

Economic Watch

US

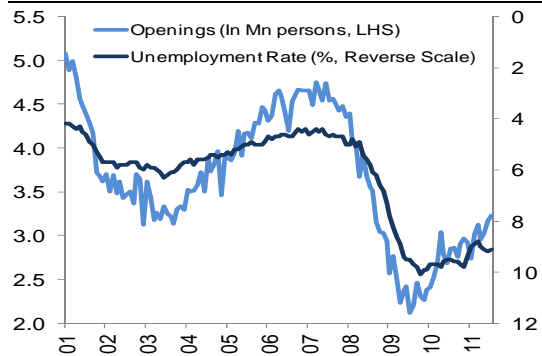
7 September 2011
Economic Analysis

US
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Job Openings and Labor Turnover (JOLTS) Labor Market Struggling for Strong Recovery

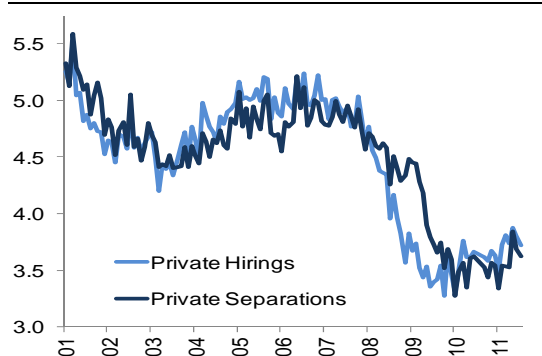
The BLS JOLTS data released today suggest little change in the labor market from June to July, as expected after months of weak employment reports. The number of job openings increased 59k to 3.2mn, mostly due to increases in manufacturing and arts, entertainment, and recreation. Despite a minimal increase in government hires, a decline in private sector hires kept the hiring rate low at 3.0%. The rate of layoffs and discharges declined slightly from June, while the rate of quits remained unchanged, suggesting that workers' pessimistic outlook regarding job availability has not improved. On a regional basis, the Midwest and West saw the most activity with an increase in the number of job openings as well as an increase in the number of quits. However, the hires rate was unchanged for all regions. The Beveridge Curve, showing no change in the job openings rate and a decline in the unemployment rate to 9.1%, continues to hint at signs of structural unemployment. Although net employment has increased 1.1mn in the 12 months since July 2010, it is clear that the labor market is struggling to make a strong recovery.

Chart 1
Job Openings and Unemployment



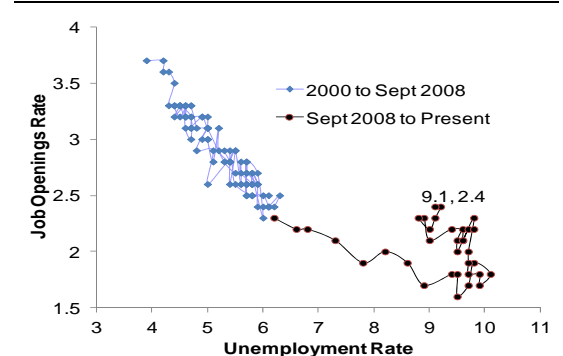
Source: BBVA Research and BLS

Chart 3
Private Hirings and Separations, In Mn



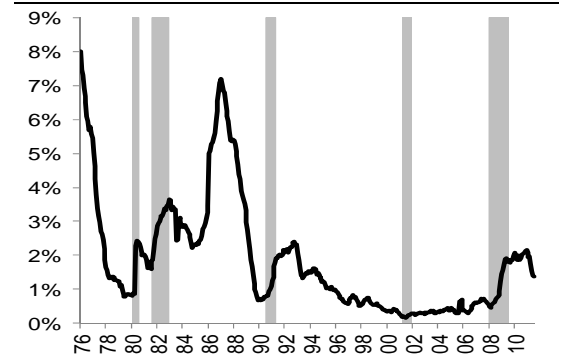
Source: BBVA Research and BLS

Chart 2
National Beveridge Curve



Source: BBVA Research and BLS

Chart 4
Regional Relative Unemployment Variance



Source: BBVA Research and BLS

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