

Economic Watch

US

Houston, 13 April 2011
Economic Analysis

US

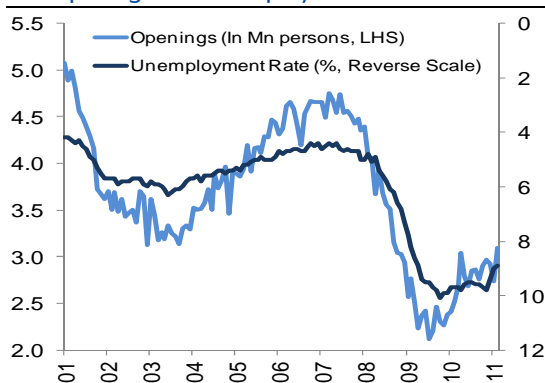
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Job Openings and Labor Turnover (JOLTS)

Better openings rate, but hiring-separation gap still small

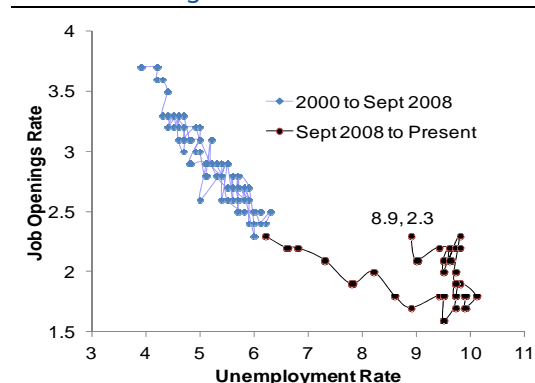
Today's release of the JOLTS indicates that the job openings rate is at a high level compared to the past two years' data. Although April of 2010 posted a similar openings rate as today's figure (2.3%), other than this Census-related increase this is the highest openings rate since the month Lehman Brothers collapsed. This is an encouraging sign, but there are still indications of a sluggish recovery in the labor market. For example, the gap between private hirings and separations is still small at 134k, down from January's revised gap of 154k. We are also in the dark regarding seasonality effects on the openings rate, which is up 354K from January's level. The resultant pairing of the openings rate and unemployment rate in the Beveridge Curve is still suggestive of a slight uptick in structural unemployment (Chart 2). Our measure of industrial employment turbulence (Chart 4) remains low. Going forward, the openings rate will not jump as appreciably as between January and February.

Chart 1
Job Openings and Unemployment



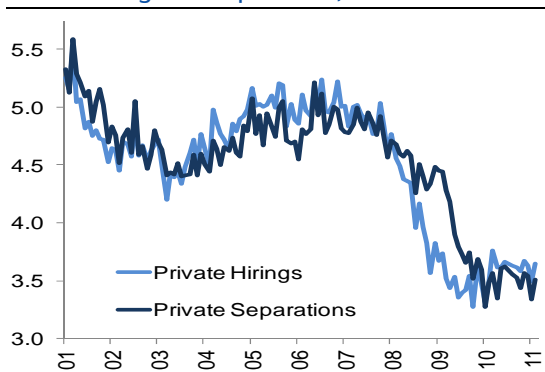
Source: BBVA Research and BLS

Chart 2
National Beveridge Curve



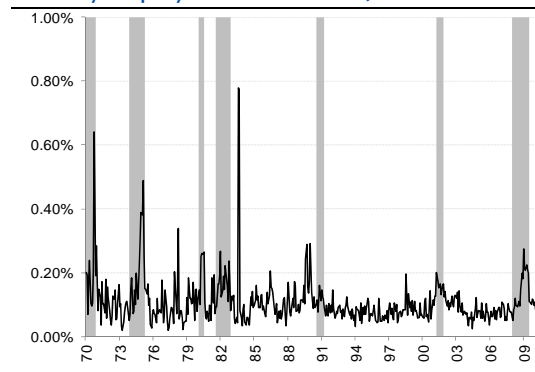
Source: BBVA Research and BLS

Chart 3
Private Hirings and Separations, In Mn



Source: BBVA Research and BLS

Chart 4
Industry Employment Turbulence, 1970-2011



Source: BBVA Research and BLS

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