



MORE UNEMPLOYED WORKERS, FEWER JOB OPENINGS

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Each month, the Bureau of Labor Statistics (BLS) publishes unemployment statistics, including the number of unemployed workers and the unemployment rate. Unemployment is a key concept in assessing the tightness of the labor market, but it is far from the only important measure. Another measure, published by the BLS since late 2000, looks at labor market tightness from a different direction—the availability of unfilled jobs. This measure, the number of *job openings*, is an important counterpart to the more commonly cited measures of unemployment.

Figure A presents the number of job openings from January 2001 to July 2008 (the latest data available). The number of job openings is clearly cyclical, decreasing sharply during the recession of 2001, leveling off as the jobless recovery took hold, and then gradually increasing (though never reaching its pre-recession high). Early in 2007 it reached its peak, at 4.3 million workers in January, and began declining again, falling over 20% to 3.4 million in July of 2008. The decline in available jobs currently shows no signs of leveling off.

Figure A also shows the number of unemployed—the familiar counter-cyclical measure, displaying the opposite trend of the job openings series. Late in 2006, unemployment reached its low point of the 2000s expansion—at 6.7 million workers—and then began increasing, rising 30% to 8.8 million unemployed workers in July of 2008.

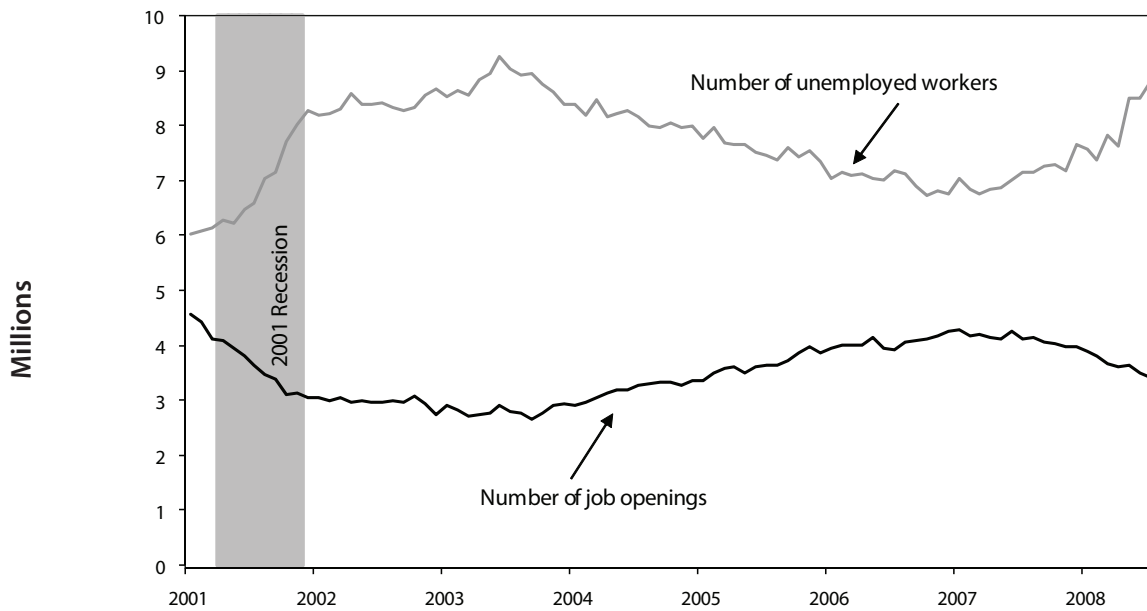
Taking the ratio of these two measures gives the number of unemployed workers per job opening. This measure—the number of job seekers per job opening—is shown in **Figure B**.¹ It is a dramatically counter-cyclical measure, increasing sharply during the recession of 2001 and into the jobless recovery, then gradually decreasing (though never reaching its pre-recession low). In December of 2006 it reached its low point of the 2000s expansion, at 1.6 job seekers per job opening, and then began increasing again, rising over 60% to 2.6 job seekers per job opening in July of 2008.

The number of job seekers per job openings is now firmly in recessionary territory—at a higher level than during any month of the official 2001 recession—and it shows no signs of leveling off. There are now 5.4 million more job seekers than job openings in the United States, and that number is expected to increase as the downturn deepens. Millions of dedicated, productive American workers are experiencing the hardship and insecurity of unemployment with little hope of finding a job. The job openings data represent one more strong indicator of the need for a second stimulus package that is targeted directly at job creation.

1. Job openings data are collected for nonfarm industries only, while unemployment data include unemployed agricultural workers. However, since unemployed agricultural workers make up less than 1.5% of unemployed workers in recent years, this discrepancy does not affect our results.

FIGURE A

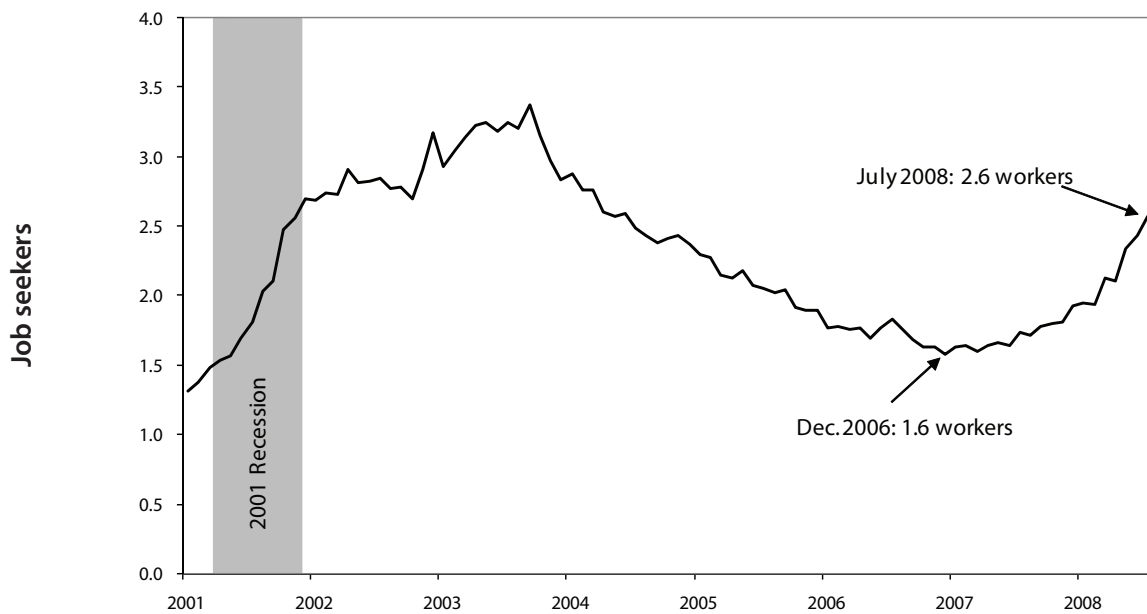
Number of unemployed workers and job openings (in millions), 2001-08



Source: Author's analysis of data from the Job Openings and Labor Turnover Survey and the Current Population Survey.

FIGURE B

Job seekers per job opening, 2001-08



Source: Author's analysis of data from the Job Openings and Labor Turnover Survey and the Current Population Survey.