

Economic Watch

US

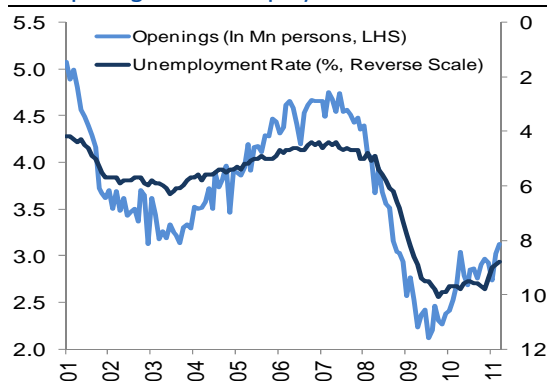
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Economic Analysis

US
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Job Openings and Labor Turnover (JOLTS) Slightly healthier job creation, but activity still too low

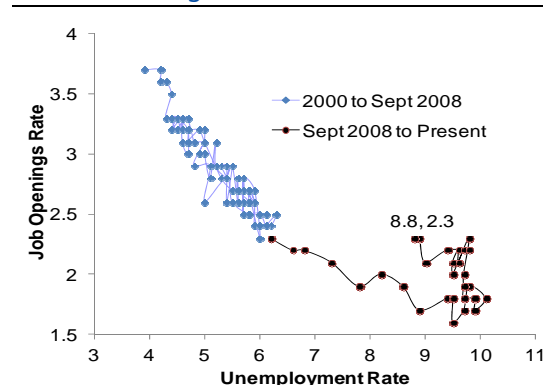
Although today's data implies a slightly healthier labor market, the numbers also suggest some still-nontrivial challenges to job creation. While job openings did not increase appreciably MoM, compared to last year job openings are up significantly, albeit at a still-low level. The hires-separation gap stands at 219k, up from 191k in the last period. The gap has averaged 189k over the past three months and 150k over the past six months. For comparison purposes, in 2005 the gap averaged 194k, although the 2000's are still generally regarded as an era of weak job creation (the JOLTS data is only back to 2000). However, this moving average of the gap will be instructive of momentum in the labor market. The Beveridge Curve is again consistent with a slight uptick in structural unemployment. One measure of structural unemployment is our index of industry relative unemployment variance, which in the recent data is illustrative of renewed perturbation.

Chart 1
Job Openings and Unemployment



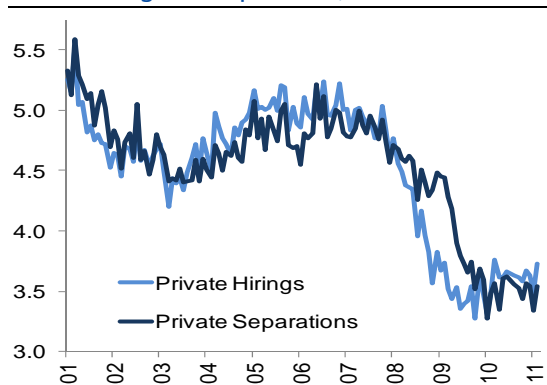
Source: BBVA Research and BLS

Chart 2
National Beveridge Curve



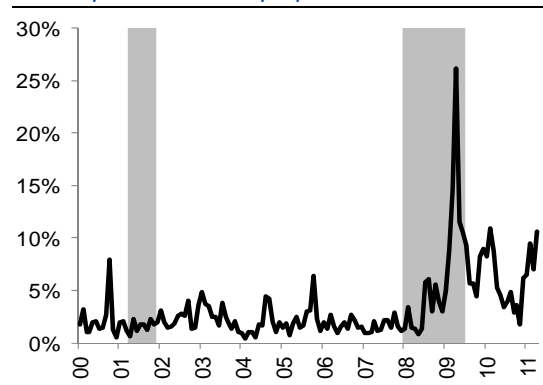
Source: BBVA Research and BLS

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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