Job Openings and Labor Turnover in New Hampshire

The U.S. Bureau of Labor Statistics produces Job Openings and Labor Turnover Survey (JOLTS) data every month, an estimate of employees added to payrolls (hirings) as well as those removed from payrolls (separations) during a given month.[1] JOLTS also measures job openings, positions that are open on the last business day of the month. Data from the JOLTS program can provide insight not just into employment growth, but also into how frequently workers change jobs, and for what reasons. JOLTS also measures employers' demand for additional workers.

Trends in hires, separations and job openings were all affected by the coronavirus pandemic. Throughout 2018 and 2019, there were slightly more hires than separations in New Hampshire, indicating a fairly stable labor market and steady employment growth over that time. The coronavirus pandemic disrupted this trend. Separations, which averaged 25,000 per month in 2018 and 2019, spiked in March and April 2020, then quickly dropped; from May 2020 through September 2020, separations averaged 21,000 per month, below pre-pandemic levels.[2] Hires increased in May and June 2020, driven by laid-off or furloughed workers returning to work. Hiring also returned to normal levels for the second half of 2020, and overall employment growth slowed, even declining during October, when separations exceeded hires. Hiring began to increase again in the spring of 2021, particularly in April, and remained elevated through August. Hires averaged 26,000 per month in 2018, 2019 and the second half of 2020. Between February 2021 and August 2021, hires averaged 33,000 per month.

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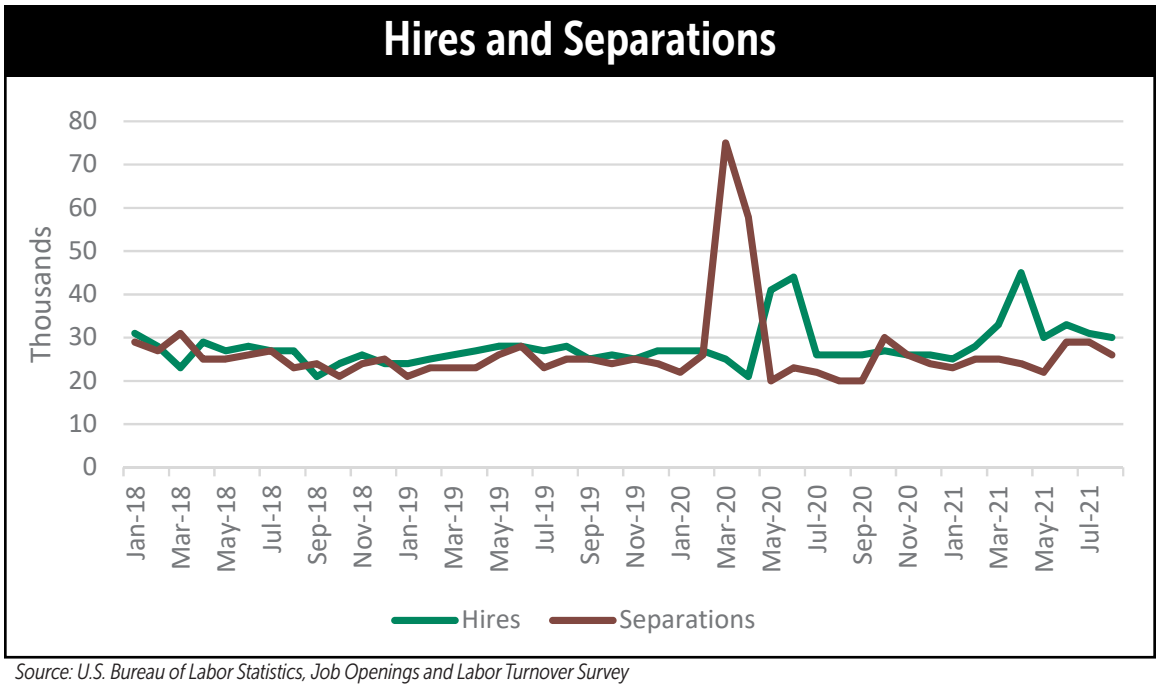
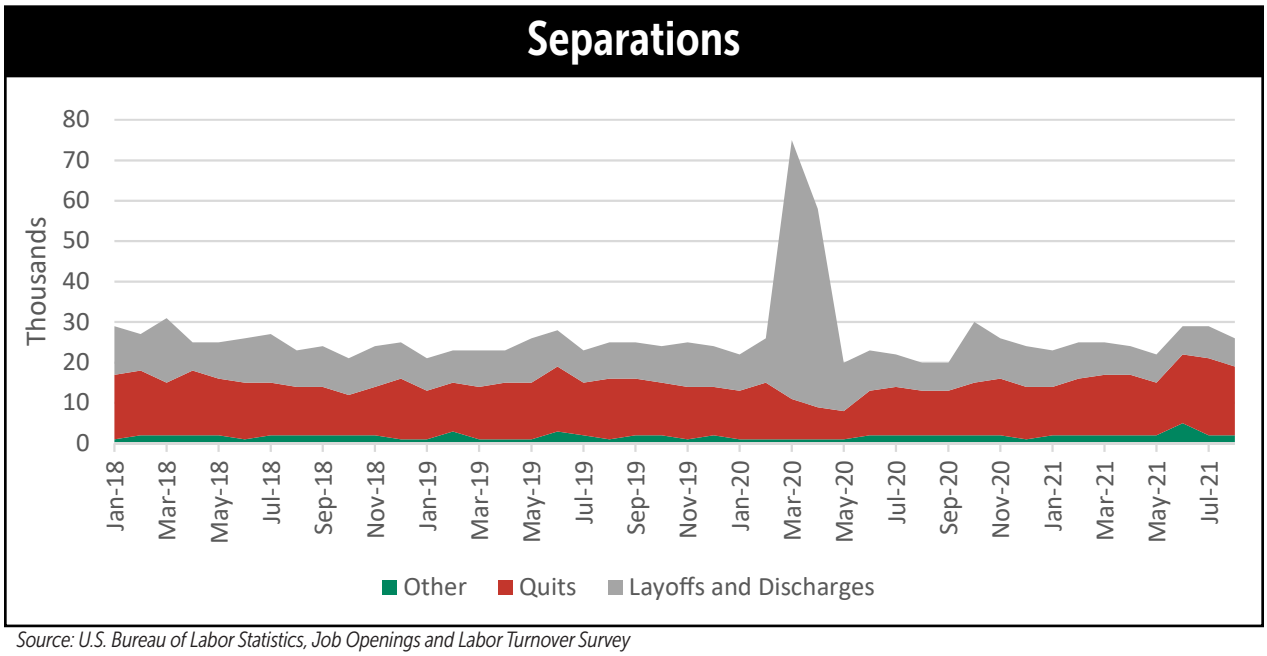
Separations

Separations are divided into three groups: quits, layoffs and discharges, and other separations. Quits are workers who left a job voluntarily. These workers may separate to begin another job or to leave the labor force (provide family care, enroll in an educational program, etc.), although separations do not include retirements. Layoffs and discharges are involuntary separations initiated by the employer, and other separations include retirements, transfers to other locations, deaths, and separations due to employee disability.



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

1 U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, Data Definitions. https://www.bls.gov/jlt/jltdef.htm
2 Data are seasonally adjusted. All figures are rounded to nearest thousand.

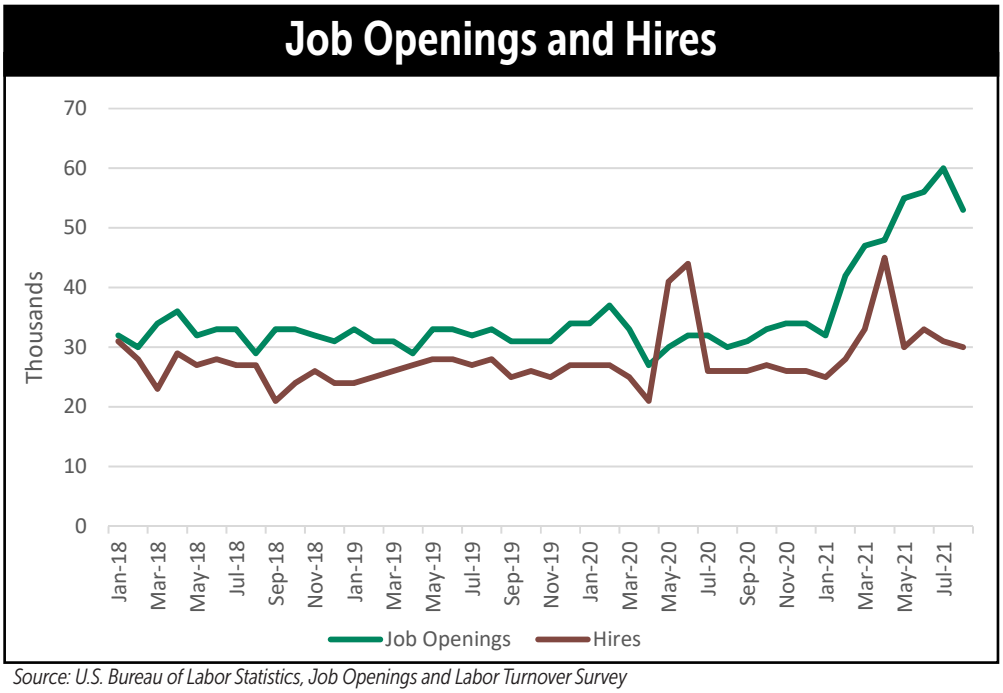


Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

Both quits and layoffs and discharges are affected by overall economic conditions. Quits generally decline during recessions and other negative economic events, since there may be fewer opportunities available, and workers may be more hesitant to risk leaving a current job in search of something better. Quits increase during periods of economic growth, as workers feel more confident in their ability to secure a new, better job. Layoffs and separations follow an opposite trend, increasing during recessions and decreasing during periods of growth.

Total separations rose in March and April 2020, at the beginning of the coronavirus pandemic, driven by an increase in layoffs and discharges. Layoffs and discharges averaged 10,000 per month in 2018 and 2019, while in March and April 2020, 113,000 layoffs and discharges occurred. Since April 2020, however, layoffs and discharges averaged 9,000 per month, slightly below 2018 and 2019 levels.

There was an average of 14,000 quits per month in 2018 and 2019, accounting for 54 percent of all separations. Few workers voluntarily left their jobs early in the pandemic; between March and May 2020, quits averaged 8,000 per month. After May 2020, quits gradually increased, accounting for an increasing percentage of total separations. Between February and August 2021, quits accounted for more than 60 percent of separations, reaching a peak in July 2021 when 66 percent of all separations were quits.

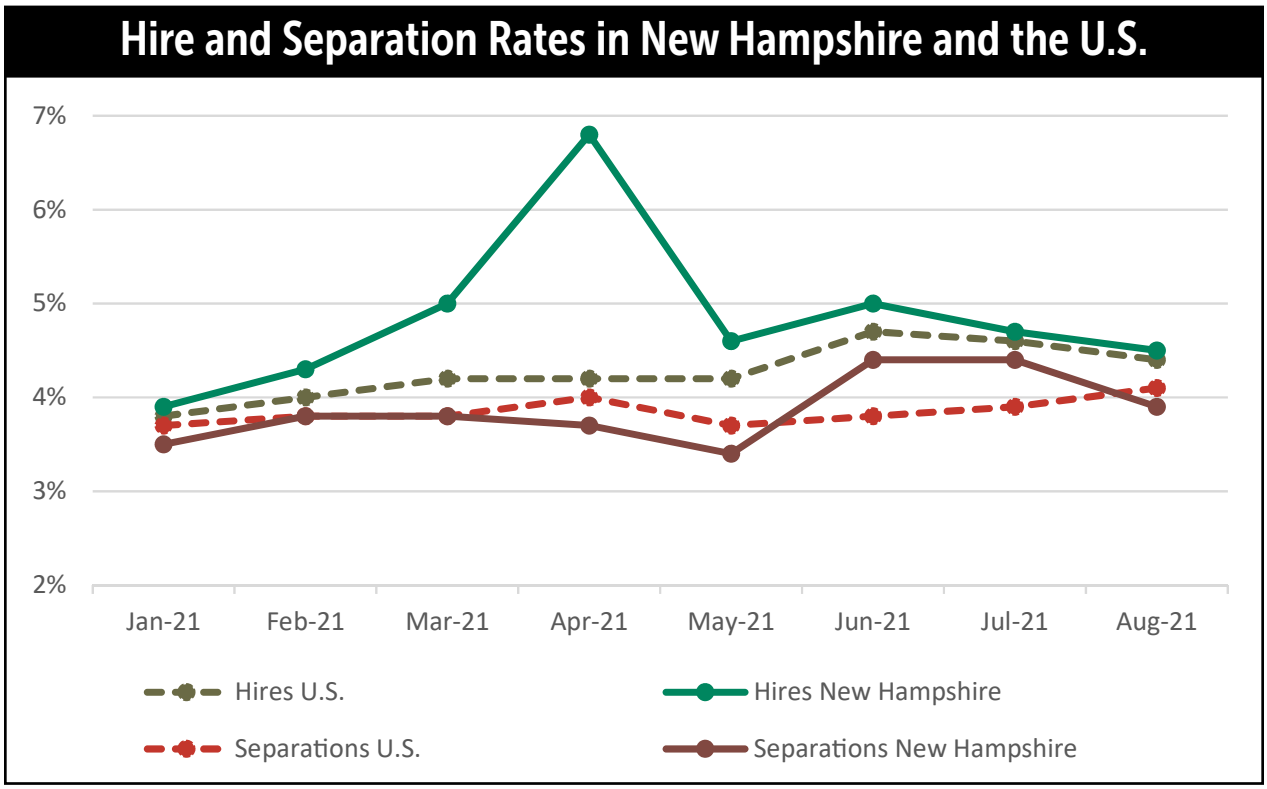


Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

Comparing Job Openings and Hires to Capture Unfilled Demand for Workers

In 2018 and 2019, there was an average of 32,000 job openings[3] per month, while hires averaged 26,000 per month. Both hires and job openings fell during early months of the pandemic. Hires increased

3 Job openings measure the number of positions that are open on the last business day of the month. These positions must be actively recruiting workers from outside the establishment, and must be available to begin within 30 days.



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

in May and June 2020, while job openings did not; many workers hired during these two months had been furloughed during in either March or April as a result of the coronavirus pandemic, and returned their previous employers as economic restrictions were eased. While recalled workers are counted as hires, job openings exclude positions that are only available to recalled workers.

After June 2020, both hires and job openings returned to pre-pandemic levels for the remainder of the year. Job openings increased beginning in early 2021, reaching a high of 60,000 openings in July. Hiring initially increased as well, reaching 45,000 in April, before averaging 31,000 per month from May through August. Although hiring remained high by pre-pandemic standards, the disparity between job openings and hirings indicates that businesses in New Hampshire have struggled to find qualified candidates for open positions, which has slowed hiring. New Hampshire's labor market appeared to be tighter over the summer of 2021 than it had been earlier in the year.

Comparing Labor Turnover in New Hampshire to the U.S

Although hiring has not kept up with demand for workers through the first eight months of 2021, New Hampshire had a greater hiring rate than the U.S. overall. The hiring rate in New Hampshire averaged 4.9 percent, compared to 4.3 percent in the U.S. New Hampshire's hiring rate exceeded the U.S. hiring rate in every month of 2021, although the gap narrowed to just 0.1 percent in July and August.

New Hampshire and the U.S. both averaged a separation rate of 3.9 percent through the first eight months of 2021, although New Hampshire's separation rate increased in June, while the U.S. rate remained more consistent throughout the year. New Hampshire's separation rate averaged 3.6 percent from January 2021 through May 2021, then 4.2 percent from June through August, while the U.S rate increased from 3.8 percent to 3.9 percent.

In both New Hampshire and the U.S., labor markets appeared to get tighter over the summer of 2021, as hiring rates fell and separation rates increased. However, the hiring rate in both the state and the nation remained greater than the separation rate, and employment growth continued. With a hiring rate above the national average and a separation rate the same as the national average, New Hampshire's employment growth appeared to be slightly faster than the national average.

– Greg David, Economist