

U.S.

Economic Watch

January 11, 2011

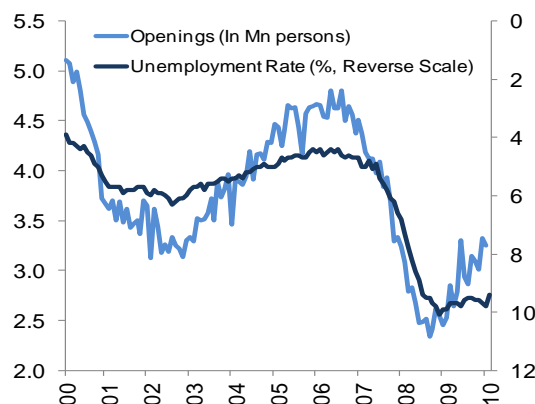
Economic Analysis

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Job Openings and Labor Turnover (JOLTS) Hires-Separations gap declines second month in a row

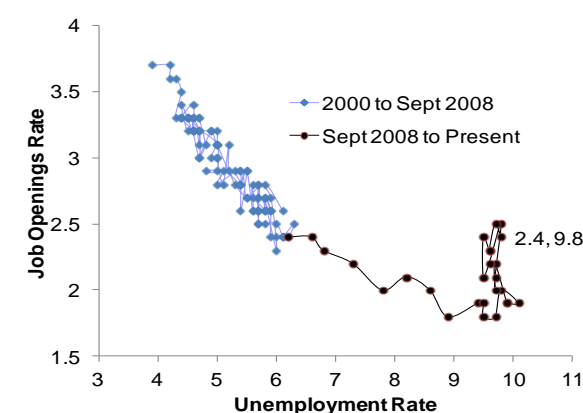
The Beveridge Curve reading for November remains in an elevated range, but still consistent with earlier pairings of unemployment and openings. Our measure of relative industrial unemployment variance increased in December, with sharp unemployment decreases in information services and wholesale and retail trade and sharp unemployment increases in construction and mining. Some of these changes are seasonally-sensitive. The number of job openings declined by 80k between October and November and the hiring and separation rates are equally cancelling each other at 3.2%. The difference between hires and separations declined for the second month in a row to 101k in November, down from 165k in October. The job openings rate declined marginally to 2.4%, which is the average job openings rate over the data since July. Next month's reading is likely to be inconclusive if the December unemployment rate is substantially revised.

Chart 1
Job Openings and Unemployment



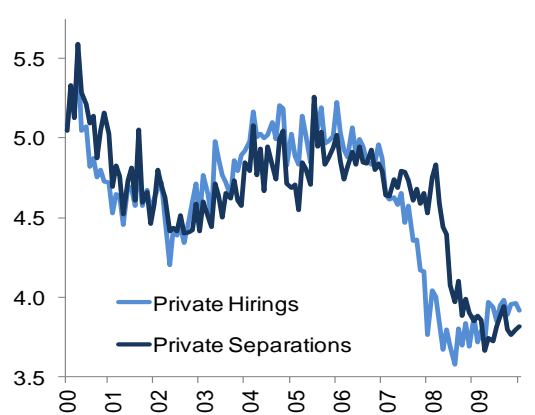
Source: BBVA Research and BLS

Chart 2
National Beveridge Curve



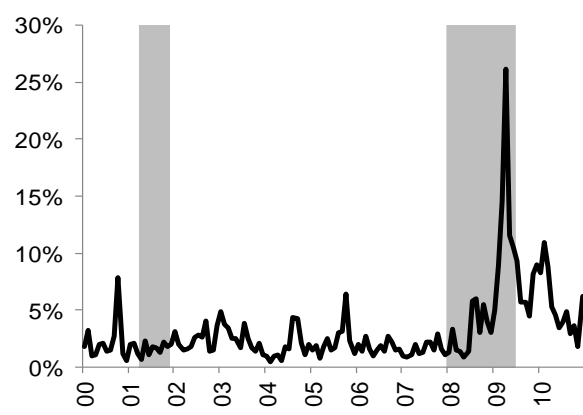
Source: BBVA Research and BLS

Chart 3
Private Hirings and Separations, In Mn



Source: BBVA Research and BLS

Chart 4
Industry Relative Unemployment Variance



Source: BBVA Research and BLS

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