annual hires and total separations
in thousands**



Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, April 8, 2014.

- Annual hires rose in 2013 for the fourth straight year.
- In 2013 annual total separations increased for the third consecutive year.

Chart 10. Annual quits, layoffs and discharges, and other separations, in thousands



Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, April 8, 2014.

- Annual quits rose in 2013 for the fourth consecutive year.
- In 2013 annual layoffs and discharges decreased from 2012.