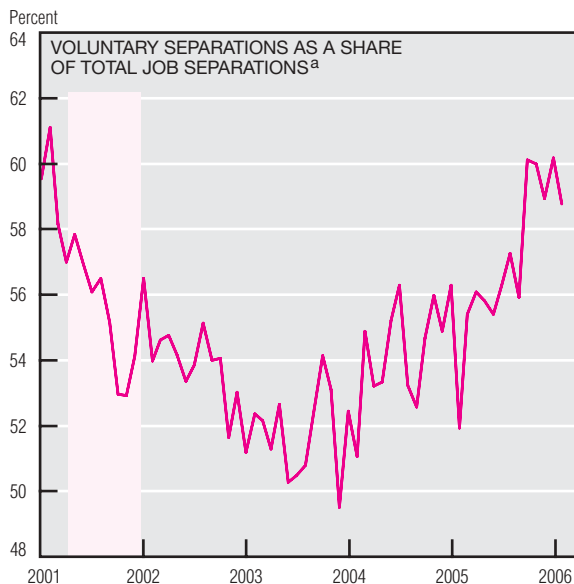
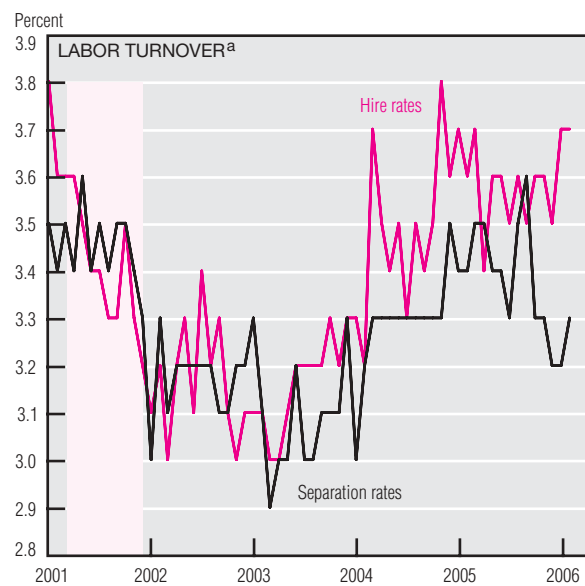
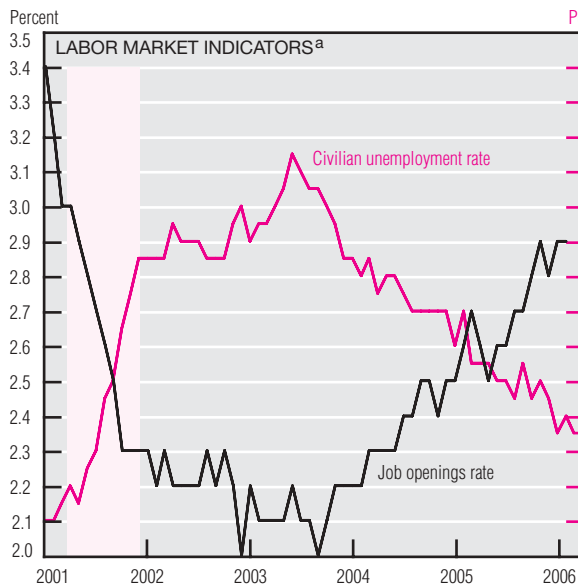


# Job Openings and Labor Turnover



**Hire and Separation Rates, 2001 and 2005**

Industry	Percent			
	2001		2005	
	Hire rate	Separation rate	Hire rate	Separation rate
Total private	3.8	3.9	4.0	3.8
Construction	5.5	5.9	5.8	5.5
Manufacturing	2.1	3.1	2.4	2.6
Trade, transportation, and utilities	3.8	4.0	4.0	3.9
Professional and business services	4.3	4.0	5.2	4.8
Education and health services	2.9	2.6	2.7	2.4
Leisure and hospitality	7.2	6.9	6.5	6.3

a. Shaded bar represents a recession.

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

Since the beginning of 2004, employment growth has been solid: Average monthly payroll gains have reached 170,000 jobs, while the unemployment rate has gone down to 4.7%—the lowest level in nearly four years. The Labor Department's Job Openings and Labor Turnover Survey supplements its monthly payroll data with indicators of the unmet demand for labor and the extent of labor shortages. The job openings rate, which considers the number of unfilled jobs and measures labor market tightness, rose to its highest level since the current economic expansion began.

Today's relatively high rate could reflect difficulties in finding qualified workers or could simply indicate firms' willingness to add new jobs. However, hiring rates have risen as well, suggesting that the higher openings rate reflects firms' stronger demand for workers.

Separation rates, which include voluntary separations, layoffs and discharges, and other separations (including retirement), have inched down recently, after trending up since late 2003. However, the rate of voluntary separations, which can indicate workers' ability to change jobs or their

readiness to retire, has risen steadily from about 50% of all separations in December 2003 to nearly 60% in recent months.

From 2001 to 2005, hire rates rose in all major industries except education and health services, and leisure and hospitality. During the same period, total separation rates fell in all major industries except professional and business services, where employment at temporary help service firms is more volatile than in other industries. In 2005, jobs increased in every major private industry except manufacturing.