

Job openings and hires decline in 2008

Downward trends in job openings, hires, and quits were geographically widespread and affected almost every industry

Katherine Klemmer

Job openings and hires declined during 2008. The number of job openings, a stock measure referenced to the last day of the month, dropped from 4.4 million, seasonally adjusted, in December 2007 to 3.2 million in December 2008 after trending down steadily over the year. Hires, which is a measure of worker flows, also trended down steadily over the year. Hires dropped from 5.1 million, seasonally adjusted, in December 2007 to a low of 4.2 million in November 2008 and then increased to 4.5 million in December 2008. Job openings and hires also declined in 2007.¹

The total separations level which was 5.0 million, seasonally adjusted, in December 2007, fluctuated over the course of the year reaching a high of 5.2 million in April 2008 and returned to 5.0 million in December 2008. The level of layoffs and discharges increased from 1.8 million in December 2007 to 2.4 million in December 2008 and the level of quits dropped from 2.9 million in December 2007 to 2.1 million in December 2008.

In December 2008, the National Bureau of Economic Research announced that the current recession had begun in December 2007.² The downward trend in job openings, hires, and quits, and the upward trend in layoffs and discharges are consistent with recessionary trends in other economic statistics. Recessionary trends are evident in increasing unemployment and declining employment levels. For example, the unemployment rate, 4.9 percent in December 2007, climbed to 7.2 by December 2008.³ Also, since December 2007,

nonfarm employment dropped from 138 million to 135 million for the month of December 2008, a net employment loss of approximately 3 million over the course of 2008.⁴ Chart 1 shows JOLTS total private job openings compared to CES total private employment levels since December 2000. The job openings leveled off and began to fall prior to December 2007 when employment levels began to fall.

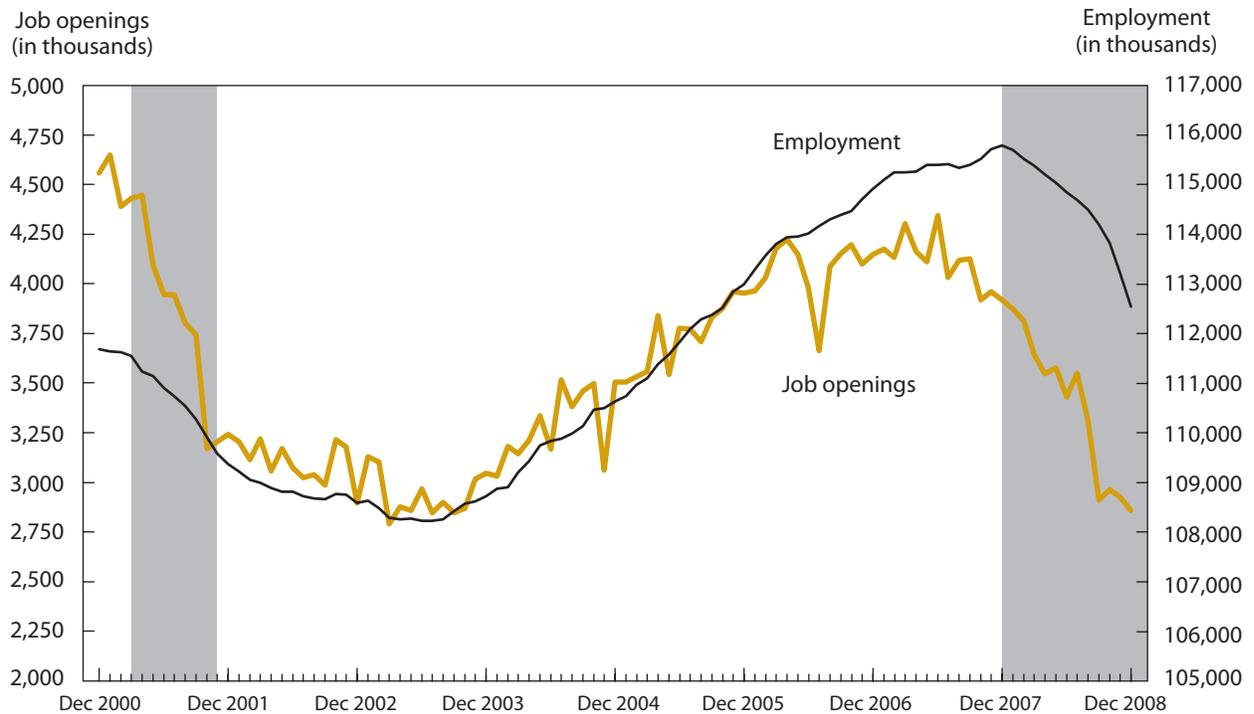
The Job Openings and Labor Turnover Survey program (JOLTS) measures job openings, hires, and separations on a monthly basis by industry and geographic region. The JOLTS statistics gauge labor demand by collecting data monthly from a sample of approximately 16,000 nonfarm business establishments and is aligned monthly with the BLS Current Employment Statistics (CES) program. Published JOLTS data are available from December 2000 forward. In 2008, JOLTS added seasonally-adjusted arts, entertainment, and recreation series for all data types and seasonally-adjusted layoffs and discharges for the Total Nonfarm, Total Private, and Government industries. Also, the entire JOLTS data series was retabulated on the basis of new methodology concurrent with the release of the January 2009 preliminary estimates.⁵ Unless otherwise noted, JOLTS data used in this report are seasonally adjusted.

National level trends: job openings

The job openings rate at the national level experienced a downward trend for 2008 and

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Chart 1. JOLTS total private job openings and CES total private employment, seasonally adjusted, December 2000–December 2008



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.

reached a low in December 2008 of 2.3 percent. Fewer job openings mean fewer opportunities for job-seekers to find employment. An economic expansion is characterized by a rising number of job openings and falling unemployment while an economic contraction is characterized by rising unemployment and a falling number of job openings. Chart 2 illustrates the inverse relationship between job openings and unemployment.⁶ As the economy began to weaken prior to the beginning of the current recession, unemployment climbed while job openings dropped.

The ratio between unemployment and job openings is an indication of how the number of unemployed persons per job opening changes over time. The ratio increased from mid-2006 where it hovered around 1.5 unemployed persons per job opening to a ratio of approximately 3.5 unemployed persons per job opening in December 2008.⁷ (See chart 3.)

National level trends: hires

Hires are defined as the total number of additions to the payroll occurring at any time during the reference month. In November 2008, hires reached a series low of 4.2

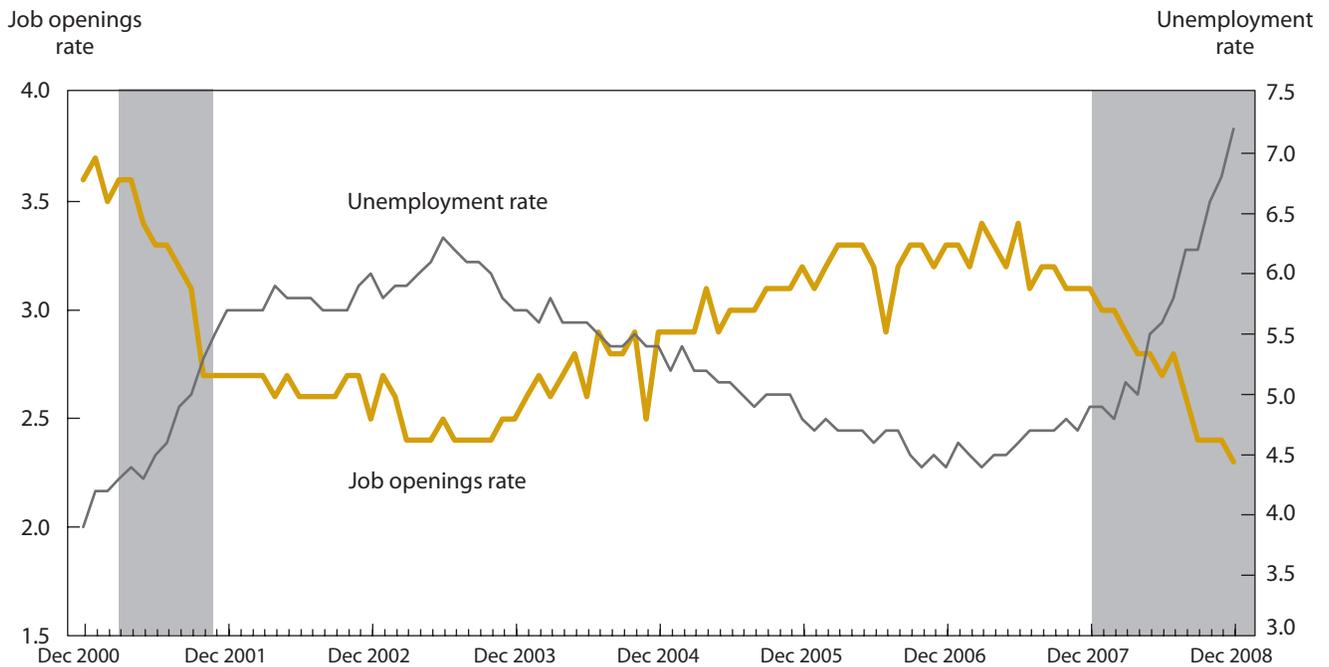
million. The series declined from a high of 5.0 million in February 2008 to 4.2 million in November 2008 and then increased in December 2008 to 4.5 million hires. The downward trend that concluded in November 2008 began in mid-2006. The annual hires rate dropped to a series low of 41.2 percent in 2008. (See table 1.)

When comparing hires to total separations, it is indicative of an economic contraction when total separations exceed hires. For 11 consecutive months, from February 2008 through December 2008, separations exceeded hires. Prior to that point, hires exceeded separations in 49 of the 53 months from September 2003 through January 2008. None of the four exceptions occurred in consecutive months. (See chart 4.)

National level trends: total separations

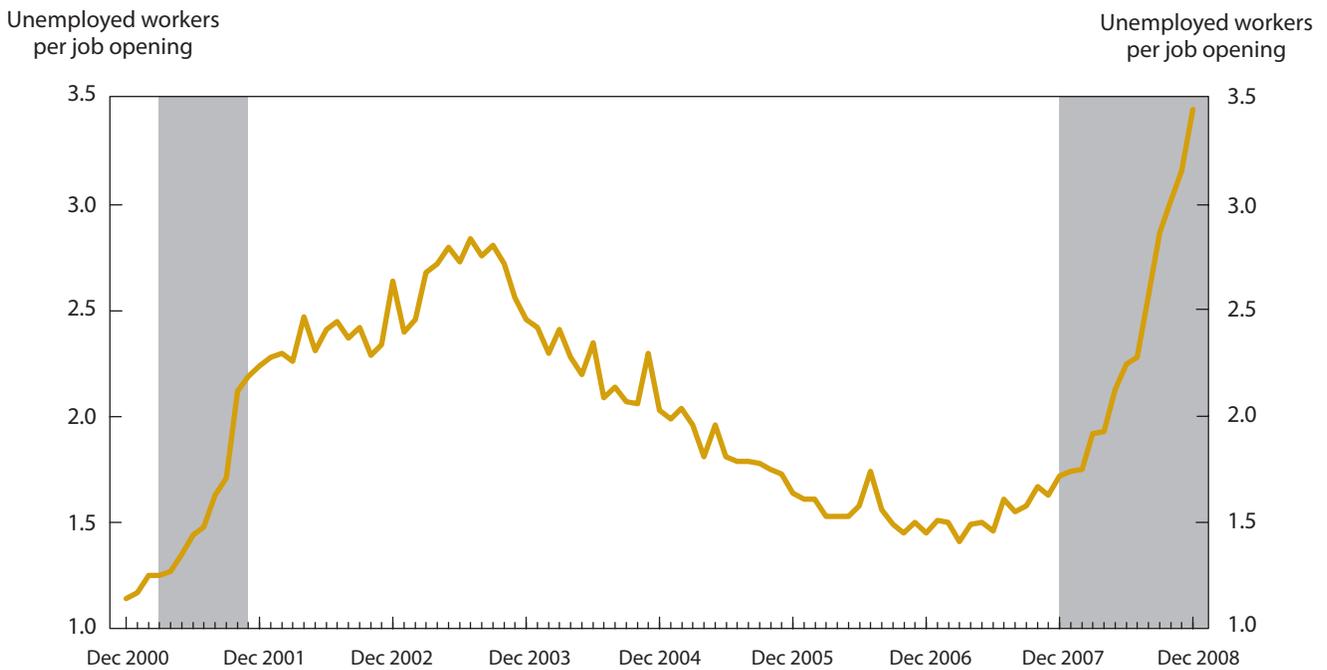
Total separations is defined as the total number of terminations of employment occurring at any time during the reference month and includes quits, layoffs and discharges, and other separations such as retirements. In 2008, monthly total separations peaked in April at 5.2 million, dropped to 4.8 million in July, and then trended upward

Chart 2. JOLTS job openings rate and CPS unemployment rate, seasonally adjusted, December 2000–December 2008



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.

Chart 3. Ratio of CPS unemployment to JOLTS job openings, seasonally adjusted, December 2000–December 2008



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.

Table 1. Annual hires rates¹ and levels²

Industry and region	Rates (percent)				Levels (in thousands)			
	2007	2008	Change	Percent change	2007	2008	Change	Percent change
Total	46.1	41.2	- 4.9	-10.6	63,381	56,496	-6,885	-10.9
Industry								
Total private	51.0	46.1	- 4.9	- 9.6	58,833	52,807	-6,026	-10.2
Natural resources and mining	47.9	49.4	1.5	3.1	347	382	35	10.1
Construction	63.1	64.0	.9	1.4	4,811	4,618	-193	- 4.0
Manufacturing	33.3	27.2	- 6.1	-18.3	4,617	3,651	-966	-20.9
Durable goods	30.5	24.6	- 5.9	-19.3	2,687	2,089	-598	-22.3
Nondurable goods	38.1	31.5	- 6.6	-17.3	1,930	1,561	-369	-19.1
Trade, transportation, and utilities	49.6	44.0	- 5.6	-11.3	13,215	11,602	-1,613	-12.2
Wholesale trade	36.8	31.7	- 5.1	-13.9	2,212	1,892	-320	-14.5
Retail trade	58.8	51.3	- 7.5	-12.8	9,121	7,876	-1,245	-13.6
Transportation, warehousing, and utilities	36.9	36.2	- .7	- 1.9	1,881	1,833	-48	- 2.6
Information	32.4	27.2	- 5.2	-16.0	983	814	-169	-17.2
Financial activities	38.0	32.5	- 5.5	-14.5	3,158	2,649	-509	-16.1
Finance and insurance	34.1	28.3	- 5.8	-17.0	2,089	1,704	-385	-18.4
Real estate and rental and leasing	49.3	44.4	- 4.9	- 9.9	1,070	945	-125	-11.7
Professional and business services	64.0	56.9	- 7.1	-11.1	11,475	10,112	-1,363	-11.9
Education and health services	35.1	34.8	- .3	- .9	6,438	6,553	115	1.8
Educational services	30.9	30.9	.0	.0	910	939	29	3.2
Health care and social assistance	35.9	35.5	- .4	- 1.1	5,529	5,616	87	1.6
Leisure and hospitality	83.4	74.0	- 9.4	-11.3	11,194	9,965	-1,229	-11.0
Arts, entertainment, and recreation	83.2	74.8	- 8.4	-10.1	1,639	1,473	-166	-10.1
Accommodations and food services	83.4	73.9	- 9.5	-11.4	9,554	8,492	-1,062	-11.1
Other services	47.3	44.5	- 2.8	- 5.9	2,600	2,462	-138	- 5.3
Government	20.5	16.4	- 4.1	-20.0	4,549	3,688	-861	-18.9
Federal	30.9	12.1	-18.8	-60.8	844	335	-509	-60.3
State and local	19.0	17.0	- 2.0	-10.5	3,705	3,351	-354	- 9.6
Region³								
Northeast	39.0	36.0	- 3.0	- 7.7	10,010	9,237	-773	- 7.7
South	49.0	42.1	- 6.9	-14.1	24,360	20,846	-3,514	-14.4
Midwest	45.4	40.7	- 4.7	-10.4	14,239	12,690	-1,549	-10.9
West	47.8	44.6	- 3.2	- 6.7	14,774	13,721	-1,053	- 7.1

¹ The annual hires rate is the number of hires during the entire year as a percent of annual average employment.

² The annual hires level is the total number of hires during the entire year.

³ The States (including the District of Columbia) that comprise the regions are: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New

Jersey, New York, Pennsylvania, Rhode Island, and Vermont; South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

to 5.0 million in December.

The annual total separations rate reached a series low of 43.3 percent in 2008. The annual total separations rate is the sum of total separations levels for the 12 months of the year divided by the annual average employment level multiplied by 100. This annual rate has declined for the last three years. However, while annual total separations rates have decreased over the past three years, the relative proportion of annual layoffs and discharges within total

separations has increased. Layoffs and discharges rose from 34 percent of total separations in 2006 (prior to the current economic downturn) to 41 percent of total separations in 2008. The quits rate dropped from a high of 58 percent of total separations in 2006 to 52 percent of total separations in 2008, while the other separations rate slipped from 8 percent of total separations in 2006 to 7 percent of total separations in 2008. (See tables 2–5.) Note the difference between the composition of total

Table 2. Annual total separations rates¹ and levels²

Industry and region	Rates (percent)				Levels (in thousands)			
	2007	2008	Change	Percent change	2007	2008	Change	Percent change
Total.....	45.1	43.3	- 1.8	- 4.0	62,104	59,343	-2,761	- 4.4
Industry								
Total private.....	50.1	48.7	- 1.4	- 2.8	57,860	55,808	-2,052	- 3.5
Natural resources and mining.....	43.0	43.2	. 2	. 5	311	334	23	7.4
Construction.....	65.2	72.7	7.5	11.5	4,971	5,242	271	5.5
Manufacturing.....	35.1	33.3	- 1.8	- 5.1	4,871	4,475	-396	- 8.1
Durable goods.....	32.7	31.8	- . 9	- 2.8	2,880	2,695	-185	- 6.4
Nondurable goods.....	39.2	35.9	- 3.3	- 8.4	1,988	1,780	-208	-10.5
Trade, transportation, and utilities.....	48.4	47.3	- 1.1	- 2.3	12,889	12,488	-401	- 3.1
Wholesale trade.....	35.3	35.1	- . 2	- . 6	2,126	2,093	-33	- 1.6
Retail trade.....	57.5	54.9	- 2.6	- 4.5	8,928	8,424	-504	- 5.6
Transportation, warehousing, and utilities.....	36.0	38.9	2.9	8.1	1,835	1,970	135	7.4
Information.....	32.9	29.9	- 3.0	- 9.1	999	897	-102	-10.2
Financial activities.....	39.3	35.2	- 4.1	-10.4	3,259	2,870	-389	-11.9
Finance and insurance.....	35.6	30.9	- 4.7	-13.2	2,181	1,856	-325	-14.9
Real estate and rental and leasing.....	49.7	47.6	- 2.1	- 4.2	1,078	1,013	-65	- 6.0
Professional and business services.....	62.3	60.9	- 1.4	- 2.2	11,183	10,823	-360	- 3.2
Education and health services.....	32.3	32.1	- . 2	- . 6	5,911	6,055	144	2.4
Educational services.....	28.9	28.3	- . 6	- 2.1	850	858	8	. 9
Health care and social assistance.....	32.9	32.9	. 0	. 0	5,060	5,199	139	2.7
Leisure and hospitality.....	81.5	75.5	- 6.0	- 7.4	10,938	10,158	-780	- 7.1
Arts, entertainment, and recreation.....	81.3	76.6	- 4.7	- 5.8	1,601	1,509	-92	- 5.7
Accommodations and food services.....	81.5	75.3	- 6.2	- 7.6	9,341	8,648	-693	- 7.4
Other services.....	46.0	44.6	- 1.4	- 3.0	2,529	2,467	-62	- 2.5
Government.....	19.1	15.7	- 3.4	-17.8	4,242	3,534	-708	-16.7
Federal.....	30.2	11.6	-18.6	-61.6	825	322	-503	-61.0
State and local.....	17.6	16.3	- 1.3	- 7.4	3,420	3,210	-210	- 6.1
Region³								
Northeast.....	37.1	38.0	. 9	2.4	9,530	9,742	212	2.2
South.....	48.0	44.2	- 3.8	- 7.9	23,852	21,891	-1,961	- 8.2
Midwest.....	44.2	41.8	- 2.4	- 5.4	13,862	13,024	-838	- 6.0
West.....	48.1	47.8	- . 3	- . 6	14,857	14,686	-171	- 1.2

¹ The annual total separations rate is the number of total separations during the entire year as a percent of annual average employment.

tions during the entire year.

² The annual total separations level is the total number of total separa-

³ See footnote 3, Table 1.

separations in 2006, prior to the economic downturn, and the composition of total separations in 2008, subsequent to the economic downturn, as shown in chart 5.

With the exception of 2007, the JOLTS total separations series has trended closely with CES employment annually, increasing and decreasing in a procyclical manner in conjunction with increases and decreases in employment levels.⁸ Total separations are procyclical with employment in most instances because quits are also procyclical. In 2007, however, the quits component

of total separations decreased while total employment continued to increase and the layoffs and discharges component of total separations increased.

Quits. Quits are voluntary separations by employees, excluding retirements. During 2008, quits steadily declined from a high of 2.9 million in January to a low of 2.1 million in December. The downward trend in quits can be explained by worker behavior during an economic slowdown. Individuals are less willing to quit their current job

Table 3. Annual quits rates¹ and levels²

Industry and region	Rates (percent)				Levels (in thousands)			
	2007	2008	Change	Percent change	2007	2008	Change	Percent change
Total	25.5	22.6	- 2.9	-11.4	35,103	31,004	-4,099	-11.7
Industry								
Total private.....	28.7	25.6	- 3.1	-10.8	33,095	29,344	-3,751	-11.3
Natural resources and mining.....	25.3	24.2	- 1.1	- 4.3	183	187	4	2.2
Construction.....	24.9	23.1	- 1.8	- 7.2	1,903	1,664	-239	-12.6
Manufacturing.....	18.1	14.4	- 3.7	-20.4	2,512	1,929	-583	-23.2
Durable goods.....	16.2	12.6	- 3.6	-22.2	1,423	1,072	-351	-24.7
Nondurable goods.....	21.5	17.3	- 4.2	-19.5	1,088	855	-233	-21.4
Trade, transportation, and utilities.....	28.7	25.9	- 2.8	- 9.8	7,652	6,824	-828	-10.8
Wholesale trade.....	19.5	16.8	- 2.7	-13.8	1,170	999	-171	-14.6
Retail trade.....	35.8	31.7	- 4.1	-11.5	5,553	4,861	-692	-12.5
Transportation, warehousing, and utilities.....	18.2	19.1	.9	4.9	927	965	38	4.1
Information.....	19.2	15.5	- 3.7	-19.3	581	465	-116	-20.0
Financial activities.....	22.8	18.8	- 4.0	-17.5	1,896	1,528	-368	-19.4
Finance and insurance.....	22.8	17.4	- 5.4	-23.7	1,400	1,047	-353	-25.2
Real estate and rental and leasing.....	23.1	22.6	- .5	- 2.2	500	481	-19	- 3.8
Professional and business services.....	32.3	28.9	- 3.4	-10.5	5,797	5,145	-652	-11.2
Education and health services.....	20.4	18.7	- 1.7	- 8.3	3,732	3,531	-201	- 5.4
Educational services.....	14.1	12.7	- 1.4	- 9.9	414	386	-28	- 6.8
Health care and social assistance.....	21.6	19.9	- 1.7	- 7.9	3,315	3,148	-167	- 5.0
Leisure and hospitality.....	55.4	49.7	- 5.7	-10.3	7,443	6,685	-758	-10.2
Arts, entertainment, and recreation.....	32.1	28.9	- 3.2	-10.0	632	570	-62	- 9.8
Accommodations and food services.....	59.4	53.2	- 6.2	-10.4	6,810	6,115	-695	-10.2
Other services.....	25.5	25.1	- .4	- 1.6	1,400	1,387	-13	- .9
Government.....	9.0	7.4	- 1.6	-17.8	2,008	1,661	-347	-17.3
Federal.....	10.5	3.8	- 6.7	-63.8	287	105	-182	-63.4
State and local.....	8.8	7.9	- .9	-10.2	1,722	1,555	-167	- 9.7
Region³								
Northeast.....	18.3	18.0	- .3	- 1.6	4,708	4,616	-92	- 2.0
South.....	29.1	25.0	- 4.1	-14.1	14,478	12,393	-2,085	-14.4
Midwest.....	24.1	21.8	- 2.3	- 9.5	7,552	6,800	-752	-10.0
West.....	27.1	23.4	- 3.7	-13.7	8,366	7,191	-1,175	-14.0

¹ The annual quits rate is the number of quits during the entire year as a percent of annual average employment.

³ See footnote 3, Table 1.

² The annual quits level is the total number of quits during the entire year.

if they believe it will be difficult to find a new job. They are also less willing to relocate for new jobs.⁹ In 2008, this downward trend in quits could be tied to the collapse of the housing market, high gas prices in the first half of the year, and economic uncertainty in general.¹⁰

In December 2008, the Consumer Confidence Index™, a leading indicator, reached a historic low of 38.6,¹¹ down from 90.6 in December 2007. Over time, the JOLTS quits rate series has trended closely with the Consumer Confidence Index.¹² If consumers are not confident in the economy, they are less likely to quit their jobs. (See chart 6.)

Layoffs and Discharges. Layoffs and discharges are involuntary separations initiated by the employer. While there was some fluctuation in the month-to-month levels during 2008, layoffs and discharges have trended up over the year. In January 2008, there were 1.8 million layoffs and discharges. By December 2008, the number of layoffs and discharges rose to 2.4 million.

Because unemployment insurance claims are usually filed after job loss, they trend closely with the layoffs and discharges series. Similar to the upward trend in layoffs and discharges, unemployment insurance claims rose over the course of 2008.¹³ Chart 7 shows that both series reflect

Table 4. Annual layoffs and discharges rates¹ and levels²

Industry and region	Rates (percent)				Levels (in thousands)			
	2007	2008	Change	Percent change	2007	2008	Change	Percent change
Total.....	16.4	17.8	1.4	8.5	22,539	24,370	1,831	8.1
Industry								
Total private.....	18.4	20.2	1.8	9.8	21,176	23,146	1,970	9.3
Natural resources and mining.....	12.6	15.1	2.5	19.8	91	117	26	28.6
Construction.....	37.3	46.4	9.1	24.4	2,848	3,347	499	17.5
Manufacturing.....	14.1	16.5	2.4	17.0	1,963	2,217	254	12.9
Durable goods.....	13.7	16.7	3.0	21.9	1,205	1,413	208	17.3
Nondurable goods.....	14.9	16.2	1.3	8.7	757	801	44	5.8
Trade, transportation, and utilities.....	13.6	16.3	2.7	19.9	821	973	152	18.5
Retail trade.....	17.7	18.9	1.2	6.8	2,753	2,907	154	5.6
Transportation, warehousing, and utilities.....	13.9	16.0	2.1	15.1	707	811	104	14.7
Information.....	10.4	12.2	1.8	17.3	315	365	50	15.9
Financial activities.....	13.3	13.5	.2	1.5	1,107	1,100	-7	-6
Finance and insurance.....	9.9	10.6	.7	7.1	605	640	35	5.8
Real estate and rental and leasing.....	23.1	21.6	-1.5	-6.5	500	461	-39	-7.8
Professional and business services.....	26.4	28.7	2.3	8.7	4,744	5,110	366	7.7
Education and health services.....	9.5	11.0	1.5	15.8	1,737	2,069	332	19.1
Educational services.....	13.2	14.0	.8	6.1	387	426	39	10.1
Health care and social assistance.....	8.8	10.4	1.6	18.2	1,350	1,644	294	21.8
Leisure and hospitality.....	23.6	23.4	-.2	-.8	3,174	3,152	-22	-.7
Arts, entertainment, and recreation.....	46.2	45.6	-.6	-1.3	910	898	-12	-1.3
Accommodations and food services.....	19.7	19.6	-.1	-.5	2,262	2,256	-6	-.3
Other services.....	16.6	17.7	1.1	6.6	914	977	63	6.9
Government.....	6.1	5.5	-.6	-9.8	1,364	1,227	-137	-10.0
Federal.....	8.2	3.9	-4.3	-52.4	225	109	-116	-51.6
State and local.....	5.8	5.6	-.2	-3.4	1,137	1,114	-23	-2.0
Region³								
Northeast.....	15.6	16.9	1.3	8.3	3,996	4,326	330	8.3
South.....	15.9	16.5	.6	3.8	7,909	8,162	253	3.2
Midwest.....	16.8	17.0	.2	1.2	5,276	5,302	26	.5
West.....	17.3	21.4	4.1	23.7	5,357	6,582	1,225	22.9

¹ The annual layoffs and discharges rate is the number of layoffs and discharges during the entire year as a percent of annual average employment.

discharges during the entire year.

² The annual layoffs and discharges level is the total number of layoffs and

³ See footnote 3, Table 1.

increases beginning well before the start of the recession.

Other Separations. Other separations includes separations due to retirement, transfer to other locations of the same firm, death, and disability. Other separations, not seasonally adjusted, declined from 334,000 in December 2007 to 289,000 in December 2008. The annual other separations rate also reached a low in 2008 of 2.9 percent of annual average employment. This decline in other separations may represent a tendency to forestall retirement during a recession.

Regional trends: job openings

Just as job openings at the national level experienced a downward trend in 2008, the job openings rates for all four regions also experienced downward movements in 2008. The Midwest regional job openings rate reached a low of 1.9 percent in December 2008.

Using Local Area Unemployment Statistics unemployment data, ratios for the number of unemployed persons per job opening were computed by region.¹⁴ The highest ratio is currently in the Midwest where the number of

Table 5. Annual other separations rates¹ and levels²

Industry and region	Rates (percent)				Levels (in thousands)			
	2007	2008	Change	Percent change	2007	2008	Change	Percent change
Total	3.2	2.9	-0.3	-9.4	4,463	3,969	-494	-11.1
Industry								
Total private	3.1	2.9	-.2	-6.5	3,591	3,319	-272	-7.6
Natural resources and mining.....	4.8	3.6	-1.2	-25.0	35	28	-7	-20.0
Construction.....	2.9	3.2	.3	10.3	220	233	13	5.9
Manufacturing.....	2.8	2.5	-.3	-10.7	393	332	-61	-15.5
Durable goods	2.9	2.5	-.4	-13.8	252	209	-43	-17.1
Nondurable goods	2.8	2.5	-.3	-10.7	142	124	-18	-12.7
Trade, transportation, and utilities.....	3.6	3.7	.1	2.8	956	974	18	1.9
Wholesale trade.....	2.2	2.0	-.2	-9.1	134	120	-14	-10.4
Retail trade.....	4.0	4.3	.3	7.5	623	658	35	5.6
Transportation, warehousing, and utilities.....	3.9	3.9	.0	.0	201	196	-5	-2.5
Information.....	3.3	2.3	-1.0	-30.3	100	68	-32	-32.0
Financial activities.....	3.1	3.0	-.1	-3.2	257	245	-12	-4.7
Finance and insurance.....	2.8	2.9	.1	3.6	174	172	-2	-1.1
Real estate and rental and leasing.....	3.7	3.4	-.3	-8.1	80	73	-7	-8.8
Professional and business services.....	3.6	3.2	-.4	-11.1	644	568	-76	-11.8
Education and health services.....	2.4	2.4	.0	.0	444	454	10	2.3
Educational services	1.7	1.6	-.1	-5.9	50	48	-2	-4.0
Health care and social assistance.....	2.6	2.6	.0	.0	395	406	11	2.8
Leisure and hospitality	2.4	2.4	.0	.0	324	322	-2	-.6
Arts, entertainment, and recreation...	3.0	2.1	-.9	-30.0	59	42	-17	-28.8
Accommodations and food services ..	2.3	2.4	.1	4.3	267	278	11	4.1
Other services.....	3.9	1.8	-2.1	-53.8	217	102	-115	-53.0
Government	3.9	2.9	-1.0	-25.6	872	647	-225	-25.8
Federal.....	11.4	4.0	-7.4	-64.9	312	110	-202	-64.7
State and local.....	2.9	2.7	-.2	-6.9	559	538	-21	-3.8
Region³								
Northeast.....	3.2	3.1	-.1	-3.1	821	799	-22	-2.7
South.....	3.0	2.7	-.3	-10.0	1,475	1,342	-133	-9.0
Midwest.....	3.3	2.9	-.4	-12.1	1,034	919	-115	-11.1
West.....	3.7	3.0	-.7	-18.9	1,132	909	-223	-19.7

¹ The annual other separations rate is the number of other separations during the entire year as a percent of annual average employment.

tions during the entire year.

² The annual other separations level is the total number of other separa-

³ See footnote 3, Table 1.

unemployed per job opening is approaching 4 to 1. All four regions show a similar trend of an increasing ratio beginning in mid-2007.

Regional trends: hires

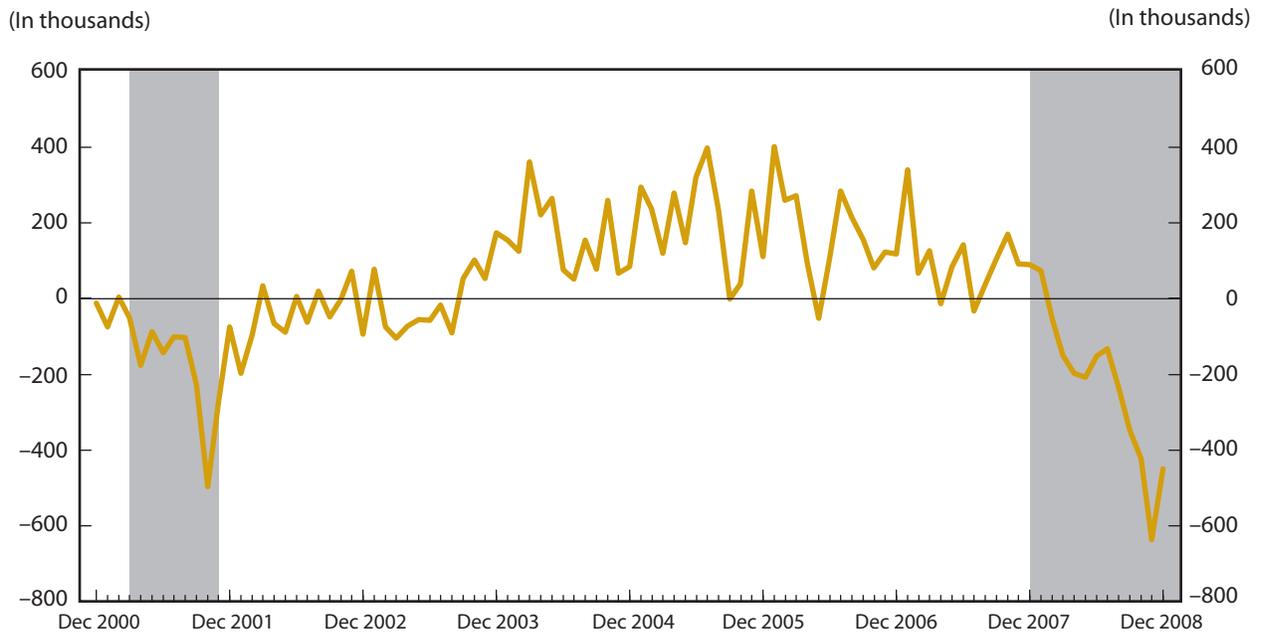
Similar to the trend at the national level, hires have trended downward at the regional level in 2008. All four regions have dropped to series low hires rates, seasonally adjusted. In 2008, after peaking at a hires rate of 4.2 percent in April, the West region reached a series low of 3.4 percent in October. The Northeast and Midwest both experienced

slight increases in hires rate in June 2008 at 3.2 and 3.6 percent, respectively, but then the hires rates fell to 2.6 percent in the Northeast and 3.0 percent in the Midwest by November 2008. The South region showed a steady decline in hires to a low of 3.2 percent in November 2008 and then increased to 3.4 percent in December.

Regional trends: total separations

Total separations increased in the Northeast and West regions and decreased in the Midwest and South regions. From December 2007 to December 2008, separations in-

Chart 4. Difference between monthly hires and separations, seasonally adjusted, December 2000–December 2008



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.

Chart 5. Composition of total separations: 2006 and 2008

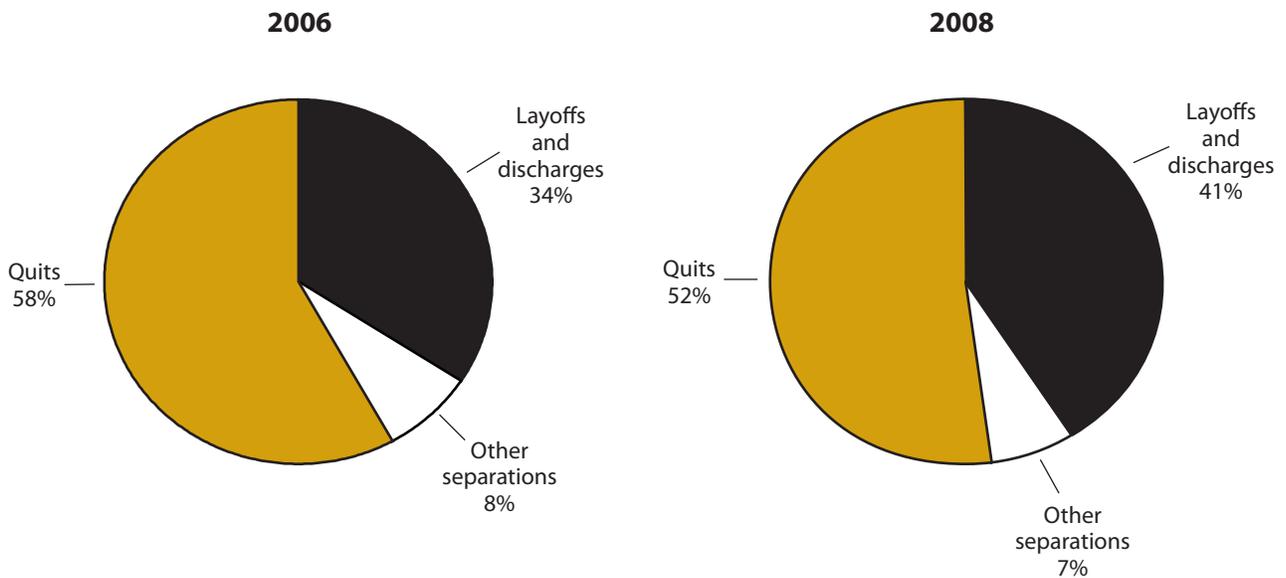
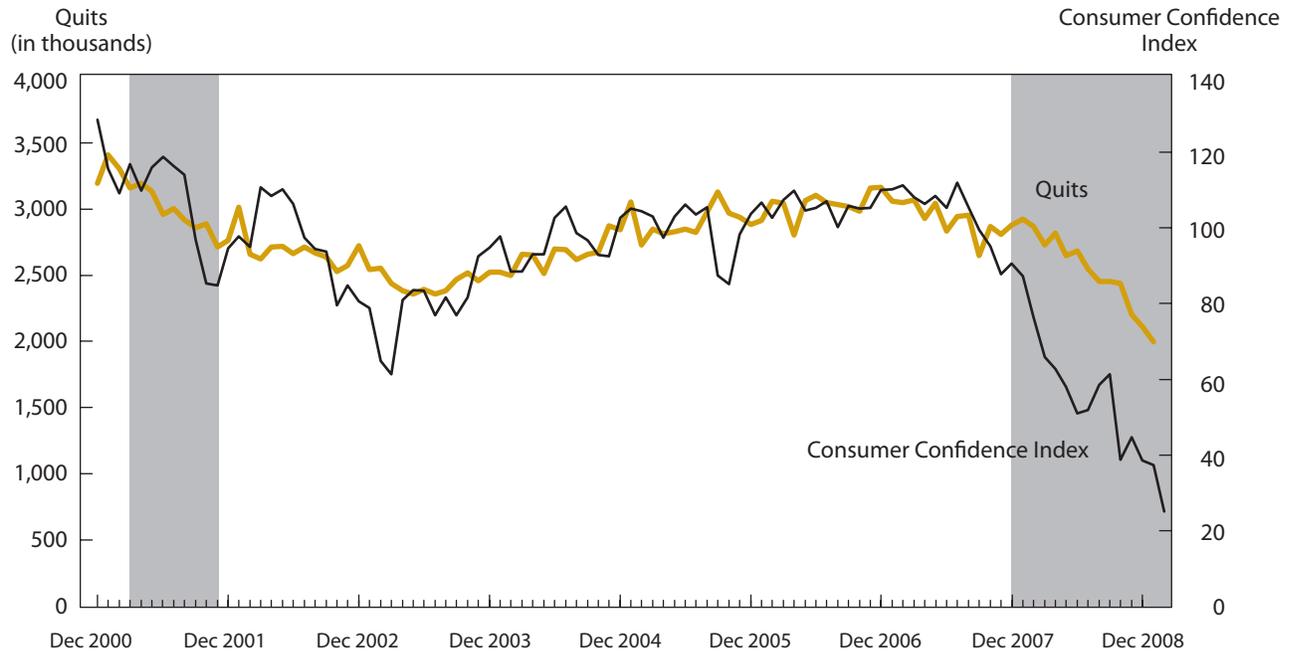
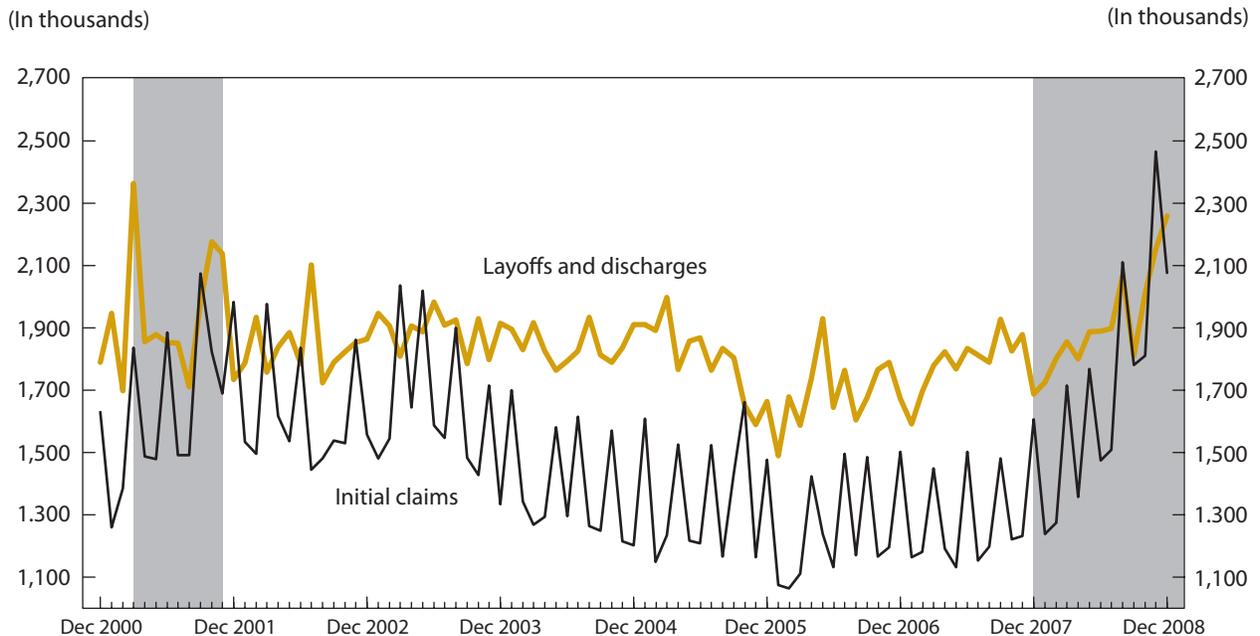


Chart 6. JOLTS quits and the Conference Board Consumer Confidence Index™, seasonally adjusted, December 2000–December 2008



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.

Chart 7. JOLTS layoffs and discharges and initial unemployment insurance claims, seasonally adjusted, December 2000–December 2008



NOTE: Shaded regions represent recessions as designated by the National Bureau of Economic Research.

creased in the Northeast from 2.8 percent to 3.2 percent and in the West from 3.9 percent to 4.0 percent. During the same time period, total separations in the South decreased from 3.8 percent to 3.7 percent and in the Midwest from 3.6 percent to 3.5 percent.

Relative contributions of the components of total separations varied by region. Layoffs and discharges in the West showed the highest annual percentage of total separations of the four census regions at 44.8 percent in 2008. The South showed the lowest contribution of layoffs and discharges to total separations at 37.3 percent. Quits were high in the South at 56.6 percent of that region's total separations. The Northeast showed the lowest contribution of quits to total separations of the four Census regions at 47.4 percent. Other separations were highest in the Northeast as a percentage of that region's total separations at 8.2 percent while the South again shows the lowest contribution at 6.1 percent.

Industry trends in 2008

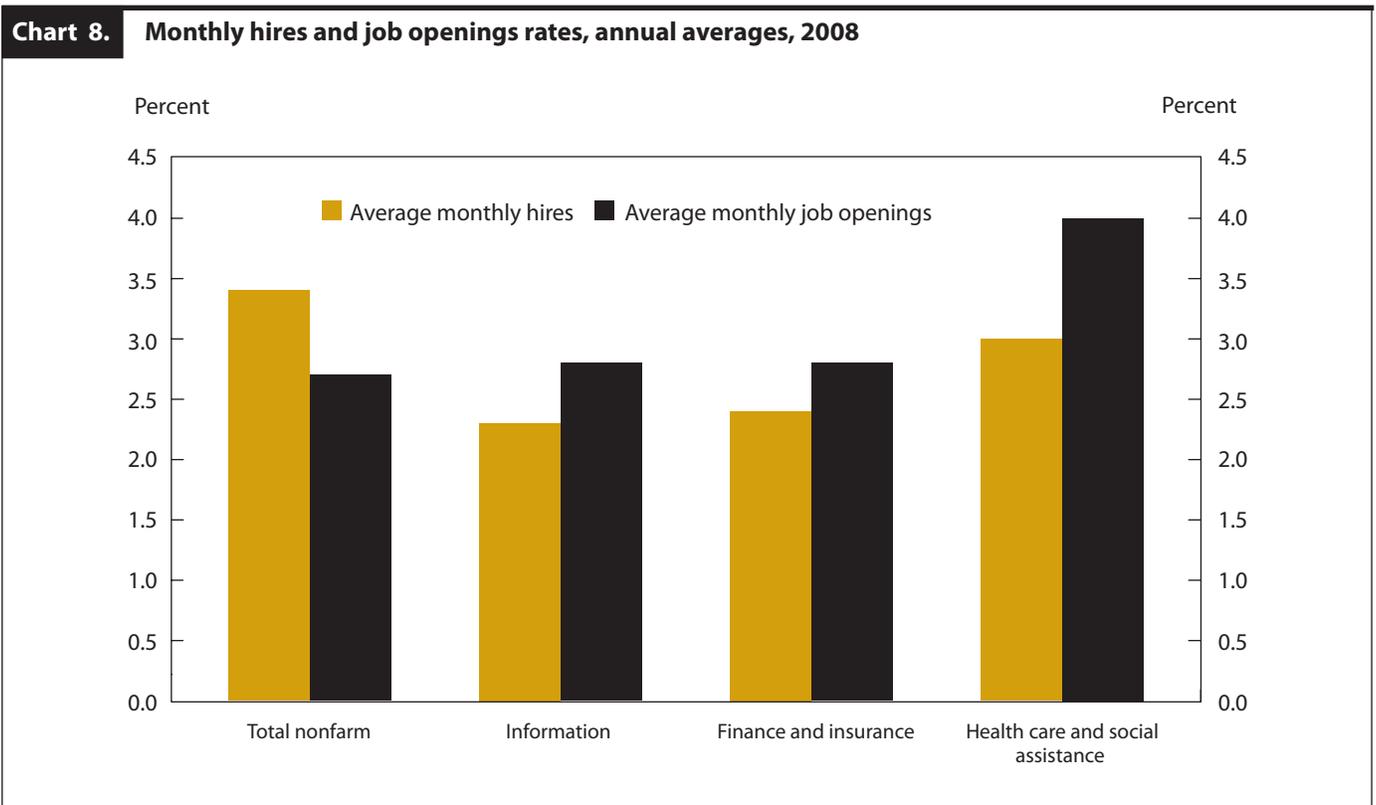
The overall pattern of declining job openings, declining hires, increasing layoffs and discharges, and declining quits and other separations was consistent across most

industries. For the majority of industries job openings declined from December 2007 to December 2008. The following industries reached series lows during 2008 for their job openings rates, seasonally adjusted: construction in December 2008; professional and business services in November 2008; and accommodation and food services in November 2008.

Hires rates also declined in the majority of industries over 2008. The following industries dropped to series low seasonally-adjusted hires rates during 2008: manufacturing in November 2008; retail trade in November 2008; professional and business services in September 2008; arts, entertainment, and recreation in November 2008; and accommodation and food services in December 2008.

Typically, average monthly hires exceed average monthly job openings. This is true in 2008 at the total nonfarm level. However, there are several industries in which average monthly job openings exceeded average monthly hires in 2008 indicating areas where, in spite of the current recession, demand for some types of labor may be greater than the supply. These industries include information; finance and insurance; and health care and social assistance. (See chart 8.)

Total separations rates at the industry level showed a



mix of increases and decreases over the year: construction; manufacturing; trade, transportation, and utilities; and professional and business services experienced increasing seasonally-adjusted total separations numbers over the course of 2008. The remaining industries experienced seasonally-adjusted declines in total separations during 2008, with the exception of education and health services, which remained unchanged. Series lows occurred in the following seasonally-adjusted separations series: arts, entertainment, and recreation; and government. In the remaining separations series, which are not seasonally adjusted, total separations increased from December 2007 to December 2008 with the following exceptions: finance and insurance; educational services; and Federal Government.

Industry level layoffs and discharges, which are not seasonally adjusted, have increased over the year in almost all industries with the exceptions of finance and insurance; Federal Government; and State and local government which showed declines. In December 2008, wholesale trade reached a series high for layoffs and discharges at 2.4 percent of total employment, not seasonally adjusted. In a number of cases, layoffs and discharges remained stable until after the summer months when the climb in layoffs and discharges began.

Quits have declined in all of the seasonally adjusted industry series from over the year with most industries dropping to series low quit rates. For the not seasonally adjusted series, Federal Government quits dropped to a series low rate of 0.1 percent of total employment in November 2008.

Other separations, which are not seasonally adjusted, were fairly stable over 2008, trending downward only slightly in most industries. Notably, mining and logging showed a 0.3 percent decline from December 2007 to December 2008 in other separations as did wholesale trade. Real estate and rental and leasing on the other hand showed an increase in other separations of 0.4 percent of total employment.

Leisure and Hospitality. Leisure and hospitality showed large changes over the course of 2008 in job openings, hires, and total separations. The job openings rate, seasonally adjusted, declined steadily over the year from 4.1 percent in December 2007 to 2.3 percent in December 2008, a series low. Hires, seasonally adjusted, declined from a high of 6.9 percent in February 2008 to a low of 5.3 percent in November 2008. In May, the hires rate increased to 6.7 percent but then resumed the downward trend. Total separations in the leisure and hospitality industry showed

a downward trend from a high of 6.9 percent in February 2008 to a low of 5.7 percent in December 2008.

In arts, entertainment, and recreation, job openings dropped slightly by 0.3 percent while hires declined by 1.1 percent, seasonally adjusted, from December 2007 to December 2008. Quits reached a series low of 1.5 percent in December 2008, seasonally adjusted. Accommodation and food services showed a downward trend for 2008 in job openings. Job openings, seasonally adjusted, went from 4.4 percent in December 2007 to 2.4 percent in December 2008. Hires for accommodation and food services, seasonally adjusted, trended downward over 2008. From December 2007 to December 2008, total separations dropped from 6.8 percent to 5.7 percent, seasonally adjusted.

Durable Goods Manufacturing. The durable goods manufacturing industry experienced declining job openings and hires, and increasing total separations. An analysis of the annual data provides another look at the impact of the recession on the durable goods industry.

On an annual basis, the share of layoffs and discharges as a percent of total separations showed a larger increase in durable goods manufacturing from 2007 to 2008 than any other industry. The contribution of layoffs and discharges went from 41.8 percent in 2007 to 52.4 percent in 2008, an increase of 10.6 points. Quits also declined from 49.4 percent contribution to total separations in 2007 to 39.8 percent in 2008, a decrease of 9.6 points. This represents a larger decline in quits as a portion of total separations than any other industry as well.

Construction. The construction industry experienced a drop in job openings rate from 1.8 percent in December 2007 to a low of 0.9 percent in December 2008 while hires experienced an increase from 5.0 percent in December 2007 to 5.3 percent in December 2008, seasonally adjusted. Total separations, seasonally adjusted, were up from 5.4 percent to 6.6 percent for the same time period. The layoffs and discharges rate, not seasonally adjusted, experienced a large increase from 3.8 percent in December 2007 to 5.8 percent in December 2008. The increase in layoffs and discharges in the construction industry can be explained by the severe problems in the financial and housing markets during the recession. According to CES employment figures, national construction employment went from 7.5 million employees in December 2007 to 6.8 million employees in December 2008, seasonally adjusted.

Conclusion

The current recession continued to impact labor market demand in 2008; job openings and hires declined and layoffs and discharges increased while quits decreased at the national level. For all four Census regions, job open-

ings declined as did hires. Total separations increased in the Northeast and remained relatively unchanged in the remaining regions. At the industry level, declining job openings, declining hires, increasing layoffs and discharges, and declining quits and other separations were measured across most industries. □

NOTES

¹ Zhi Boon, "Job openings, hires, and turnover decrease in 2007," *Monthly Labor Review* (May 2008): 14-23.

² National Bureau of Economic Research. *Determination of the December 2007 Peak in Economic Activity*, December 1, 2008. <http://www.nber.org/cycles/dec2008.html> (visited Dec. 11, 2008).

³ U.S. Department of Labor. Bureau of Labor Statistics. Data on the unemployment rates are available from Current Population Survey at <http://stats.bls.gov/cps/#news> (visited Mar. 18, 2009).

⁴ U.S. Department of Labor. Bureau of Labor Statistics. Data on the annual employment levels are available from the Current Employment Statistics at <http://stats.bls.gov/ces/home.htm> (visited Mar. 18, 2009).

⁵ U.S. Department of Labor. Bureau of Labor Statistics. *Job Openings and Labor Turnover Survey News Release: Job Openings and Labor Turnover: January 2009*, March 10, 2009, http://stats.bls.gov/news.release/archives/jolts_03102009.htm (visited Mar. 10, 2009).

⁶ "Economic Jolt: Job Openings and Labor Turnover December 2008," *Paper Economy*, February 10, 2009, <http://paper-money.blogspot.com/2009/02/economic-jolt-job-openings-and-labor.html#links> (visited Mar. 18, 2009).

⁷ Diane Stafford, "10 million job hunters for 3 million jobs," *Kansas City Star*, December 14, 2008, <http://economy.kansascity.com/?q=node/513> (visited Mar. 18, 2009). The article uses JOLTS data dating from before the most

recent retabulations and methodology updates.

⁸ U.S. Department of Labor. Bureau of Labor Statistics. Data on the annual employment levels are available from the Current Employment Statistics at <http://stats.bls.gov/ces/home.htm> (visited Mar. 18, 2009).

⁹ Nick Zieminski, "Workers less willing to move or switch jobs," *Reuters*, August 1, 2008, <http://www.reuters.com/article/reutersEdge/idUSN0143860920080801> (visited Mar. 18, 2009).

¹⁰ *Ibid.*

¹¹ Sue Kirchhoff, "Consumer confidence hits new low; home values continue to slide," *USA Today*, January 27, 2009, http://www.usatoday.com/money/economy/housing/2009-01-27-case-shiller_N.htm (visited Mar. 18, 2009).

¹² Conference Board. Data on the Consumer Confidence Index are available from the Consumer Confidence Survey at <http://www.conference-board.org/economics/consumer.cfm> (visited Mar. 18, 2009).

¹³ U.S. Department of Labor. Employment and Training Administration. Data from the Unemployment Insurance Claims are available on the internet at <http://www.dol.gov/opa/media/press/eta/ui/eta20090005.htm> (visited Mar. 24, 2009). Monthly claims calculations shown on graph sum the weekly initial unemployment claims by month.

¹⁴ U.S. Department of Labor. Bureau of Labor Statistics. Data on the local area unemployment rates are available from the Local Area Unemployment Statistics program at <http://www.bls.gov/lau/> (visited Mar. 18, 2009).