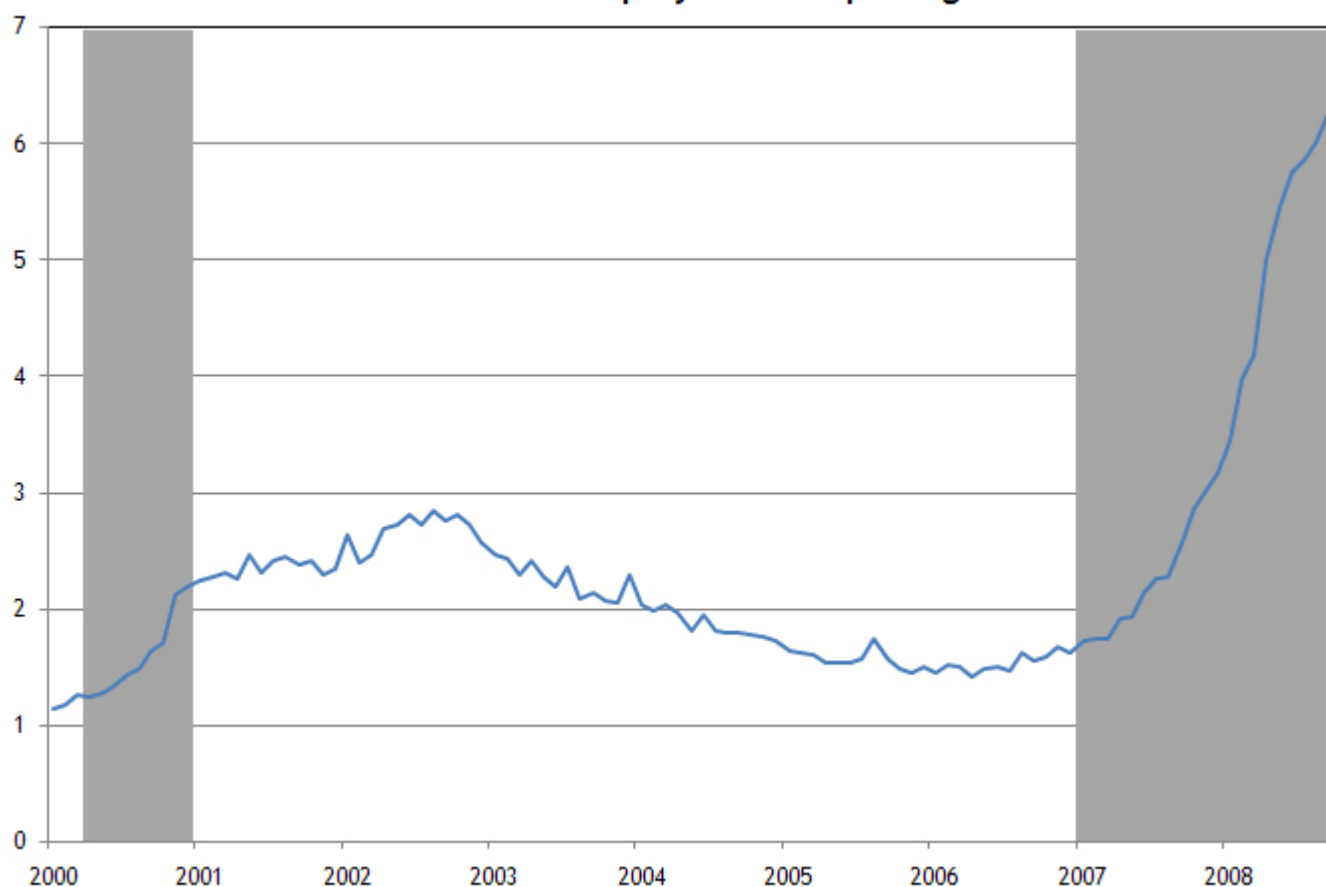


October 14, 2009

**A look at another job market number**

As we've written in this blog recently, U.S. labor markets are weak at present and are likely to remain that way for some time. Last week's U.S. Bureau of Labor Statistics' August [JOLTS \(Job Opening and Labor Turnover Survey\) report](#) provided further evidence of labor market weakness (see [here](#) and [here](#)), with both the vacancy and quit rates at record lows (the JOLTS survey has comparable data back to December 2000).

At the end of August there were estimated to be fewer than 2.4 million job openings, equal to only 1.8 percent of the total filled and unfilled positions—a new record low. This is an especially significant issue given the large number of people who are looking for work. The ratio of the number of unemployed to the number of job openings was greater than 6 in August. In contrast, that ratio was under 1.5 in 2007 and previously peaked at 2.8 in mid-2003, suggesting that finding a job right now is extremely difficult (see the chart).

**Number Unemployed/Job Openings**

Source: Bureau of Labor Statistics: Household Survey and JOLTS Report

The quit rate moved back down to its record low of 1.3 percent, as relatively few people want to leave a job voluntarily in the face of such a weak labor market. At the same time, the rate of involuntary separations moved up from 1.6 percent to 1.8 percent, not far below the peak of 1.9 percent in April.

The low probability of finding a job has also caused the average amount of time spent unemployed to rise substantially. The average duration of unemployment is up from around 20 weeks in 2004 (the previous peak) to 26 weeks now, with those unemployed more than 26 weeks now accounting for 36 percent of all unemployed versus 22 percent in 2004. Congress is considering an [extension of unemployment insurance benefits](#) (currently due to expire December 31) as the mismatch between job openings and the number of people looking for jobs grows.

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