

# Economic Watch

US

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Economic Analysis

US

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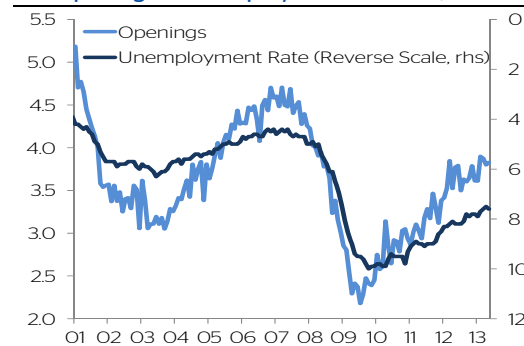
## Job Openings and Labor Turnover

Hires, openings and separations rise across the board in May

- Job openings rose by 28K with retail trade leading the push, up 18%
- The rate of hiring rose to 3.3% bolstered by trade related sectors
- Total separations rose but the move was influenced by quits not layoffs

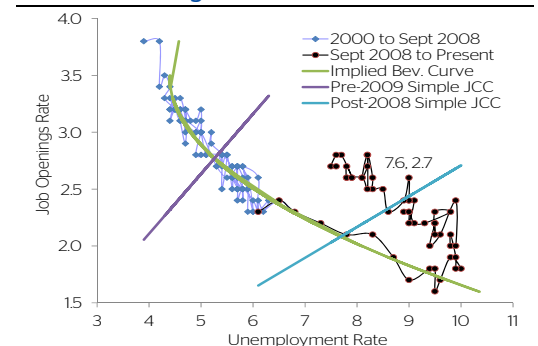
The Job Openings and Labor Turnover Survey (JOLTS) report for May 2013 shows some positive data coming out of the labor force to bolster the already strong and revised growth in nonfarm payrolls. The number of total job openings rose 28K (0.7%), marking the first gain in three months, with a majority of the rise attributable to the trade, transport & utilities sector. In particular, retail trade rose 82K (18.0%) on a very strong outlook for the summer months ahead. Construction vacancies also increased on a brighter outlook for housing starts, up 4K, while manufacturing, professional services, education & health and leisure & hospitality all declined. Government openings actually rose 1.0% in May despite the lack of growth depicted in the payroll figures for the same period. Hiring in the government sector in May declined 2.7%, which is more in line with the payroll data. Hiring also declined in the aforementioned service components such as leisure and professional services, which pulled overall hires down 46K (1.05%). Construction and manufacturing hires rose 24K and 14K, respectively, while retail trade gained 27K workers which is slightly less than its strong April increase. Turning to separations the situation becomes more interesting due to the breakdown of the data. According to the JOLTS report, separations rose in May by 36K (0.8%) due mostly to the manufacturing and trade, transportation and utilities sectors. Except for the healthcare sector, the remaining components saw a decline in separations. Interestingly, when breaking down the separations data, a more optimistic situation arises. The number of separations that were listed as quits increased for the second consecutive month, while layoffs actually declined slightly. As has been the case over the last two quarters, the number of quits has been growing as people are becoming more confident in the labor market. Overall, May's data points toward a gain in the retail and trade sector while the remaining components saw a weaker month. We expect the situation to improve in June however, as current employment data are hinting toward broader gains in payroll growth as we move into the second half of the year.

Chart 1  
Job Openings & Unemployment (Millions, %)



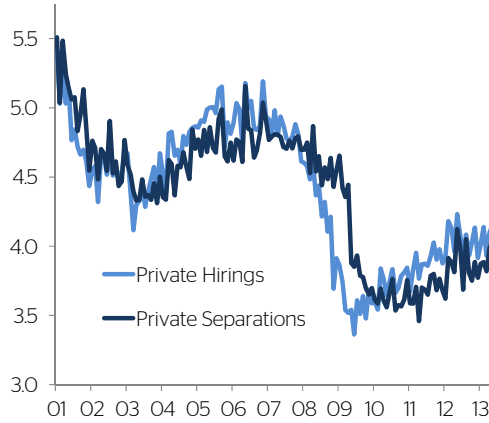
Source: Bureau of Labor Statistics and BBVA Research

Chart 2  
National Beveridge Curve



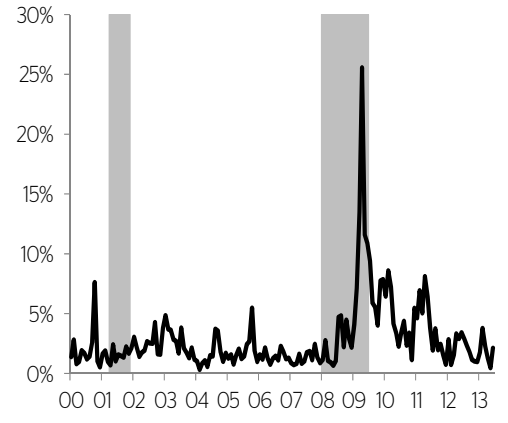
Source: Bureau of Labor Statistics and BBVA Research

Chart 3  
**Private Hirings & Separations (Millions)**



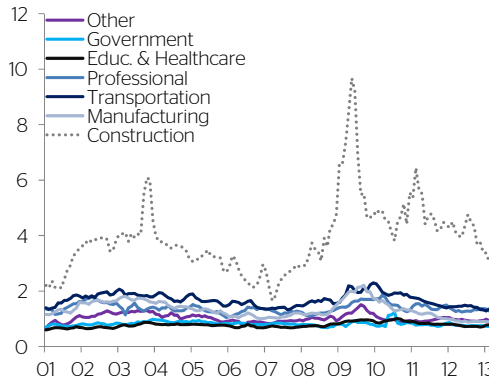
Source: Bureau of Labor Statistics and BBVA Research

Chart 4  
**Industry Relative Unemployment Variance**



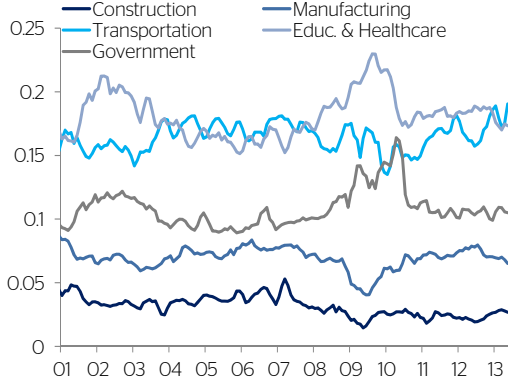
Source: Bureau of Labor Statistics and BBVA Research

Chart 5  
**Vacancy Yield by Industry (3MMA)**



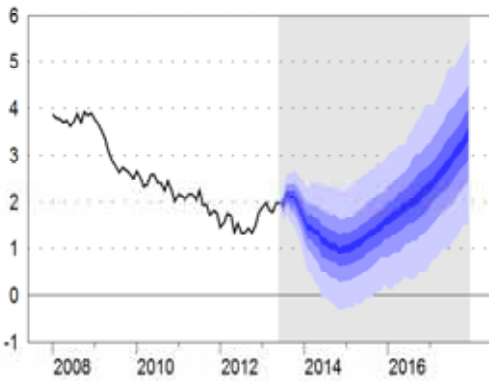
Source: Bureau of Labor Statistics and BBVA Research

Chart 6  
**Share of Vacancies by Industry (3MMA)**



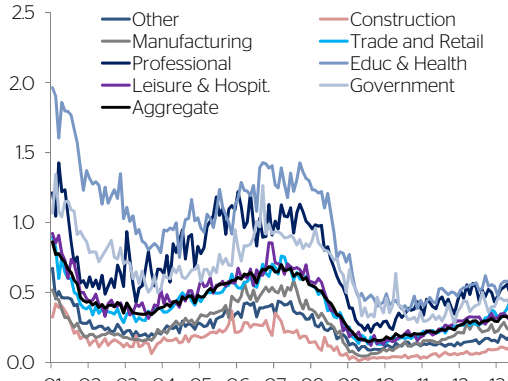
Source: Bureau of Labor Statistics and BBVA Research

Chart 7  
**Nominal Average Hourly Earnings (YoY %)**



Source: BBVA Research

Chart 8  
**Labor Tightness by Industry (higher=tight)**



Source: Bureau of Labor Statistics and BBVA Research

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