

Job openings, hires, and quits reach historic highs in 2018

According to data from the U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Survey, job openings and hires continued to trend upward in 2018, with both job openings and hires reaching their highest levels since the series began in December 2000. The number of annual quits in 2018 reached its highest level in the history of the series as well.

Data elements from the Job Openings and Labor Turnover Survey (JOLTS) generally trended upward for total nonfarm, total private, and in many component industries over 2018. In November 2018, the seasonally adjusted job openings level reached 7.6 million, the highest monthly level since the job openings series began in December 2000. The annual hires level increased from 65.7 million in 2017 to 68.9 million in 2018. The annual total separations level increased from 63.5 million in 2017 to 66.1 million in 2018.

Within total separations, annual quits rose from 37.7 million in 2017 to 40.1 million in 2018. Layoffs and discharges edged up from 21.6 million in 2017 to 21.9 million in 2018. Other separations edged down from 4.2 million in 2017 to 4.1 million in 2018.

This article reviews 2018 JOLTS data at the total nonfarm level, as well as by industry and by region.^[1] JOLTS produces monthly data on job openings, hires, quits, layoffs and discharges, and other separations from a sample of approximately 16,000 establishments. The JOLTS sample consists of establishments from all 50 states, the District of Columbia, and all nonfarm industries as classified by the North American Industry Classification System (NAICS).^[2] This sample allows publication of data by four census regions and by select two-digit NAICS codes. For definitions of JOLTS terms, see accompanying box.



Lawrence S. Essien

Essien.Lawrence@bls.gov

Lawrence S. Essien is an economist in the Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

Montgomery McCarthy

McCarthy.Montgomery@bls.gov

Montgomery McCarthy is an economist in the Office of Employment and Unemployment Statistics, U.S. Bureau of Labor Statistics.

Definitions of JOLTS terms*

Job Openings

Job openings information is collected for the last business day of the reference month. A job opening requires that (1) a specific position exists and work is available for that position, (2) work could start within 30 days whether or not the employer found a suitable candidate, and (3) the employer is actively recruiting from outside the establishment to fill the vacancy. Included are full-time, part-time, permanent, short-term, and seasonal openings. Active recruiting means that the establishment is taking steps to fill an opening by advertising in newspapers or on the internet, posting help-wanted signs, accepting applications, or using other similar methods.

Jobs to be filled only by internal transfers, promotions, or recall from layoffs are excluded. Also excluded are jobs with start dates more than 30 days in the future, jobs for which employees have been hired but have not yet reported for work, and jobs to be filled by employees of temporary help agencies, employee leasing companies, outside contractors, or consultants. The job openings rate is computed by dividing the number of job openings by the sum of employment and job openings and multiplying the quotient by 100.

Hires

The hires level is the total number of additions to the payroll occurring at any time during the reference month, including both new and rehired employees; full-time, part-time, permanent, short-term, and seasonal employees; employees recalled to the location after a layoff lasting more than 7 days; on-call or intermittent employees who returned to work after having been formally separated; and transfers from other locations. The hires count does not include transfers or promotions within the reporting site, employees returning after being on strike, employees of temporary help agencies or employee leasing companies, outside contractors, or consultants. The hires rate is computed by dividing the number of hires by employment and multiplying that quotient by 100.

Separations

The separations level is the total number of employment terminations occurring at any time during the reference month and is reported by type of separation: quits, layoffs and discharges, and other separations. (Some respondents are only able to report total separations.) The quits count includes voluntary separations by employees (except for retirements, which are reported as other separations). The layoffs and discharges count is made up of involuntary separations initiated by the employer and includes layoffs with no intent to rehire; formal layoffs lasting or expected to last more than 7 days; discharges resulting from mergers, downsizing, or closings; firings or other discharges for cause; terminations of permanent or short-term employees; and terminations of seasonal employees. The other separations count includes retirements, transfers to other locations, deaths, and separations due to disability.

The separations count does not include transfers within the same location or employees on strike. The separations rate is computed by dividing the number of separations by employment and multiplying the

resulting quotient by 100. The quits, layoffs and discharges, and other separations rates are computed similarly.

* From U.S. Bureau of Labor Statistics, *Handbook of methods*, chapter 18, “Job Openings and Labor Turnover Survey,” p. 2, <https://www.bls.gov/opub/hom/pdf/homch18.pdf>.

Job openings

The job openings level is a procyclical measure of demand; job openings tend to increase during economic expansions and decrease during economic contractions.[3] More job openings generally indicate that employers need additional workers—that is, it is a sign of increased demand for labor and overall confidence in the economy. Job openings and employment are closely linked and tend to rise and fall together. It is also notable in this context that the National Bureau of Economic Research cites the number of employees on nonfarm payrolls as a coincident economic indicator.[4]

On a seasonally adjusted basis, the number of job openings reached a monthly series high of 7.6 million in November 2018, which indicates that the demand side of the labor force continued to improve. In fact, during 2018, both the number of job openings and the level of employment from the Current Employment Statistics survey trended higher than in previous years.[5] Not seasonally adjusted monthly job openings rose from a December 2017 level of 5.7 million to a December 2018 level of 6.9 million, a 22-percent increase.[6] (See table 1.)

Table 1. Over-the-year change in level and percentage of job openings, by industry and region, not seasonally adjusted, December 2016 to December 2018 (levels in thousands)

| Industry and region | Level by month and year | | | Over-the-year change, December 2016–December 2017 | | Over-the-year change, December 2017–December 2018 | |
|--------------------------------------|-------------------------|---------------|---------------|---|---------|---|---------|
| | December 2016 | December 2017 | December 2018 | Level | Percent | Level | Percent |
| Total nonfarm | 5,285 | 5,673 | 6,921 | 388 | 7.3 | 1,248 | 22.0 |
| Industry | | | | | | | |
| Total private | 4,760 | 5,127 | 6321 | 367 | 7.7 | 1,194 | 23.3 |
| Mining and logging | 22 | 21 | 29 | -1 | -4.5 | 8 | 38.1 |
| Construction | 138 | 180 | 299 | 42 | 30.4 | 119 | 66.1 |
| Manufacturing | 338 | 377 | 435 | 39 | 11.5 | 58 | 15.4 |
| Durable goods | 187 | 231 | 298 | 44 | 23.5 | 67 | 29.0 |
| Nondurable goods | 151 | 146 | 137 | -5 | -3.3 | -9 | -6.2 |
| Trade, transportation, and utilities | 899 | 1265 | 1350 | 366 | 40.7 | 85 | 6.7 |

See footnotes at end of table.

Table 1. Over-the-year change in level and percentage of job openings, by industry and region, not seasonally adjusted, December 2016 to December 2018 (levels in thousands)

| Industry and region | Level by month and year | | | Over-the-year change, December 2016–December 2017 | | Over-the-year change, December 2017–December 2018 | |
|--|-------------------------|---------------|---------------|---|---------|---|---------|
| | December 2016 | December 2017 | December 2018 | Level | Percent | Level | Percent |
| Wholesale trade | 187 | 208 | 163 | 21 | 11.2 | -45 | -21.6 |
| Retail trade | 556 | 845 | 868 | 289 | 52.0 | 23 | 2.7 |
| Transportation, warehousing, and utilities | 156 | 213 | 318 | 57 | 36.5 | 105 | 49.3 |
| Information | 76 | 123 | 123 | 47 | 61.8 | 0 | 0.0 |
| Financial activities | 380 | 349 | 373 | -31 | -8.2 | 24 | 6.9 |
| Finance and insurance | 287 | 265 | 310 | -22 | -7.7 | 45 | 17.0 |
| Real estate and rental and leasing | 94 | 84 | 63 | -10 | -10.6 | -21 | -25.0 |
| Professional and business services | 936 | 806 | 1275 | -130 | -13.9 | 469 | 58.2 |
| Education and health services | 1,144 | 1,094 | 1294 | -50 | -4.4 | 200 | 18.3 |
| Educational services | 95 | 85 | 91 | -10 | -10.5 | 6 | 7.1 |
| Healthcare and social assistance | 1049 | 1,009 | 1204 | -40 | -3.8 | 195 | 19.3 |
| Leisure and hospitality | 578 | 717 | 893 | 139 | 24.0 | 176 | 24.5 |
| Arts, entertainment, and recreation | 69 | 67 | 102 | -2 | -2.9 | 35 | 52.2 |
| Accommodation and food services | 510 | 650 | 791 | 140 | 27.5 | 141 | 21.7 |
| Other services | 247 | 196 | 250 | -51 | -20.6 | 54 | 27.6 |
| Government | 525 | 546 | 600 | 21 | 4.0 | 54 | 9.9 |
| Federal | 149 | 84 | 87 | -65 | -43.6 | 3 | 3.6 |
| State and local | 376 | 462 | 514 | 86 | 22.9 | 52 | 11.3 |
| Education | 134 | 156 | 210 | 22 | 16.4 | 54 | 34.6 |
| Excluding education | 243 | 305 | 304 | 62 | 25.5 | -1 | -0.3 |
| Region | | | | | | | |
| Northeast | 956 | 1031 | 1154 | 75 | 7.8 | 123 | 11.9 |
| South | 2,001 | 2,006 | 2,672 | 5 | 0.2 | 666 | 33.2 |
| Midwest | 1,144 | 1,333 | 1,619 | 189 | 16.5 | 286 | 21.5 |
| West | 1,185 | 1,303 | 1,476 | 118 | 10.0 | 173 | 13.3 |

Note: Details may not sum to totals because of rounding.
Source: U.S. Bureau of Labor Statistics.

Job openings by industry

Monthly job openings, not seasonally adjusted, were up over the year from December 2017 to December 2018 in 14 out of 19 industries. The largest over-the-year increases in job openings occurred in construction (66.1 percent), professional and business services (58.2 percent), and arts, entertainment, and recreation (52.2 percent). Industries with the largest declines over the year include real estate and rental and leasing (-25.0 percent), wholesale trade (-21.6 percent), and nondurable goods manufacturing (-6.2 percent). (See table 1.)

During 2018, the seasonally adjusted job openings level for 10 industries reached historic highs. These industries include healthcare and social assistance, at 1.3 million in December; retail trade, at 1.1 million in November; and accommodation and food services, at 974,000 in September. (See table 2.)

Table 2. Monthly series highs by industry and region, seasonally adjusted, 2018

| Data element | Industry | Month | Level |
|------------------------|---|-----------|-------------|
| Job openings | Mining and logging | April | 37,000 |
| Job openings | Construction | June | 323,000 |
| Job openings | Retail trade | November | 1.1 million |
| Job openings | Trade, transportation, and utilities | September | 349,000 |
| Job openings | Educational services | June | 145,000 |
| Job openings | Healthcare and social assistance | December | 1.3 million |
| Job openings | Arts, entertainment, and recreation | June | 161,000 |
| Job openings | Accommodation and food services | September | 974,000 |
| Job openings | State and local government education | October | 231,000 |
| Job openings | State and local government, excluding education | August | 382,000 |
| Hires | Mining and logging | May | 45,000 |
| Hires | Transportation, warehousing, and utilities | October | 277,000 |
| Hires | Educational services | December | 124,000 |
| Hires | Healthcare and social assistance | October | 618,000 |
| Hires | Accommodation and food services | July | 944,000 |
| Hires | Other services | May | 270,000 |
| Hires | State and local government, excluding education | July | 186,000 |
| Quits | Transportation, warehousing, and utilities | May | 133,000 |
| Quits | Educational services | October | 66,000 |
| Quits | Healthcare and social assistance | August | 400,000 |
| Quits | Arts, entertainment, and recreation | October | 89,000 |
| Quits | Accommodation and food services | August | 683,000 |
| Quits | State and local government education | November | 96,000 |
| Layoffs and discharges | State and local government, excluding education | July | 88,000 |
| Other separations | Professional and business services | July | 101,000 |
| Other separations | Arts, entertainment, and recreation | September | 9,000 |
| | Region | | |
| Job openings | Northeast | November | 1.3 million |
| Job openings | South | November | 2.9 million |
| Job openings | Midwest | November | 1.8 million |
| Job openings | West | August | 1.7 million |
| Hires | South | October | 2.4 million |
| Quits | South | October | 1.4 million |
| Quits | West | August | 856,000 |

Source: U.S. Bureau of Labor Statistics.

Job openings by region

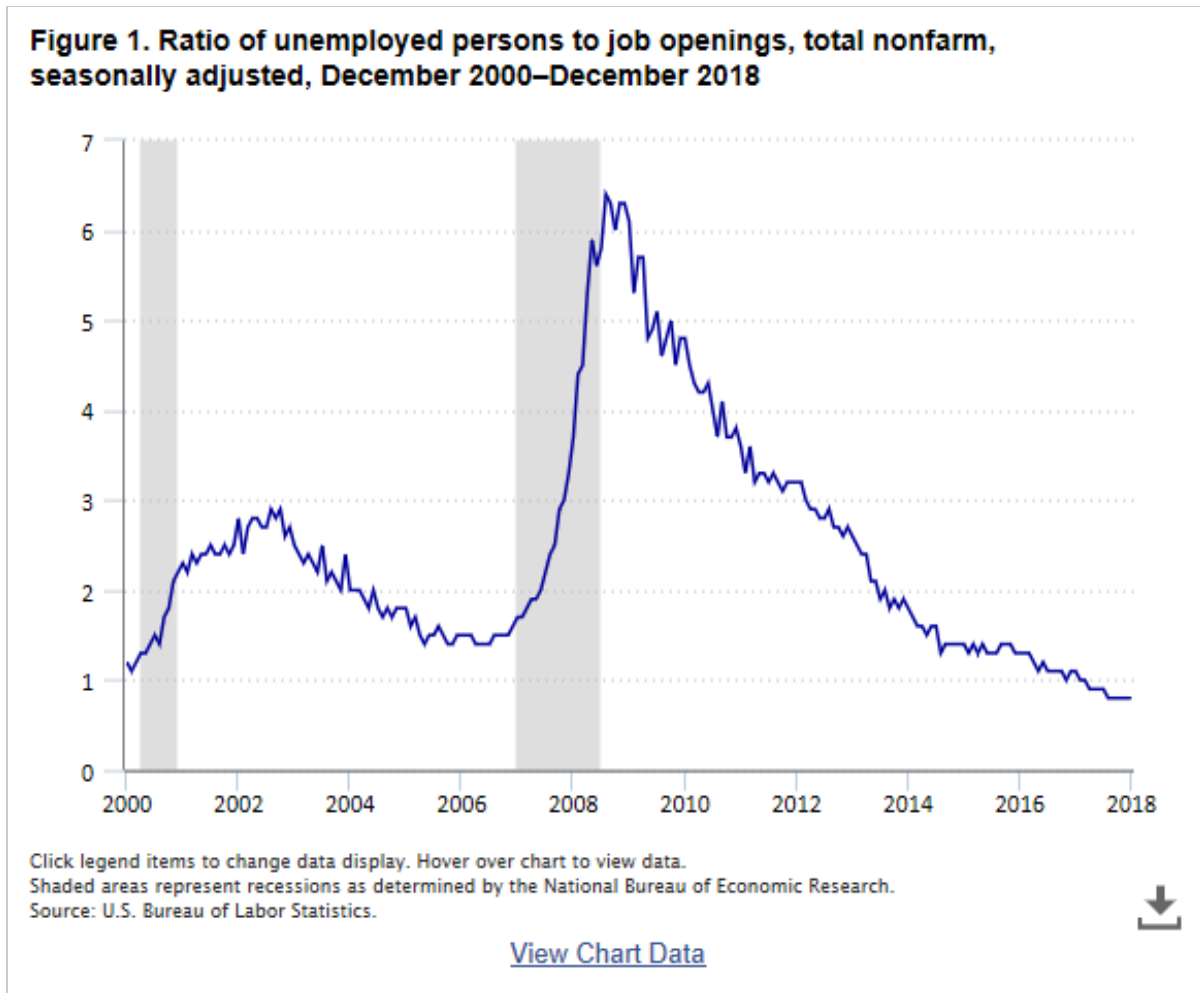
All four census regions experienced upward trends in job openings from December 2017 to December 2018. The largest regional upward trend was in the South, at 33.2 percent. The Midwest rose 21.5 percent, followed by the West (13.3 percent) and Northeast (11.9 percent). (See table 1.)

All four regions reached historic highs for the number of seasonally adjusted job openings in 2018. In the South, job openings reached a high of 2.9 million in November 2018. In the Midwest, job openings reached a high of 1.8 million job openings in November 2018. In the West, job openings reached a high of 1.7 million in August 2018, and in the Northeast, there were a record number of job openings, at 1.3 million in November 2018. (See table 2.)

Job openings and unemployment

One way to analyze job openings and unemployment is to consider the ratio of unemployed people to job openings. To calculate this ratio, using data from the Current Population Survey, divide the number of people who are unemployed by the number of job openings. Job openings and unemployment levels generally move in opposite directions. That is, when the economy is strong, job openings are higher and unemployment is lower, causing the ratio to decrease. The situation reverses as the economy weakens—unemployment increases and job openings decrease, leading to a higher ratio. Because of this countercyclical behavior, the ratio of the number of unemployed people to job openings provides a metric that helps describe the current state of the economy.^[7]

When the most recent recession began in December 2007, the number of unemployed people per job opening was 1.7.^[8] The ratio peaked at 6.4 in July 2009, the month after the recession officially ended. In 2018, the ratio of unemployed people to job openings went below 1.0 for the first time, further declining to a series low of 0.8 from July through December. (See figure 1.)



Hires

Like job openings, hires is a procyclical measure. The hires level has increased each year since the end of the most recent recession in 2009. The monthly level for hires climbed to a series high of 5.9 million in October 2018. Total annual hires has risen for 9 consecutive years, increasing 5.0 percent, from 65.7 million in 2017 to 68.9 million in 2018. In comparison, annual hires increased 3.1 percent from 2016 to 2017. (See table 3.)

Table 3. Over-the-year change in level and percentage of annual hires, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|---------------------|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Total | 63,724 | 65,669 | 68,949 | 1,945 | 3.1 | 3,280 | 5.0 |
| Industry | | | | | | | |
| Total private | 59,515 | 61,526 | 64,569 | 2,011 | 3.4 | 3,043 | 4.9 |
| Mining and logging | 292 | 373 | 470 | 81 | 27.7 | 97 | 26.0 |
| Construction | 4,067 | 4,593 | 4,544 | 526 | 12.9 | -49 | -1.1 |

See footnotes at end of table.

Table 3. Over-the-year change in level and percentage of annual hires, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|--|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Manufacturing | 3,351 | 3,986 | 4,403 | 635 | 18.9 | 417 | 10.5 |
| Durable goods | 1,924 | 2,238 | 2,517 | 314 | 16.3 | 279 | 12.5 |
| Nondurable goods | 1,426 | 1,750 | 1,886 | 324 | 22.7 | 136 | 7.8 |
| Trade, transportation, and utilities | 12,866 | 12,659 | 13,870 | -207 | -1.6 | 1,211 | 9.6 |
| Wholesale trade | 1,644 | 1,653 | 1,754 | 9 | 0.5 | 101 | 6.1 |
| Retail trade | 8,798 | 8,487 | 9,242 | -311 | -3.5 | 755 | 8.9 |
| Transportation, warehousing, and utilities | 2,425 | 2,515 | 2,874 | 90 | 3.7 | 359 | 14.3 |
| Information | 982 | 1,020 | 1,084 | 38 | 3.9 | 64 | 6.3 |
| Financial activities | 2,402 | 2,531 | 2,516 | 129 | 5.4 | -15 | -0.6 |
| Finance and insurance | 1,598 | 1,657 | 1,651 | 59 | 3.7 | -6 | -0.4 |
| Real estate and rental and leasing | 803 | 870 | 865 | 67 | 8.3 | -5 | -0.6 |
| Professional and business services | 13,332 | 13,440 | 13,866 | 108 | 0.8 | 426 | 3.2 |
| Education and health services | 7,687 | 8,010 | 8,260 | 323 | 4.2 | 250 | 3.1 |
| Educational services | 1,114 | 1,141 | 1,184 | 27 | 2.4 | 43 | 3.8 |
| Healthcare and social assistance | 6,573 | 6,866 | 7,073 | 293 | 4.5 | 207 | 3.0 |
| Leisure and hospitality | 12,219 | 12,227 | 12,920 | 8 | 0.1 | 693 | 5.7 |
| Arts, entertainment, and recreation | 1,907 | 2,037 | 2,227 | 130 | 6.8 | 190 | 9.3 |
| Accommodation and food services | 10,312 | 10,189 | 10,694 | -123 | -1.2 | 505 | 5.0 |
| Other services | 2,313 | 2,692 | 2,636 | 379 | 16.4 | -56 | -2.1 |
| Government | 4,211 | 4,143 | 4,378 | -68 | -1.6 | 235 | 5.7 |
| Federal | 414 | 382 | 420 | -32 | -7.7 | 38 | 9.9 |
| State and local | 3,796 | 3,762 | 3,962 | -34 | -0.9 | 200 | 5.3 |
| Education | 1,844 | 1,826 | 2,050 | -18 | -1.0 | 224 | 12.3 |
| Excluding education | 1,950 | 1,937 | 1,913 | -13 | -0.7 | -24 | -1.2 |
| Region | | | | | | | |
| Northeast | 10,194 | 10,492 | 10,652 | 298 | 2.9 | 160 | 1.5 |
| South | 24,399 | 25,910 | 27,208 | 1,511 | 6.2 | 1,298 | 5.0 |
| Midwest | 14,342 | 14,348 | 15,527 | 6 | 0.0 | 1,179 | 8.2 |
| West | 14,791 | 14,916 | 15,563 | 125 | 0.8 | 647 | 4.3 |

Note: Details may not sum to totals because of rounding.
Source: U.S. Bureau of Labor Statistics.

Hires by industry

Annual hires rose in 14 out of 19 industries in 2018, and they fell in 5 industries. The largest percentage increases in annual hires levels in 2018 were in mining and logging (26.0 percent); transportation, warehousing, and utilities (14.3 percent); and durable goods manufacturing (12.5 percent). The largest percentage declines in hires occurred in other services (-2.1 percent), state and local government excluding education (-1.2 percent), and construction (-1.1 percent). (See table 3.)

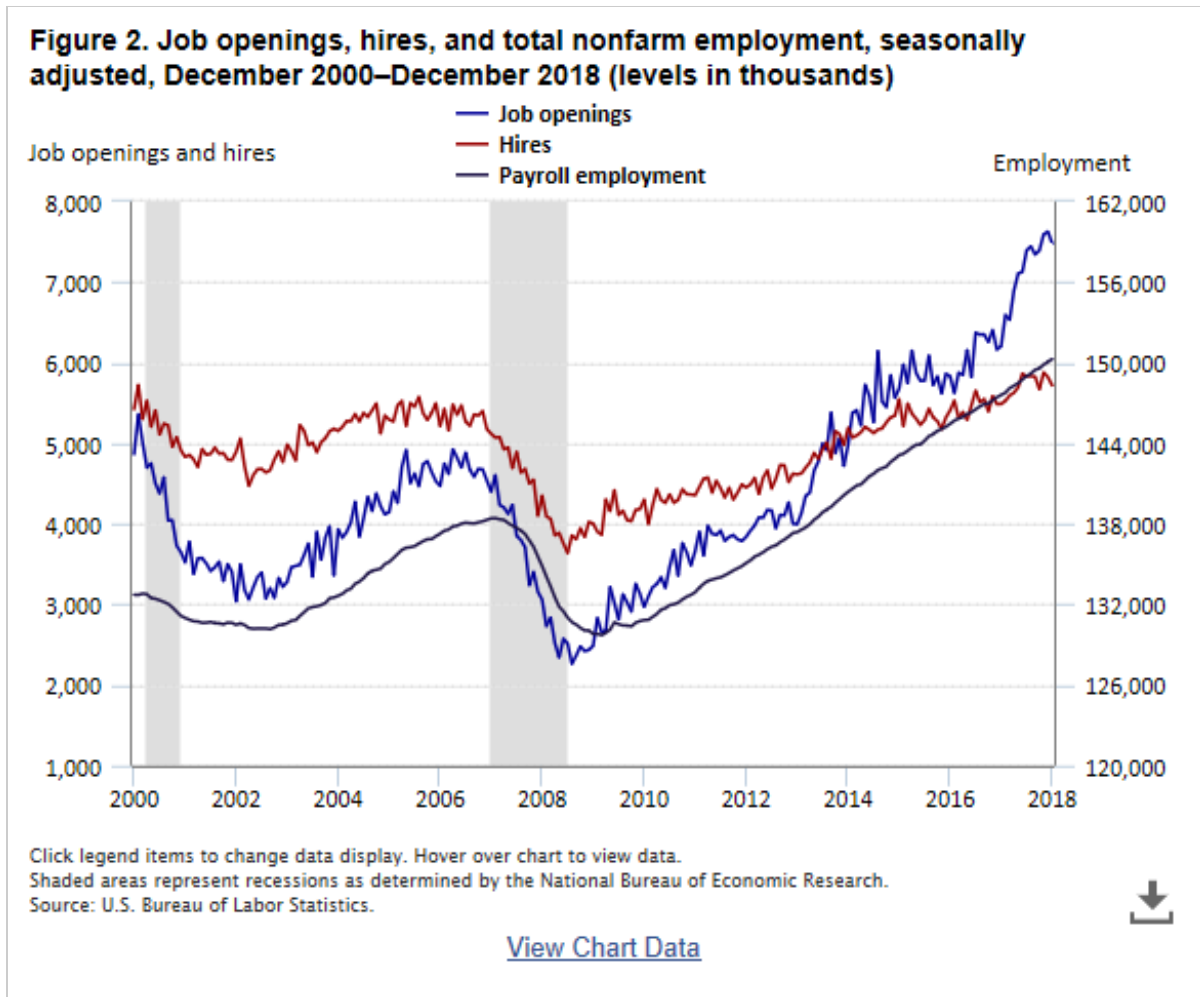
Seven industries reached their highest levels ever recorded for hires in 2018 (seasonally adjusted). The top three of these industries include accommodation and food services (944,000), healthcare and social assistance (618,000), and transportation, warehousing, and utilities (277,000). (See table 2.)

Hires by region

Among the regions, the highest percentage increase in annual hires in 2018 occurred in the Midwest, which rose 8.2 percent (not seasonally adjusted). Annual hires also increased in the Northeast (1.5 percent), South (5.0 percent) and West (4.3 percent). (See table 3.) In addition, the South reached its highest recorded level, at 2.4 million hires (seasonally adjusted) in October 2018 (See table 2.).

Hires and job openings

Following steady growth in the number of job openings after the end of the most recent recession, job openings started to increase more rapidly in early 2014. Hires also increased after the recession, but at a slower pace than job openings. The monthly number of total nonfarm hires has exceeded the number of job openings for most of the history of the job openings series; however, in 2014 job openings exceeded hires (which is generally not expected because hires is a full-month or flow measure and job openings is a 1-day snapshot or stock measure). When the number of job openings exceeds the number of hires, it may suggest that employers have unmet demand for workers. The last time hires exceeded job openings was in December 2014. (See figure 2.)



Total separations

The annual number of total separations (quits, layoffs, and discharges), also referred to as labor turnover, increased by 4.2 percent from 2017 to 2018, or from 63.5 million to 66.1 million. The level of total separations has risen annually for 8 consecutive years. (See table 4.)

Table 4. Over-the-year change in level and percentage of annual total separations, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|---------------------|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Total | 61,509 | 63,454 | 66,097 | 1,945 | 3.2 | 2,643 | 4.2 |
| Industry | | | | | | | |
| Total private | 57,439 | 59,400 | 61,907 | 1,961 | 3.4 | 2,507 | 4.2 |
| Mining and logging | 395 | 328 | 406 | -67 | -17.0 | 78 | 23.8 |
| Construction | 3,923 | 4,281 | 4,227 | 358 | 9.1 | -54 | -1.3 |

See footnotes at end of table.

Table 4. Over-the-year change in level and percentage of annual total separations, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

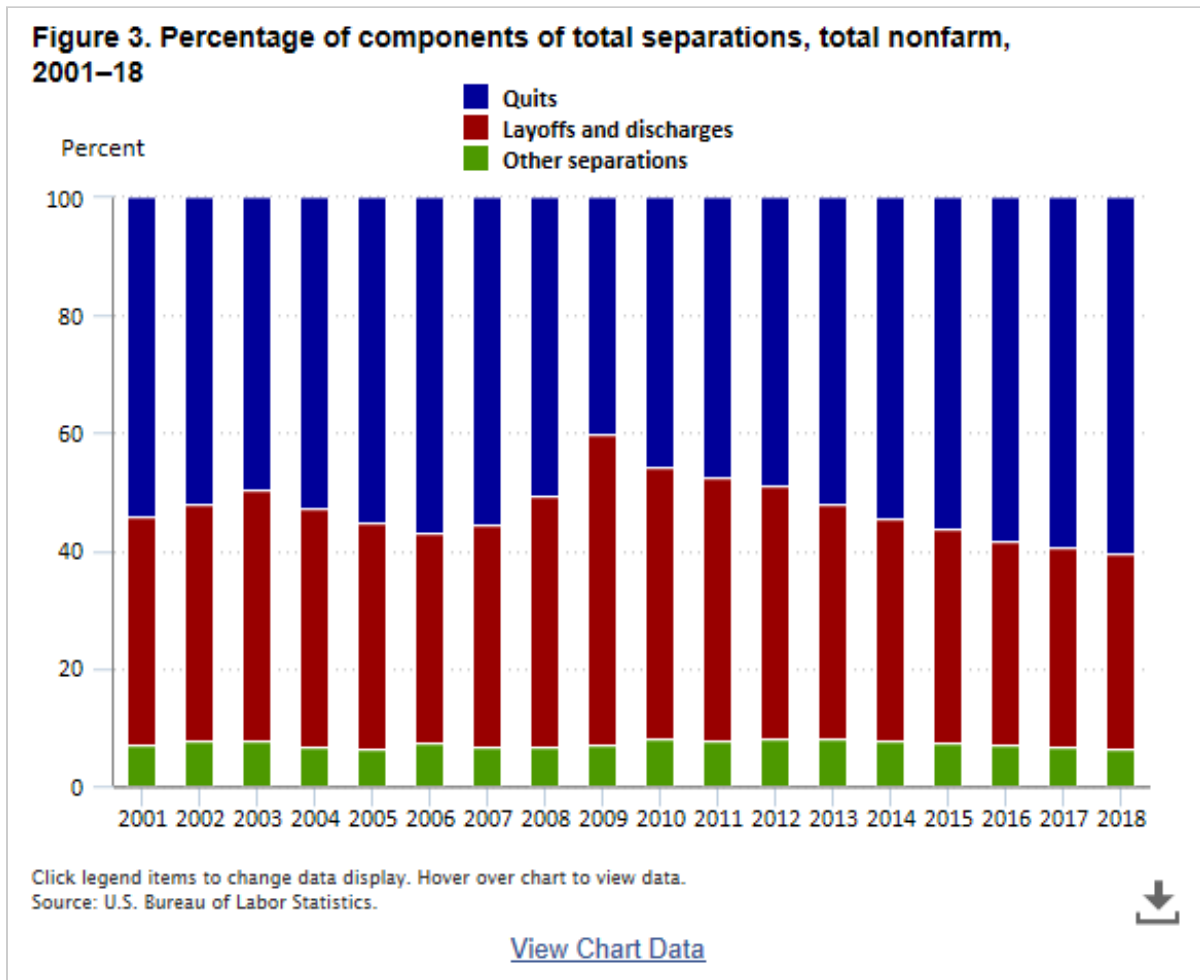
| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|--|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Manufacturing | 3,366 | 3,812 | 4,137 | 446 | 13.3 | 325 | 8.5 |
| Durable goods | 1,980 | 2,120 | 2,297 | 140 | 7.1 | 177 | 8.3 |
| Nondurable goods | 1,386 | 1,694 | 1,841 | 308 | 22.2 | 147 | 8.7 |
| Trade, transportation, and utilities | 12,482 | 12,502 | 13,564 | 20 | 0.2 | 1,062 | 8.5 |
| Wholesale trade | 1,614 | 1,625 | 1,684 | 11 | 0.7 | 59 | 3.6 |
| Retail trade | 8,626 | 8,534 | 9,236 | -92 | -1.1 | 702 | 8.2 |
| Transportation, warehousing, and utilities | 2,244 | 2,341 | 2,642 | 97 | 4.3 | 301 | 12.9 |
| Information | 929 | 1,009 | 1,086 | 80 | 8.6 | 77 | 7.6 |
| Financial activities | 2,218 | 2,386 | 2,401 | 168 | 7.6 | 15 | 0.6 |
| Finance and insurance | 1,468 | 1,579 | 1,602 | 111 | 7.6 | 23 | 1.5 |
| Real estate and rental and leasing | 751 | 807 | 797 | 56 | 7.5 | -10 | -1.2 |
| Professional and business services | 13,013 | 13,018 | 13,301 | 5 | 0.0 | 283 | 2.2 |
| Education and health services | 7,102 | 7,550 | 7,694 | 448 | 6.3 | 144 | 1.9 |
| Educational services | 1,034 | 1,063 | 1,107 | 29 | 2.8 | 44 | 4.1 |
| Healthcare and social assistance | 6,070 | 6,487 | 6,589 | 417 | 6.9 | 102 | 1.6 |
| Leisure and hospitality | 11,762 | 11,900 | 12,545 | 138 | 1.2 | 645 | 5.4 |
| Arts, entertainment, and recreation | 1,824 | 1,956 | 2,092 | 132 | 7.2 | 136 | 7.0 |
| Accommodation and food services | 9,938 | 9,942 | 10,452 | 4 | 0.0 | 510 | 5.1 |
| Other services | 2,246 | 2,610 | 2,549 | 364 | 16.2 | -61 | -2.3 |
| Government | 4,072 | 4,055 | 4,188 | -17 | -0.4 | 133 | 3.3 |
| Federal | 372 | 402 | 410 | 30 | 8.1 | 8 | 2.0 |
| State and local | 3,699 | 3,653 | 3,780 | -46 | -1.2 | 127 | 3.5 |
| Education | 1,816 | 1,767 | 1,932 | -49 | -2.7 | 165 | 9.3 |
| Excluding education | 1,884 | 1,887 | 1,845 | 3 | 0.2 | -42 | -2.2 |
| Region | | | | | | | |
| Northeast | 9,898 | 10,298 | 10,110 | 400 | 4.0 | -188 | -1.8 |
| South | 23,647 | 25,110 | 26,175 | 1,463 | 6.2 | 1,065 | 4.2 |
| Midwest | 13,807 | 13,822 | 14,703 | 15 | 0.1 | 881 | 6.4 |
| West | 14,157 | 14,225 | 15,107 | 68 | 0.5 | 882 | 6.2 |

Note: Details may not sum to totals because of rounding.

Source: U.S. Bureau of Labor Statistics.

The total separations category includes quits, layoffs and discharges, and other separations. Each of these data elements has its own unique trend and cyclical movements. Quits are procyclical, meaning they typically rise when the economy expands and fall when the economy contracts. Layoffs and discharges are countercyclical, which means that they typically rise during economic contractions and fall during economic expansions. The other separations data element remains relatively constant over time. Figure 3 shows this relationship by displaying the percentage of total separations attributed to each type of separation. The percentage of quits to total separations

has been increasing since 2009, while the percentage of layoffs and discharges to total separations has been decreasing since 2009.



Annual quits rose slightly over the year, from 37.7 million to 40.1 million. (See table 5.) The annual quits level has risen for 9 consecutive years. Annual layoffs and discharges increased slightly, from 21.6 million in 2017 to 21.9 million in 2018. (See table 6.) Annual other separations declined slightly, from 4.2 million in 2017 to 4.1 million in 2018. (See table 7.)

Table 5. Over-the-year change in level and percentage of annual quits, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|---------------------|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Total nonfarm | 35,879 | 37,692 | 40,073 | 1,813 | 5.1 | 2,381 | 6.3 |
| Industry | | | | | | | |
| Total private | 33,836 | 35,673 | 37,913 | 1,837 | 5.4 | 2,240 | 6.3 |
| Mining and logging | 162 | 173 | 243 | 11 | 6.8 | 70 | 40.5 |

See footnotes at end of table.

Table 5. Over-the-year change in level and percentage of annual quits, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|--|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Construction | 1,490 | 1,853 | 2,055 | 363 | 24.4 | 202 | 10.9 |
| Manufacturing | 1,779 | 2,294 | 2,498 | 515 | 28.9 | 204 | 8.9 |
| Durable goods | 998 | 1,262 | 1,385 | 264 | 26.5 | 123 | 9.7 |
| Nondurable goods | 780 | 1,030 | 1,113 | 250 | 32.1 | 83 | 8.1 |
| Trade, transportation, and utilities | 7,701 | 7,880 | 8,548 | 179 | 2.3 | 668 | 8.5 |
| Wholesale trade | 977 | 1,022 | 1,049 | 45 | 4.6 | 27 | 2.6 |
| Retail trade | 5,578 | 5,613 | 6,020 | 35 | 0.6 | 407 | 7.3 |
| Transportation, warehousing, and utilities | 1,145 | 1,243 | 1,478 | 98 | 8.6 | 235 | 18.9 |
| Information | 479 | 519 | 575 | 40 | 8.4 | 56 | 10.8 |
| Financial activities | 1,217 | 1,366 | 1,391 | 149 | 12.2 | 25 | 1.8 |
| Finance and insurance | 809 | 913 | 845 | 104 | 12.9 | -68 | -7.4 |
| Real estate and rental and leasing | 407 | 456 | 544 | 49 | 12.0 | 88 | 19.3 |
| Professional and business services | 7,140 | 7,454 | 7,595 | 314 | 4.4 | 141 | 1.9 |
| Education and health services | 4,642 | 4,917 | 5,042 | 275 | 5.9 | 125 | 2.5 |
| Educational services | 569 | 575 | 567 | 6 | 1.1 | -8 | -1.4 |
| Healthcare and social assistance | 4,071 | 4,345 | 4,474 | 274 | 6.7 | 129 | 3.0 |
| Leisure and hospitality | 7,921 | 7,749 | 8,470 | -172 | -2.2 | 721 | 9.3 |
| Arts, entertainment, and recreation | 809 | 773 | 912 | -36 | -4.4 | 139 | 18.0 |
| Accommodation and food services | 7,114 | 6,975 | 7,557 | -139 | -2.0 | 582 | 8.3 |
| Other services | 1,308 | 1,469 | 1,501 | 161 | 12.3 | 32 | 2.2 |
| Government | 2,043 | 2,021 | 2,159 | -22 | -1.1 | 138 | 6.8 |
| Federal | 149 | 175 | 189 | 26 | 17.4 | 14 | 8.0 |
| State and local | 1,892 | 1,842 | 1,974 | -50 | -2.6 | 132 | 7.2 |
| Education | 929 | 921 | 1,040 | -8 | -0.9 | 119 | 12.9 |
| Excluding education | 964 | 923 | 931 | -41 | -4.3 | 8 | 0.9 |
| Region | | | | | | | |
| Northeast | 5,130 | 5,421 | 5,375 | 291 | 5.7 | -46 | -0.8 |
| South | 14,394 | 15,313 | 16,312 | 919 | 6.4 | 999 | 6.5 |
| Midwest | 7,973 | 8,113 | 9,008 | 140 | 1.8 | 895 | 11.0 |
| West | 8,383 | 8,850 | 9,377 | 467 | 5.6 | 527 | 6.0 |

Note: Details may not sum to totals because of rounding.

Source: U.S. Bureau of Labor Statistics.

Table 6. Over-the-year change in level and percentage of annual layoffs and discharges by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|---------------------|---------------|------|------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |

See footnotes at end of table.

Table 6. Over-the-year change in level and percentage of annual layoffs and discharges by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|--|---------------|--------|--------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Total nonfarm | 21,243 | 21,581 | 21,888 | 338 | 1.6 | 307 | 1.4 |
| Industry | | | | | | | |
| Total private | 19,903 | 20,242 | 20,581 | 339 | 1.7 | 339 | 1.7 |
| Mining and logging | 172 | 129 | 141 | -43 | -25.0 | 12 | 9.3 |
| Construction | 2,241 | 2,245 | 2,016 | 4 | 0.2 | -229 | -10.2 |
| Manufacturing | 1,295 | 1,252 | 1,387 | -43 | -3.3 | 135 | 10.8 |
| Durable goods | 802 | 702 | 750 | -100 | -12.5 | 48 | 6.8 |
| Nondurable goods | 494 | 550 | 638 | 56 | 11.3 | 88 | 16.0 |
| Trade, transportation, and utilities | 3,688 | 3,730 | 4,190 | 42 | 1.1 | 460 | 12.3 |
| Wholesale trade | 493 | 488 | 493 | -5 | -1.0 | 5 | 1.0 |
| Retail trade | 2,304 | 2,300 | 2,681 | -4 | -0.2 | 381 | 16.6 |
| Transportation, warehousing, and utilities | 891 | 945 | 1,017 | 54 | 6.1 | 72 | 7.6 |
| Information | 307 | 397 | 430 | 90 | 29.3 | 33 | 8.3 |
| Financial activities | 707 | 685 | 711 | -22 | -3.1 | 26 | 3.8 |
| Finance and insurance | 419 | 381 | 497 | -38 | -9.1 | 116 | 30.4 |
| Real estate and rental and leasing | 288 | 302 | 216 | 14 | 4.9 | -86 | -28.5 |
| Professional and business services | 5,199 | 4,887 | 4,936 | -312 | -6.0 | 49 | 1.0 |
| Education and health services | 1,977 | 2,062 | 2,087 | 85 | 4.3 | 25 | 1.2 |
| Educational services | 395 | 425 | 469 | 30 | 7.6 | 44 | 10.4 |
| Healthcare and social assistance | 1,580 | 1,639 | 1,616 | 59 | 3.7 | -23 | -1.4 |
| Leisure and hospitality | 3,471 | 3,841 | 3,762 | 370 | 10.7 | -79 | -2.1 |
| Arts, entertainment, and recreation | 987 | 1,145 | 1,134 | 158 | 16.0 | -11 | -1.0 |
| Accommodation and food services | 2,484 | 2,696 | 2,631 | 212 | 8.5 | -65 | -2.4 |
| Other services | 848 | 1,011 | 921 | 163 | 19.2 | -90 | -8.9 |
| Government | 1,341 | 1,338 | 1,308 | -3 | -0.2 | -30 | -2.2 |
| Federal | 121 | 118 | 92 | -3 | -2.5 | -26 | -22.0 |
| State and local | 1,222 | 1,221 | 1,213 | -1 | -0.1 | -8 | -0.7 |
| Education | 609 | 556 | 607 | -53 | -8.7 | 51 | 9.2 |
| Excluding education | 611 | 665 | 606 | 54 | 8.8 | -59 | -8.9 |
| Region | | | | | | | |
| Northeast | 4,028 | 4,123 | 3,959 | 95 | 2.4 | -164 | -4.0 |
| South | 7,527 | 8,179 | 8,334 | 652 | 8.7 | 155 | 1.9 |
| Midwest | 4,921 | 4,863 | 4,844 | -58 | -1.2 | -19 | -0.4 |
| West | 4,765 | 4,413 | 4,748 | -352 | -7.4 | 335 | 7.6 |

Note: Details may not sum to totals because of rounding.

Source: U.S. Bureau of Labor Statistics.

Table 7. Over-the-year change in level and percentage of annual other separations, by industry and region, not seasonally adjusted, 2016–2018 (levels in thousands)

| Industry and region | Level by year | | | Over-the-year change, 2016 to 2017 | | Over-the-year change, 2017 to 2018 | |
|--|---------------|-------|-------|------------------------------------|---------|------------------------------------|---------|
| | 2016 | 2017 | 2018 | Level | Percent | Level | Percent |
| Total nonfarm | 4,388 | 4,180 | 4,136 | -208 | -4.7 | -44 | -1.1 |
| Industry | | | | | | | |
| Total private | 3,702 | 3,484 | 3,413 | -218 | -5.9 | -71 | -2.0 |
| Mining and logging | 62 | 25 | 21 | -37 | -59.7 | -4 | -16.0 |
| Construction | 192 | 181 | 154 | -11 | -5.7 | -27 | -14.9 |
| Manufacturing | 292 | 271 | 255 | -21 | -7.2 | -16 | -5.9 |
| Durable goods | 180 | 155 | 161 | -25 | -13.9 | 6 | 3.9 |
| Nondurable goods | 112 | 112 | 90 | 0 | 0.0 | -22 | -19.6 |
| Trade, transportation, and utilities | 1,096 | 892 | 829 | -204 | -18.6 | -63 | -7.1 |
| Wholesale trade | 147 | 116 | 143 | -31 | -21.1 | 27 | 23.3 |
| Retail trade | 744 | 624 | 538 | -120 | -16.1 | -86 | -13.8 |
| Transportation, warehousing, and utilities | 207 | 155 | 149 | -52 | -25.1 | -6 | -3.9 |
| Information | 141 | 95 | 81 | -46 | -32.6 | -14 | -14.7 |
| Financial activities | 297 | 332 | 298 | 35 | 11.8 | -34 | -10.2 |
| Finance and insurance | 241 | 284 | 259 | 43 | 17.8 | -25 | -8.8 |
| Real estate and rental and leasing | 57 | 48 | 37 | -9 | -15.8 | -11 | -22.9 |
| Professional and business services | 672 | 675 | 773 | 3 | 0.4 | 98 | 14.5 |
| Education and health services | 485 | 570 | 567 | 85 | 17.5 | -3 | -0.5 |
| Educational services | 65 | 65 | 69 | 0 | 0.0 | 4 | 6.2 |
| Healthcare and social assistance | 418 | 506 | 498 | 88 | 21.1 | -8 | -1.6 |
| Leisure and hospitality | 370 | 309 | 314 | -61 | -16.5 | 5 | 1.6 |
| Arts, entertainment, and recreation | 27 | 41 | 49 | 14 | 51.9 | 8 | 19.5 |
| Accommodation and food services | 341 | 271 | 267 | -70 | -20.5 | -4 | -1.5 |
| Other services | 89 | 126 | 128 | 37 | 41.6 | 2 | 1.6 |
| Government | 690 | 698 | 725 | 8 | 1.2 | 27 | 3.9 |
| Federal | 102 | 106 | 130 | 4 | 3.9 | 24 | 22.6 |
| State and local | 585 | 590 | 592 | 5 | 0.9 | 2 | 0.3 |
| Education | 278 | 292 | 286 | 14 | 5.0 | -6 | -2.1 |
| Excluding education | 306 | 300 | 308 | -6 | -2.0 | 8 | 2.7 |
| Region | | | | | | | |
| Northeast | 737 | 746 | 774 | 9 | 1.2 | 28 | 3.8 |
| South | 1,724 | 1,622 | 1,530 | -102 | -5.9 | -92 | -5.7 |
| Midwest | 916 | 848 | 853 | -68 | -7.4 | 5 | 0.6 |
| West | 1,010 | 966 | 981 | -44 | -4.4 | 15 | 1.6 |

Note: Details may not sum to totals because of rounding.
Source: U.S. Bureau of Labor Statistics.

Components of separations by industry

As mentioned previously, separations are the total number of employment terminations occurring at any time during the reference month. Separations consist of quits, layoffs and discharges, and other separations. This section of the article discusses what happened in 2018 with the various components of separations.

Quits

In 2018, the number of annual quits grew in seventeen of nineteen industries, while two industries had fewer quits. The largest percentage increases in annual quits levels in 2018 were in mining and logging (40.5 percent); real estate and rental and leasing (19.3 percent); and transportation, warehousing, and utilities (18.9 percent). The two declines in annual quits were in finance and insurance (−7.4 percent) and educational services (−1.4 percent). Seven of nineteen industries reached historic highs for the annual level of quits. The top three of these industries include accommodation and food services, at 7.6 million, professional and business services, at 7.6 million, and retail trade, at 6.0 million (See table 5.)

Six industries reached monthly seasonally adjusted series highs for quits in 2018. (See table 2.) These industries include accommodation and food services, at 683,000 in August; healthcare and social assistance, at 400,000 in August; and transportation, warehousing, and utilities, at 133,000 in May. (See table 2.)

Layoffs and discharges

Annual layoffs and discharges dropped in 2018 in 8 of 19 industries, while 11 industries had higher layoffs and discharges. The largest percentage declines in annual layoffs and discharges levels were in real estate and rental and leasing (−28.5 percent), federal government (−22.0 percent), and construction (−10.2 percent). The largest percentage increases in annual layoffs and discharges were in finance and insurance (30.4 percent), retail trade (16.6 percent), and nondurable goods manufacturing (16.0 percent).

Only one industry reached a series low in the annual layoffs and discharges level—real estate and rental and leasing, at 216,000. (See table 6.) The only industry to reach a series high for the seasonally adjusted monthly layoffs and discharges level was state and local government excluding education, at 88,000 in July 2018. Wholesale trade was the only industry to reach a series low for the seasonally adjusted monthly layoffs and discharges level, at 23,000 in May. (See table 2.)

Other separations

In 2018, annual other separations increased in 8 of 19 industries, whereas 11 industries had fewer annual other separations. The largest percentage increases in annual other separations include wholesale trade (23.3 percent) and federal government (22.6 percent). The largest percentage declines in annual other separations were in real estate and rental and leasing (−22.9 percent) and in nondurable goods manufacturing (−19.6 percent). (See table 7.) Other separations for transportation, warehousing, and utilities dropped to an annual series low of 149,000. Other separations in real estate and rental and leasing, at 37,000, and in mining and logging, at 21,000, also reached new lows. The only industry to reach an annual series high in 2018 was arts, entertainment, and recreation, at 49,000. (See table 7.)

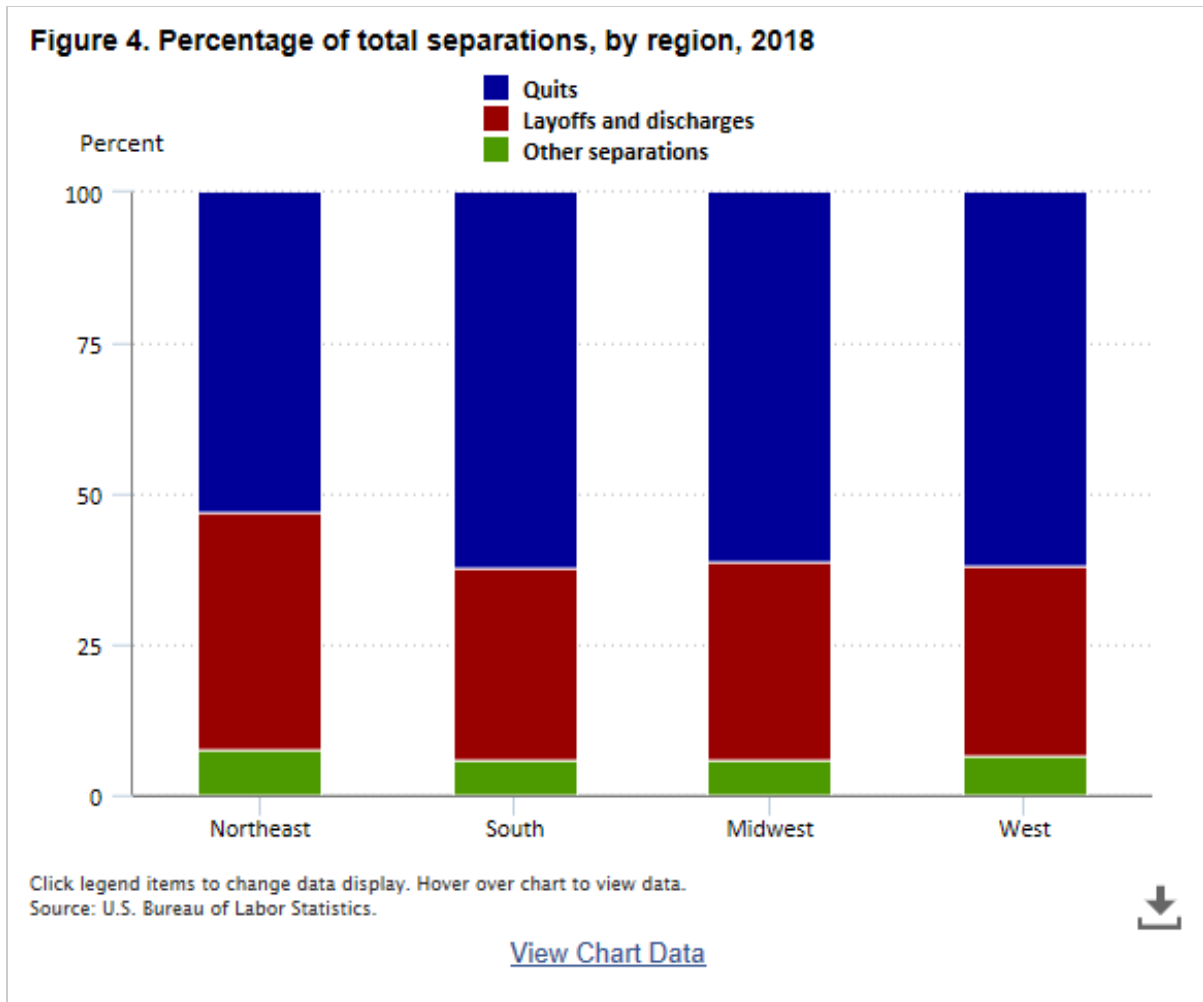
Two industries reached monthly seasonally adjusted highs in other separations in 2018: professional and business services, at 101,000 in July, and arts, entertainment, and recreation, at 9,000 in September. (See table 2.)

Components of separations by region

The Northeast region had an annual level of 10.1 million total separations in 2018. Within total separations, the Northeast had 5.4 million quits, 4.0 million layoffs and discharges, and 774,000 other separations. In the South region, the annual level of total separations was 26.2 million in 2018, with the quits level at 16.3 million, the layoffs and discharges level at 8.3 million, and the other separations level at 1.5 million. In the Midwest region, the annual total separations level was 14.7 million, with 9.0 million quits, 4.8 million layoffs and discharges, and 853,000 other separations. In the West region, the annual total separations level was 15.1 million, with 9.4 million quits, 4.7 million layoffs and discharges, and 981,000 other separations. (See tables 4–7.)

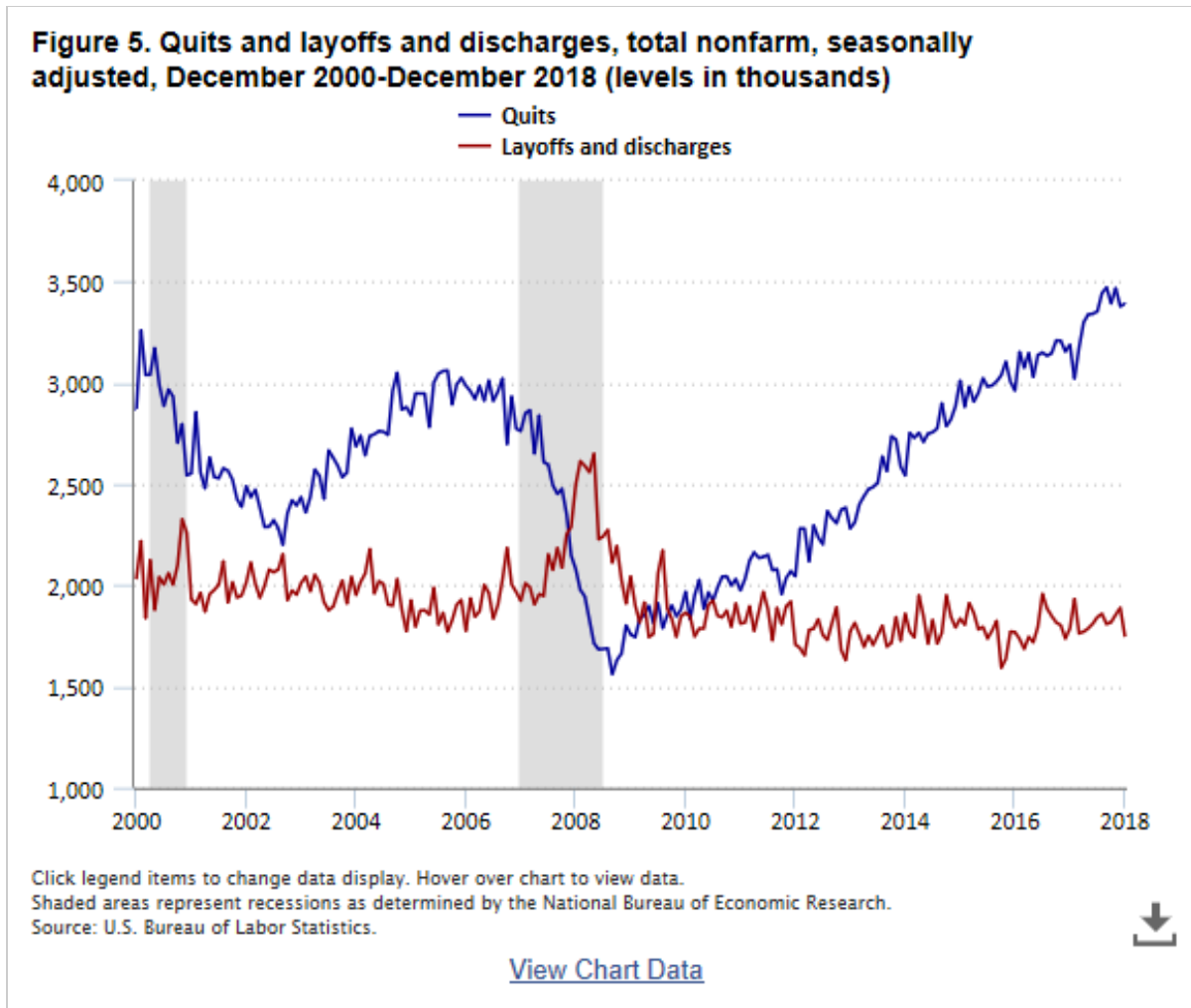
Two of the four regions experienced monthly historical highs in the number of quits in 2018. The number of quits in the South reached 1.4 million in October, and the level in the West reached 856,000 in August. (See table 2.)

An analysis of each region by the components as a percentage of total separations illustrates the different characteristics of the JOLTS data at the regional level. The Northeast region had the smallest percentage of quits within total separations, at 53.2 percent in 2018. The South experienced the highest percentage of quits to total separations, at 62.3 percent. The Northeast region had the largest percentage of layoffs and discharges, at 39.2 percent, while the West region had the lowest percentage, at 31.4 percent. The Northeast had the highest percentage of other separations (7.7 percent), whereas both the South and Midwest regions had the lowest percentage, at 5.8 percent. (See figure 4.)



Quits compared with layoffs and discharges

From 2009 to 2010, near the end of the most recent recession, layoffs and discharges exceeded quits in most months. As figure 5 illustrates, these two data elements had an inverse relationship during that period. However, excluding this timeframe, quits have generally exceeded layoffs and discharges. In 2018, quits continued to exceed layoffs and discharges.



Summary

Annual data from the Job Openings and Labor Turnover Survey show that the labor market continued to trend upward throughout 2018. The data also show that hires and quits rose throughout the economy in 2018. The job openings level increased to its highest level since the series began, indicating an increasing demand for labor. Annual hires and quits levels have risen for multiple years now and reached historic highs in 2018.

SUGGESTED CITATION

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NOTES

¹ The most detailed geographical level that the JOLTS data can provide are for the Northeast, South, Midwest, and West regions.

² When collecting, analyzing, and publishing statistical data related to the U.S. business economy, federal statistical agencies generally use the North American Industry Classification System (NAICS) as the standard to classify business establishments. The 19 major industries for which JOLTS data are available are mining and logging; construction; durable goods manufacturing; nondurable goods manufacturing; wholesale trade; retail trade; transportation, warehousing, and utilities; information; finance and insurance; real estate and rental and leasing; professional and business services; educational services; healthcare and social assistance; arts,

entertainment, and recreation; accommodation and food services; other services; federal government, state and local education; and state and local government, excluding education. For more information, see “North American Industry Classification System: Introduction to NAICS” (U.S. Census Bureau), <https://www.census.gov/eos/www/naics/>. Industries for which JOLTS does not publish data are agricultural establishments (NAICS 11), except logging (NAICS 1133), and private households (NAICS 814110). See BLS *Handbook of Methods*, chapter 18, “Job Openings and Labor Turnover Survey” (U.S. Bureau of Labor Statistics, 2015), <https://www.bls.gov/opub/hom/pdf/homch18.pdf>.

³ Procyclic is a condition of positive correlation between the value of a good, a service, or an economic indicator and the overall state of the economy. In other words, the value of the good, service, or indicator tends to move in the same direction as the economy, growing when the economy grows and declining when the economy declines.” See *Investopedia* website, definition of “procyclic,” by Will Kenton, April 12, 2018, <http://www.investopedia.com/terms/p/procyclical.asp>.)

⁴ See “U.S. business cycle expansions and contractions” (Cambridge, MA: National Bureau of Economic Research, September 20, 2010), <http://www.nber.org/cycles/>.

⁵ JOLTS uses current monthly CES employment trends to align the JOLTS implied employment trend (hires minus separations) to be approximately the same. For more information, see the JOLTS methodology webpage at <https://www.bls.gov/jlt/methodologyimprovement.htm>.

⁶ The JOLTS program considers job openings a stock measure and does not produce annual totals for job openings.

⁷ Countercyclical is a condition of negative correlation between when the value of the good, service, or indicator is “moving in the opposite direction of the overall economic cycle: rising when the economy is weakening, and falling when the economy is strengthening.”

⁸ See “U.S. business cycle expansions and contractions.”

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