

The August Review

This issue of the *Review* kicks off with the 2011 installment from the Bureau's Job Openings and Labor Turnover Survey (JOLTS) program. BLS economists Katherine Bauer Klemmer and Robert Lazaneo examine JOLTS data to take a close look at how job openings, hires, and separations have fared since the 2007–2009 recessionary period through the end of 2010. Job openings, which can be considered an indicator of labor demand, increased modestly during the period after reaching a series low in July 2009. Hires, which can be thought of as a measure of worker flows, followed the same pattern and increased modestly through the end of 2010 after reaching a series low in October 2009. Separations, also thought of as a measure of worker flows, decreased slightly. The author's examination of these data provides insights into how employers react to changes in the business cycle and, arguably, affords additional evidence of the importance of data from the JOLTS program as business cycle indicators.

Another source of information on employer behaviors during business cycle changes is the Bureau's Business Employment Dynamics (BED) program. BED data measure gross job gains resulting from opening and expanding private sector business establishments and gross job losses resulting from closing and contracting establishments. The BED program tabulates the data by industry and by firm size (number of employees). In

their article, BLS economists Caryn N. Bruyere, Guy L. Podgornik, and James R. Spletzer examine the underlying dynamics of the employment losses sustained during the 2007–2009 recession. The authors also include a comparative analysis of BED and JOLTS data and conclude that BED data on gross job gains and gross job losses and JOLTS data on hires and separations exhibit similar business cycle properties. The paper concludes that the two data series complement each other and add to our understanding of employment dynamics during recessions.

Finally this month, in our Regional Reports department, Maggie C. Woodward reviews the rates of unemployment during the 2000–2010 period among the different labor market areas (LMAs) in the United States. The author finds that, prior to the 2007–2009 recession, metropolitan areas (areas with populations of at least 50,000) had unemployment rates that were 0.4 percentage point lower, on average, than micropolitan areas (areas with populations of at least 10,000 but less than 50,000) rates. However, during the recession, unemployment rates increased for all types of LMA and were about the same for all areas by 2010.

Summer youth employment

From April to July 2011, the number of employed youths 16 to 24 years old rose by 1.7 million, to 18.6 million, the U.S. Bureau of Labor Statistics reported in August. The share of young people employed in July

was 48.8 percent, the lowest rate for any July on record for the series (dating back to 1948). Unemployment among youths increased by 745,000 between April and July, more than last year's increase of 571,000, but well below the levels seen in 2008 and 2009 (1.2 and 1.1 million, respectively). For a full discussion of the jobs situation for young people in the summer of 2011, see the entire news release at www.bls.gov/news.release/archives/youth_08242011.pdf. Additional information is available from the Current Population Survey at www.bls.gov/cps.

Real average hourly earnings

Real average hourly earnings for all employees fell 0.1 percent from June to July, seasonally adjusted, BLS reported this month. For the 12-month period from July 2010 to July 2011, real average hourly earnings fell 1.3 percent, seasonally adjusted. The full news release can be found online at www.bls.gov/news.release/archives/realer_08182011.pdf. Additional information is available from the Current Employment Statistics program at www.bls.gov/ces. □

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