

# Economic Watch

US

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Economic Analysis

US

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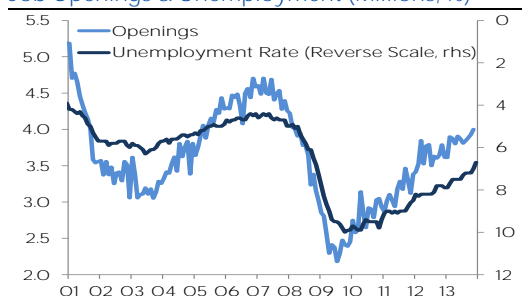
## Job Openings and Labor Turnover

Openings, hiring, and separations all post slight increases

- Job openings rose by 70K behind modest growth across sectors
- The rate of hiring remained unchanged in November at 3.3%
- Separations increased, mostly due to an increase in quits

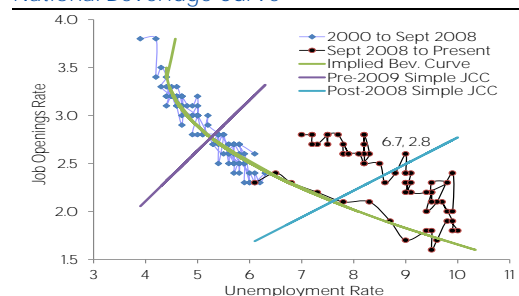
The Job Openings and Labor Turnover Survey (JOLTS) report for November 2013 showed little overall change from October. Job openings rose 70K (1.8%) for the fourth straight month to the highest level since March 2008. The sector breakdown was mixed, but overall, most experienced modest growth. Construction job openings continue to rise, adding 12K in November and marking the fourth straight increase while reaching the highest level of the recovery thus far. Vacancies in education and health services also increased in November, adding 15K job openings, while government job openings increased 11K in the month after slumping in October. Professional services had fewer job openings in November after increasing in October. Manufacturing job openings saw a marginal decline in November, dropping 5K, after a significant jump in October. Shifting to hiring, there was little overall change from October, but there were specific industries that saw significant movement. Total private hiring fell by 6K after declining 143K in October. Professional and business services hiring declined 43K after freefalling 99K in October. Construction hiring fell 35K in November after increasing 30K in October; meanwhile, manufacturing hired 33K more after falling 25K the month prior. The biggest increase was seen in the trade, transportation and utilities sector which carried momentum from October, accumulating an additional 51K hires in November. Government hiring was positive for the first time since August, adding a total of 17K jobs in November, with state and local government contributing 11K. As views on job availability improve, confidence on job mobility also rises and employees become more willing to leave current positions to find other work. This was the case in November, with separations up 53K after falling by 272K in the previous month. Most of this was due to a 46K increase in quits, a trend that is likely to carry over into 2014. Meanwhile, layoffs and discharges fell by 43K after dropping 252K the month prior, a sign that companies are holding onto their employees. While the changes in November's JOLTS data appear minimal at face value, the underlying trends are becoming clearer. The growing discrepancy between job availability and hiring hints further at structural unemployment concerns, with businesses finding it more and more difficult to match job needs to the skillsets of available workers. Looking forward, we expect the December's report to remain stable or show a modest decline in hiring, as the unemployment report for December was less than stellar.

Chart 1  
Job Openings & Unemployment (Millions, %)



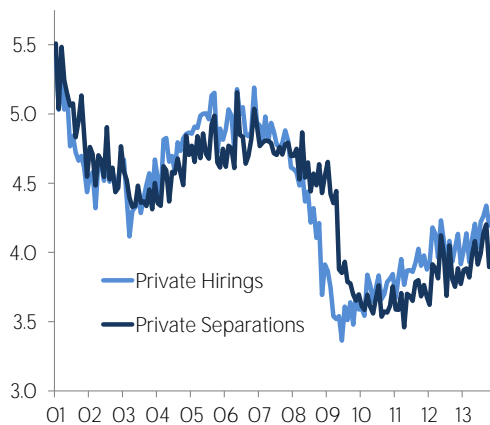
Source: Bureau of Labor Statistics and BBVA Research

Chart 2  
National Beveridge Curve



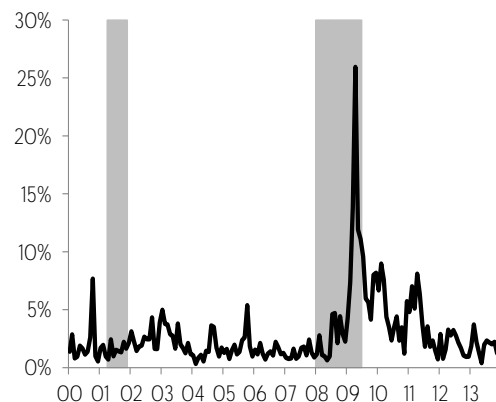
Source: Bureau of Labor Statistics and BBVA Research

Chart 3  
Private Hirings & Separations (Millions)



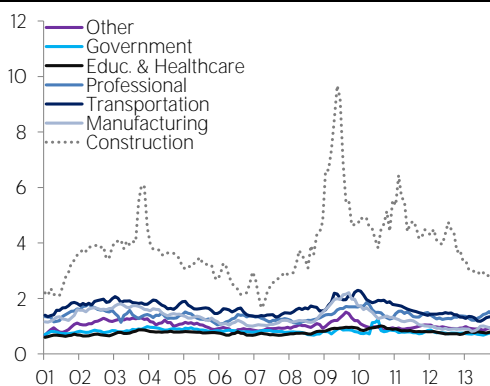
Source: Bureau of Labor Statistics and BBVA Research

Chart 4  
Industry Relative Unemployment Variance



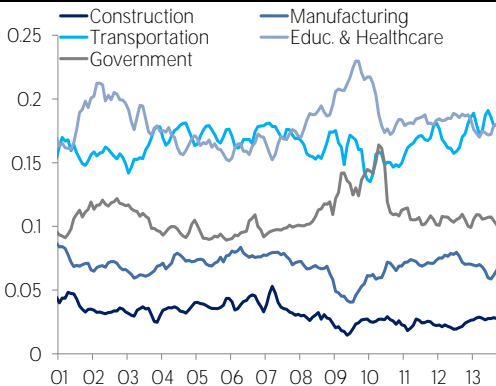
Source: Bureau of Labor Statistics and BBVA Research

Chart 5  
Vacancy Yield by Industry (3MMA)



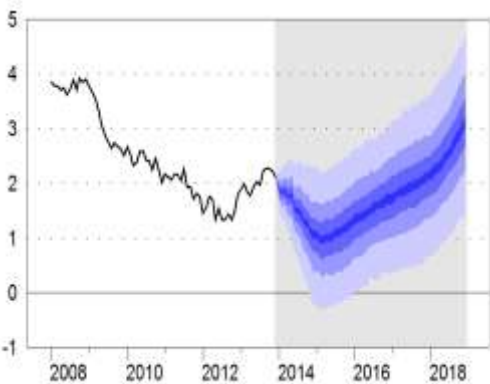
Source: Bureau of Labor Statistics and BBVA Research

Chart 6  
Share of Vacancies by Industry (3MMA)



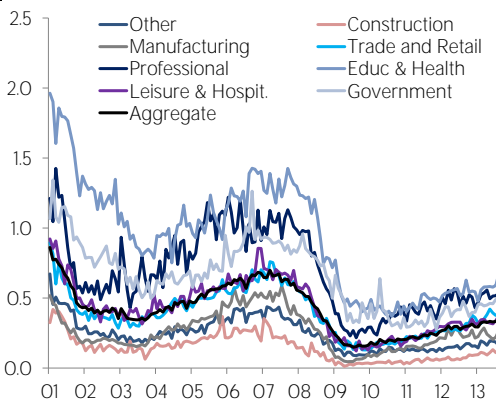
Source: Bureau of Labor Statistics and BBVA Research

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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