

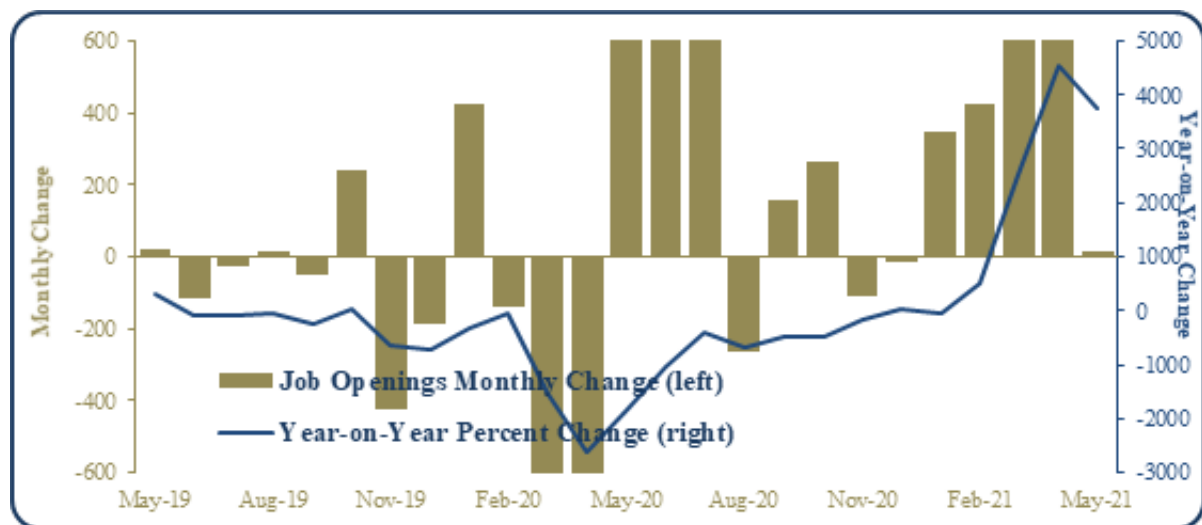
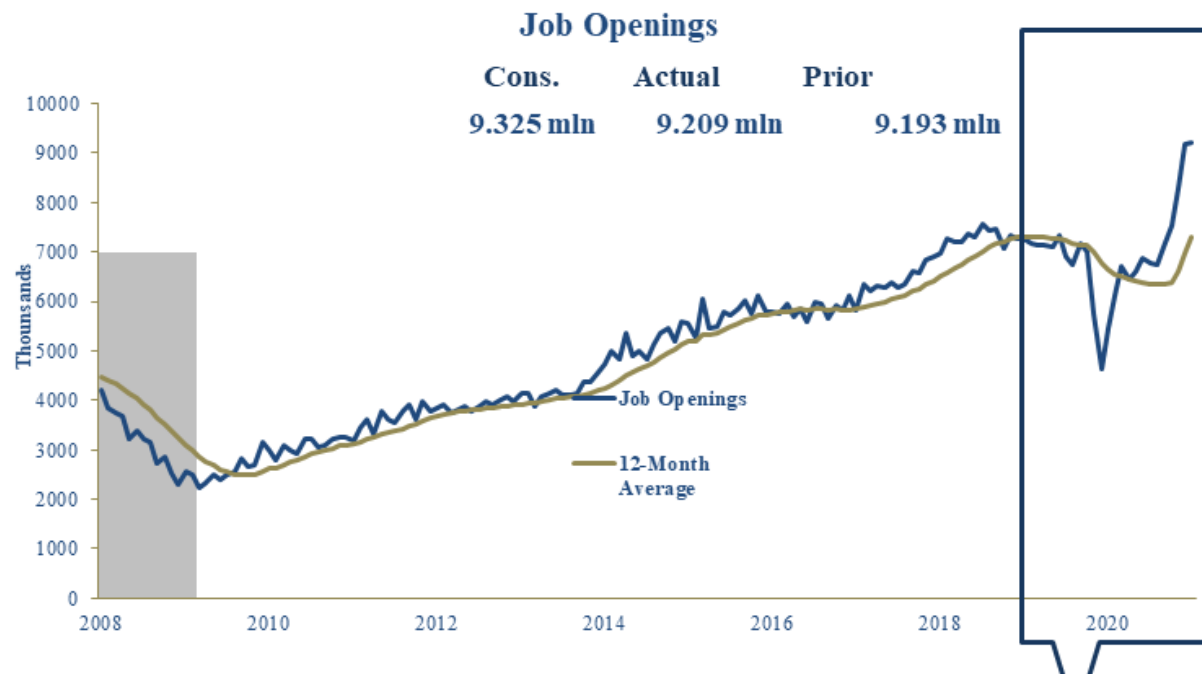
07.Jul.2021

JOLTs: Continued Records, Resolution Likely in Autumn

Bottom Line: Job openings remained at record levels in May after modest downward revisions to prior data. While lagged relative to other reports, the Job Openings, and Labor Turnover Summary reveal details about the labor market recovery that point to a tight market. Job openings were plentiful in the first five months of 2021 and rose substantially more than hiring. There are many anecdotal reasons for the record low level of hiring relative to openings, including:

1. continued supplemental unemployment insurance in many states that can offer some money than they could earn returning to work;
2. childcare issues with schools having been only partially open in many parts of the country and summer care programs in flux;
3. skills gaps as employers require skills that many unemployed lack; and,
4. normal frictional unemployment that economists would expect after a period of rapid, massive layoffs.

Some of these factors will resolve themselves as supplemental benefits were canceled early in many states and will expire in September nationally. Moreover, the reopening of schools will be critical for households depending on children attending school while parents are at work. These factors will be studied for decades to come. For now, expect short-term wage pressures as employers try to provide training programs and incentives for workers to return. That said, there is not yet enough evidence to suggest lasting wage pressure from the current labor market tightness.



Job Openings ROSE by 16k in May to 9.209 million, compared with market expectations for 9.325 million.

Government job openings FELL by 26k. Consequently, private-sector job openings ROSE by 42k. Over the past 12 months, there were 3,762k more job openings.

Job Hires FELL by 85k in May to 5.927 million. Over the past 12 months, there were 2,345k more job hires. **Job Separations** FELL by 485k in May to 5.318 million. Over the past 12 months, there were 700k more job separations.

The Hires to Job openings ratio FELL by 0.010 points from 0.654 to 0.644 and is moderately below its 12 month average of 0.833. **The Number of Unemployed to Job openings ratio** FELL by 0.06 points from 1.07 to 1.01 and is sharply below its

12 month average of 1.68.

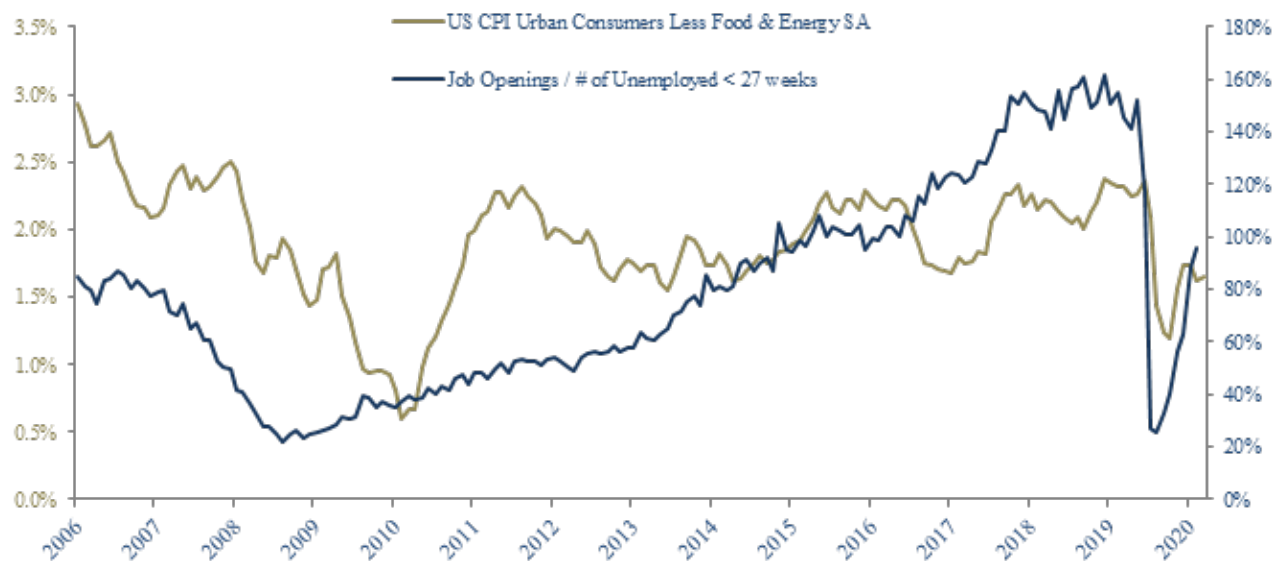
Hires to Job Openings



Unemployed to Job Openings



Core CPI vs Job Openings / # of Unemployed < 27 weeks



	May-21	Apr-21	Mar-21	Feb-21	Three Month	Six Month	Twelve Month	2019 Average	2018
	Thousands								
Total Job Openings	9,209	9,193	8,288	7,526	8,897	8,011	7,300	6,730	7,436
Change	16	905	762	427	885	711	671	-706	
Private	8,305	8,263	7,446	6,868	8,005	7,226	6,551	5,976	6,774
Government	904	930	843	658	892	786	749	754	662
Total Hires	5,927	6,012	6,006	5,794	5,982	5,769	6,081	5,882	5,709
Change	-85	6	212	329	213	-311	209	173	
Private	5,619	5,661	5,646	5,490	5,642	5,432	5,726	5,525	5,350
Total Separation	5,318	5,803	5,436	5,429	5,519	5,482	5,398	5,793	5,515
Change	-485	367	7	106	37	84	-1,607	278	
Private	5,035	5,478	5,100	5,078	5,204	5,156	5,008	5,450	5,186
Addendum									
Hires-to-Job-Openings	0.64	0.65	0.72	0.77	0.67	0.72	0.83	0.87	0.77
Unemployed-to-Job-Openings	1.01	1.07	1.17	1.33	1.08	1.27	1.68	1.12	1.06

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

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