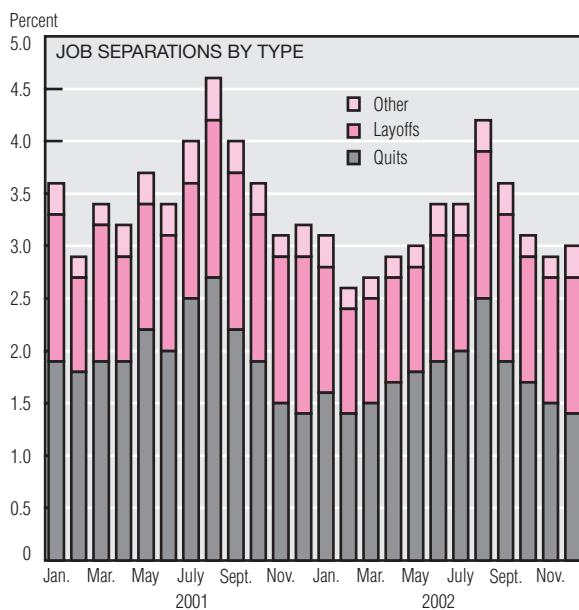
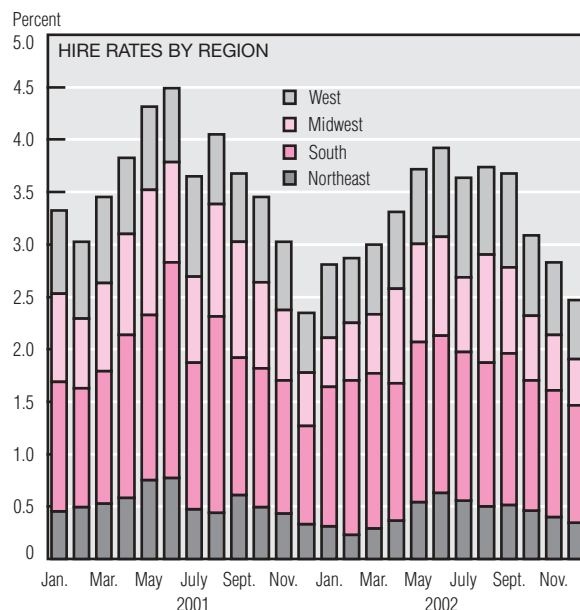
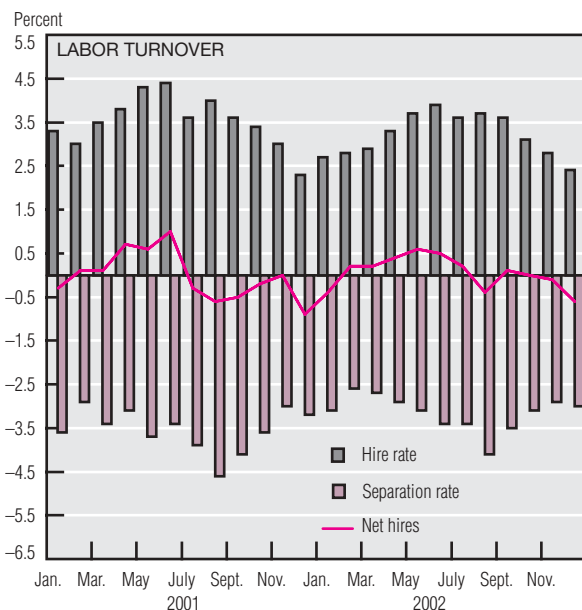


# Employment Growth



**Rates of Hiring and Separation as Percents of Total Employment, 2001-2002**

Industry	2001		2002	
	Hire rate	Separation rate	Hire rate	Separation rate
Total private	3.9	4.0	3.5	3.5
Mining	3.3	3.1	3.2	3.2
Construction	5.6	6.0	5.4	5.6
Manufacturing	2.1	3.1	2.2	2.7
Durable goods	1.8	3.1	2.1	2.7
Nondurable goods	2.5	3.2	2.3	2.7
TPU <sup>a</sup>	2.9	3.2	2.4	2.6
Wholesale trade	2.7	2.9	2.3	2.6
Retail trade	5.6	5.4	5.0	4.9
FIRE <sup>b</sup>	2.3	2.3	2.1	2.1
Services <sup>c</sup>	4.1	3.8	3.6	3.3

a. Transportation and public utilities.

b. Finance, insurance, and real estate.

c. The services industry includes travel; business support; recreation and entertainment; private and/or parochial education; personal services; and health services.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

The gradual changes in total employment that are now occurring result from far larger flows of workers being hired or separated from jobs. These flows have been difficult to observe in existing labor market data because accurate, unique identifiers for firms and workers generally are not available. To allow these employment flows to be tallied quickly, the Bureau of Labor Statistics has begun a new survey of 16,000 businesses, the Job Openings and Labor Turnover Survey (JOLTS).

What does JOLTS reveal about the sluggish employment growth that has

been evident ever since the 2001 recession? By construction, the JOLTS data are consistent with nonfarm employment levels but reveal that hires have been largely offset by separations. During the postrecession period, the average hiring rate has been 3.5%, although there are substantial deviations between months. Still, in every month of 2002 except December, the hiring rate was lower than or equal to the rate for the same month a year earlier. This pattern of weaker hiring in 2002 is repeated in each census region included in the survey. Overall,

the hiring rate was 0.3 percentage point lower in 2002 than 2001.

This slower hiring rate was partly balanced by a slower separation rate. Like hiring, separations were lower in 2002 (3.2% of total employment) than in 2001 (3.5%). This decline comes largely from a lower quit rate; the lay-off rate dropped only 0.1 percentage point between 2001 and 2002. The pattern of weaker hiring and fewer separations, which is repeated across the full range of private industry, may be another example of how uncertainty is slowing the recovery.