

Economic Watch

US

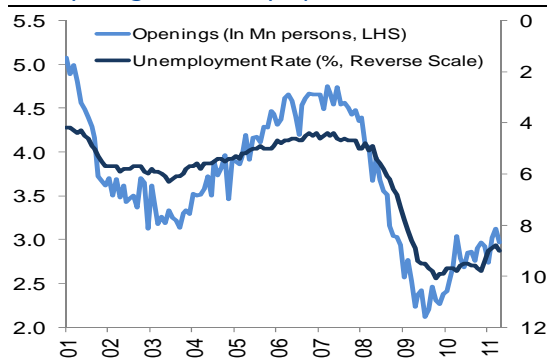
7 June 2011
Economic Analysis

US
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Job Openings and Labor Turnover (JOLTS) First Four Months of 2011 Stronger than First Four of 2005

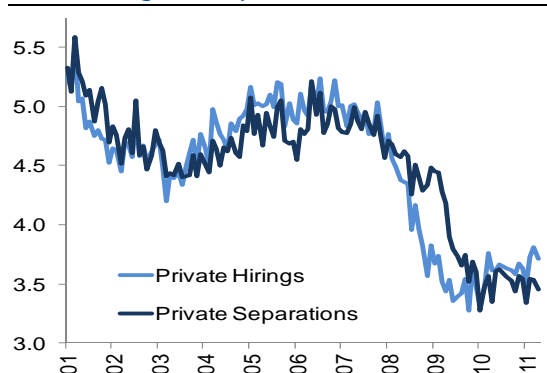
The April JOLTS data suggests the rate of job hirings and openings remained unchanged MoM, although the level of openings declined by 151k and the gap between hires and separations is strong at 255k. The average net job creation gap for private firms YTD is 219k, which is stronger than the first four months of 2005 (188k). The pace of employment creation still has to contend with the huge stock of unemployed as a result of the crisis and therefore remains uncomfortably insufficient. Since the JOLTS is a very short dataset we still do not have an adequate idea of seasonal or cyclical factors in openings; it is conceivable there are hiring cycles within the economy. If we are within a low hiring scenario and firms have blown through their hiring for the first four months of the year, it is possible that private firms took a respite from openings in April. However, this is all speculation and all eyes remain on the Beveridge Curve, which is still suggestive of a slight uptick in structural unemployment. Further developments in the Beveridge curve will depend on if the incoming data suggests less strongly-perpendicular moves.

Chart 1
Job Openings and Unemployment



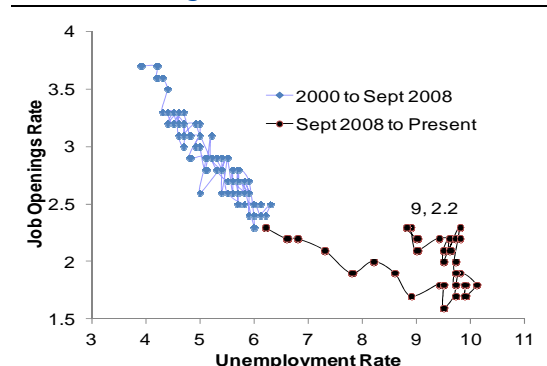
Source: BBVA Research and BLS

Chart 3
Private Hirings and Separations, In Mn



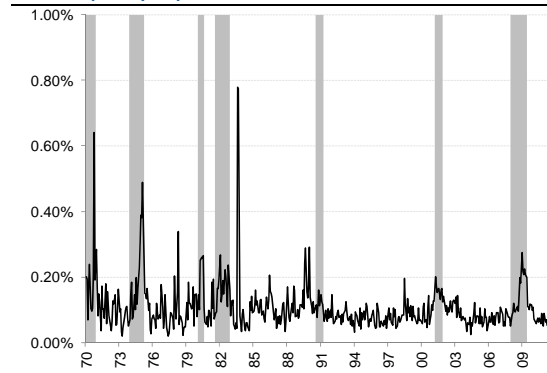
Source: BBVA Research and BLS

Chart 2
National Beveridge Curve



Source: BBVA Research and BLS

Chart 4
Industry Employment Turbulence



Source: BBVA Research and BLS

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