

## Job openings fell sharply in December

The number of job openings has been falling slightly for a while, but fell markedly in November and December. Despite the still high level, the decline is worrying and could point and more weakness for the labour market going forward.

**Assessment:** Despite the strong development for employment growth according to the non-farm payrolls data, the number of job openings has started to level off over the past year. Openings have fallen from a high level, which has been well above the number of hires. (The opposite was the case prior to the financial crisis). The marked decline towards the end of 2019 seems to be even steeper than during the financial crisis. Hence, it could point at more weakness going forward. On the other hand there are still no significant signs of lower (voluntary) quits, indicating that employees still leaves their jobs without being worried for not finding new work. Furthermore, the number of layoffs is still very low, and there are no signs of any pick up so far.

### Details from the December release:

Job openings fell by 364k in December, following a decline of 574k in November. The decline has been substantial for trade, transportation and utilities which fell by 366k for the two months combined. The drop for manufacturing was 87k.

Hires rose by 45k in November and by 80k in December. Hence, the discrepancy between openings and hires has narrowed considerably within short time. However, openings were lower than hires for the entire period from 2001 to 2013.

Separations (ie the sum of quits, layoffs and other separations) was little changed in December. Layoffs rose by 127k, but this was counteracted by a drop of 80k for quits. The changes for quits and layoffs were both small and did not the change the underlying trends for the two series.

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