

06.Jul.2022

JOLTS: Cracks in a Tight Labor Market

Bottom Line: The Job Openings Layoffs and Turnover Survey is lagged relative to other labor market indicators but provides greater granularity than most. The May report showed a decline in openings, but previous months were revised even higher. Even as openings remained near record highs, there were hints of concern in this report. Hiring in the retail trade sector was sharply lower, as manufacturing hiring edged lower. While seasonal adjustments will be notoriously difficult in the Spring for several years because of the way models will look back at the March to June data during the pandemic, the hiring rates in these key sectors should be cause for concern. Moreover, the quit rate remains near historic highs but has lost upward momentum. Along with turnover, quit rates bear watching going forward, as they tend to lose upward momentum earlier in cycles than some of the other gauges.

JOLTS - Job Openings

May: +11.3MM, consensus: +10.9MM

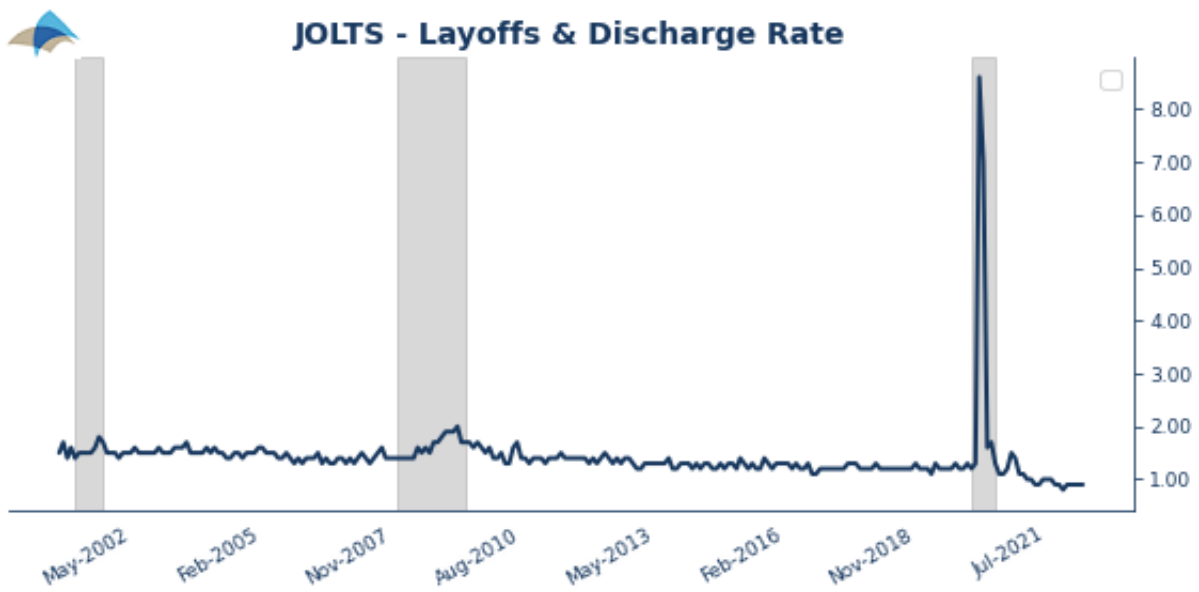
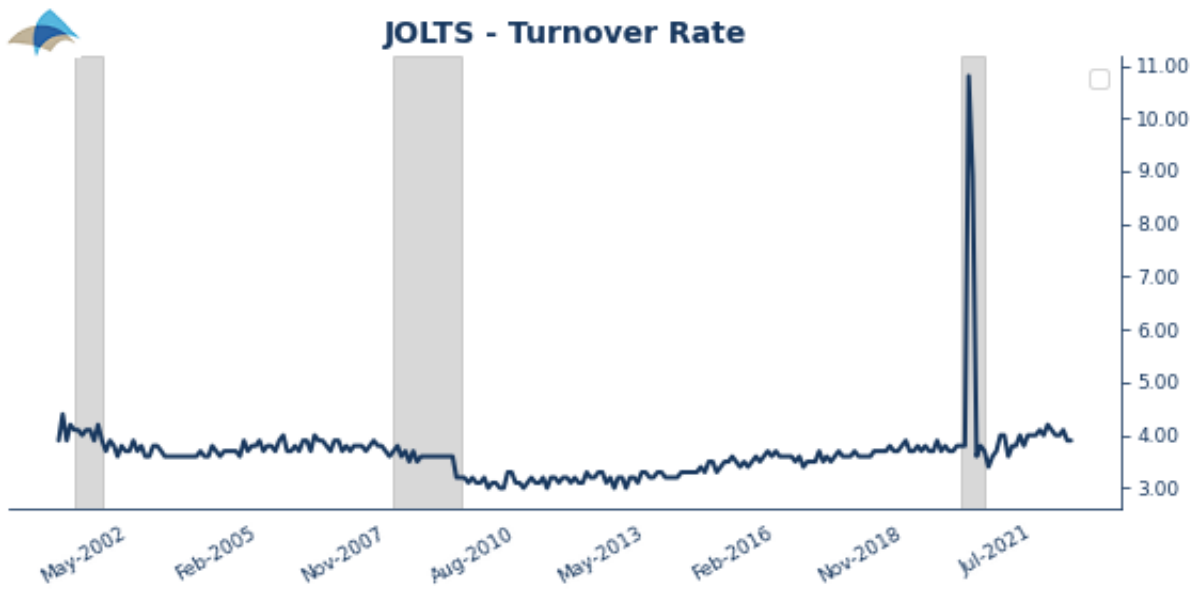
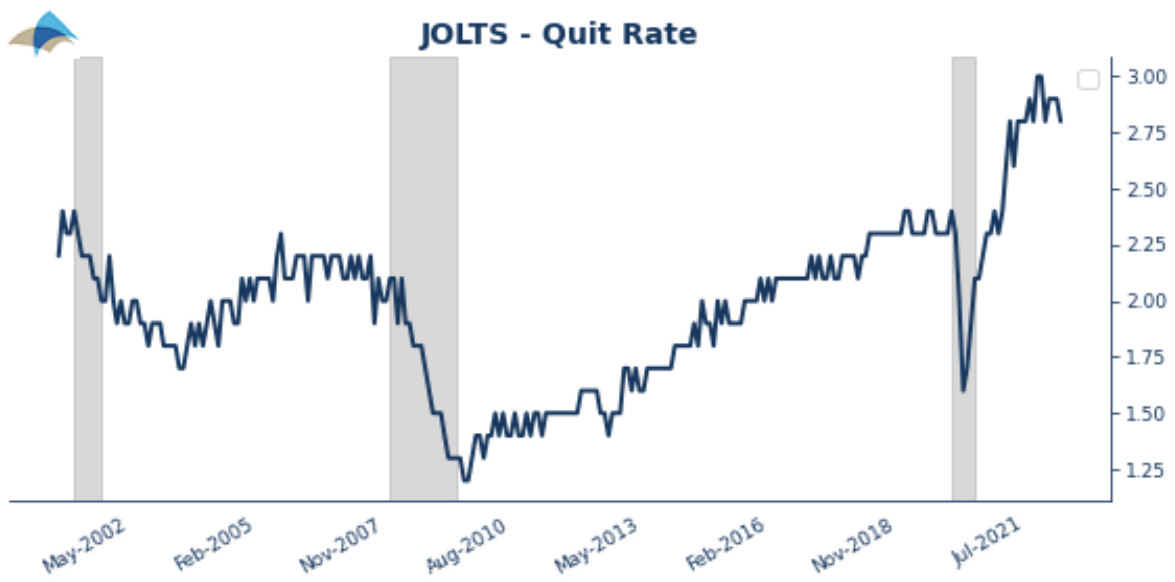


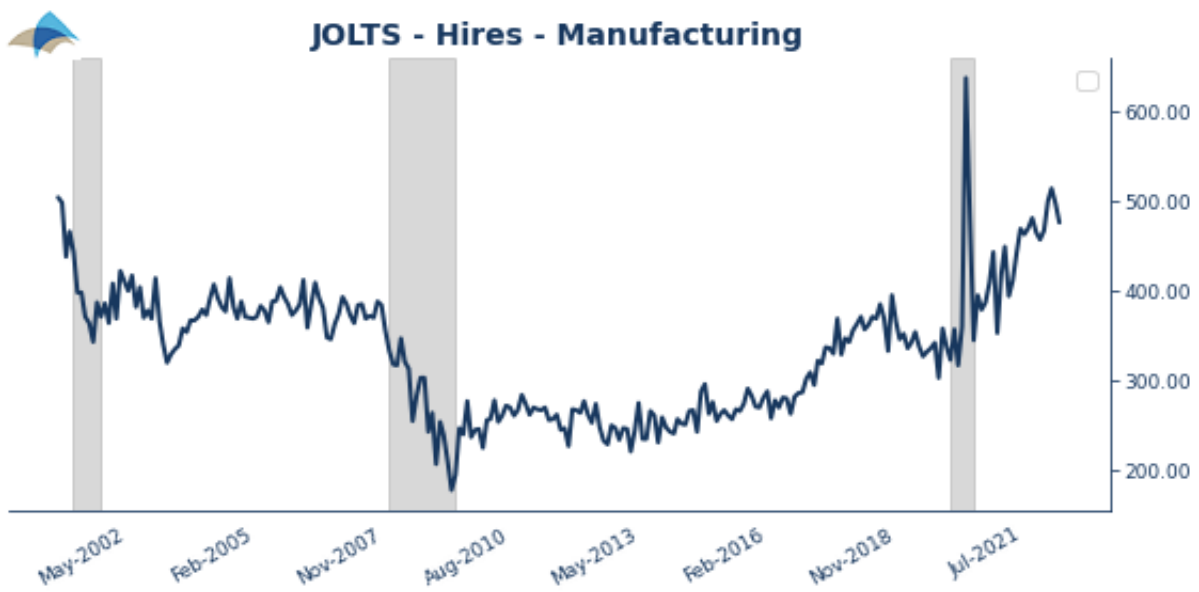
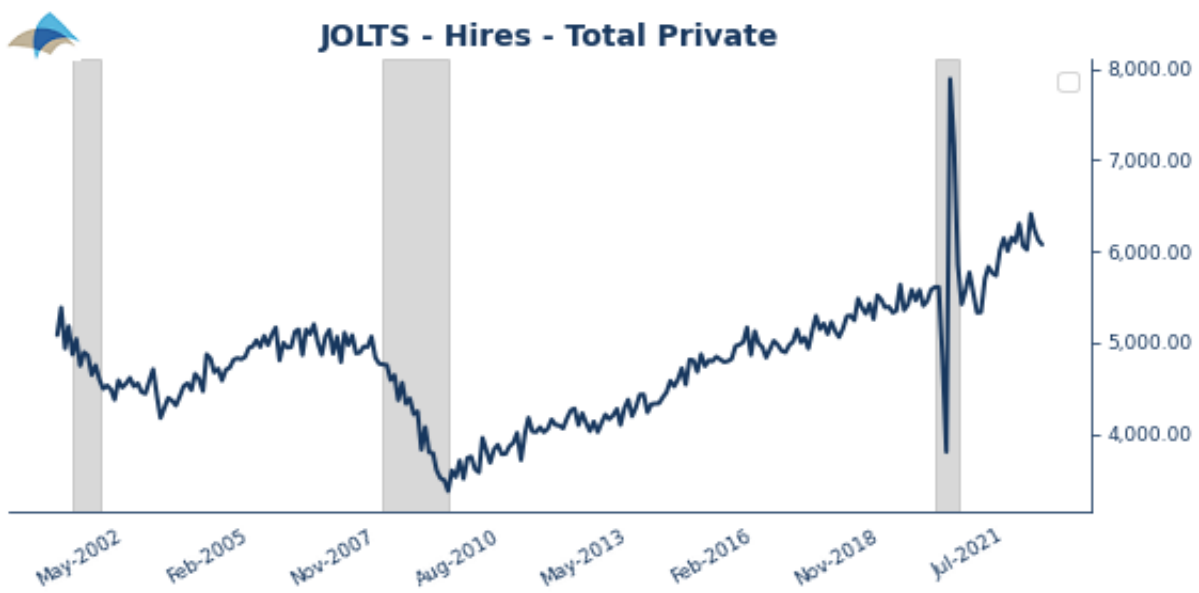
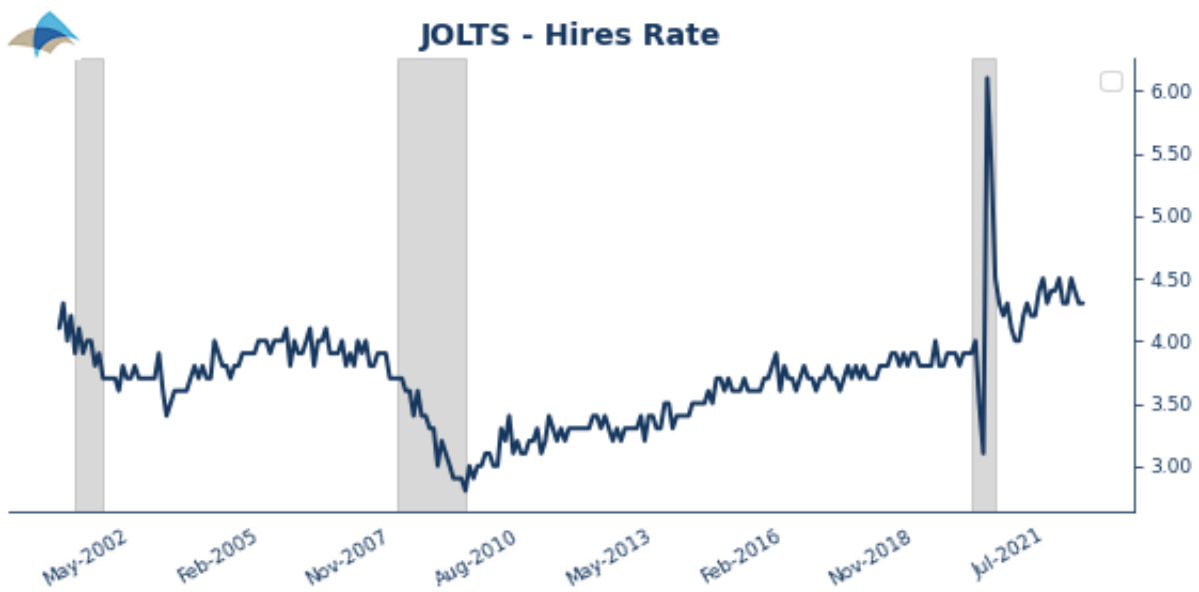
Contingent Macro Advisors 2022 source: US BLS

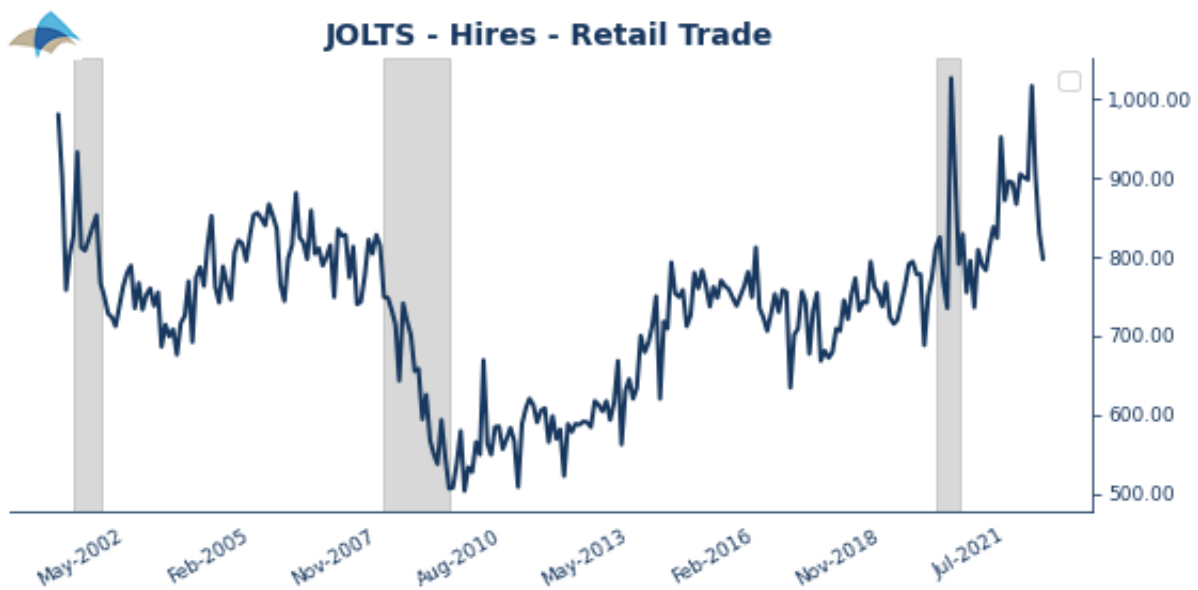
Job Openings FELL by 427k in May to 11.254 million, compared with market expectations for an increase to 10.9 million. Government job openings FELL by 12k. Consequently, private-sector job openings FELL by 415k. Over the past 12 months, there were 1.6 million more job openings.

Job Hires FELL by 38k in May to 6.489 million. Over the past 12 months, there were 397k more job hires. **Job Separations** ROSE by 18k in May to 5.983 million. Over the past 12 months, there were 470k more job separations.

The Hires to Job openings ratio ROSE by 0.018 points from 0.559 to 0.577 and is modestly below its 12 month average of 0.590. The Number of Unemployed to Job openings ratio ROSE by 0.02 points from 0.51 to 0.53 and is moderately below its 12 month average of 0.65.







	May-22	Apr-22	Mar-22	Feb-22	Three Month	Six Month	Twelve Month	2019	2018
	Thousands							Average	
Total Job Openings	11,254	11,681	11,855	11,344	11,597	11,478	11,068	6,741	7,435
Change	-427	-174	511	61	119	409	3,685	-694	
Private	10,212	10,627	10,812	10,256	10,550	10,414	10,068	5,992	6,776
Government	1,042	1,054	1,044	1,088	1,047	1,064	1,000	749	660
Total Hires	6,489	6,527	6,645	6,832	6,554	6,562	6,531	5,941	5,754
Change	-38	-118	-187	406	-8	31	419	187	
Private	6,076	6,127	6,241	6,414	6,148	6,157	6,139	5,580	5,387
Total Separation	5,983	5,965	6,248	6,082	6,065	6,061	6,000	5,786	5,546
Change	18	-283	166	38	5	61	645	240	
Private	5,624	5,593	5,843	5,676	5,687	5,676	5,630	5,434	5,209
Addendum									
Hires-to-Job-Openings	0.58	0.56	0.56	0.60	0.57	0.57	0.59	0.88	0.77
Unemployed-to-Job-Openings	0.53	0.51	0.50	0.55	0.51	0.54	0.65	1.12	1.06

Source: Bureau of Labor Statistics, Department of Labor via Bloomberg. Our calculations.

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