

U.S. Data Review

- Job openings: record level; quits rate also elevated

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The Labor Market

The employment report for April disappointed, but modest job growth was not the result of soft demand. The latest report on job openings (a March figure) showed that businesses are seeking to hire, as the number of available positions jumped 597,000 (7.9 percent) to 8.123 million. In addition, the change occurred from an upward revised level in February, with the new total 159,000 (2.2 percent) firmer than previously believed. The combined results left the number of job openings at a record level, easily exceeding the previous peak of 7.574 in November 2018 (chart, left).

The elevated level of job openings provides support for the view that generous unemployment benefits and Covid-related constraints (fear of the virus and dependent-care responsibilities) are preventing individuals from seeking employment. The April payroll figures also might have contained a large dose of random volatility. Given a record number of job openings, employment reports in coming months should have firm tones.

The quits rate, a measure that provides insight into the confidence individuals have in finding a job, held at 2.4 percent in March, matching the firmest reading on record (chart, right).

Job Openings*



* The shaded areas on the chart indicate periods of recession in the United States.

Source: Bureau of Labor Statistics and National Bureau of Economic Research via Haver Analytics

Quits Rate*



* The shaded areas on the chart indicate periods of recession in the United States.

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