

Insanity: There Are Now 1.4 Million More Job Openings Than Unemployed Workers

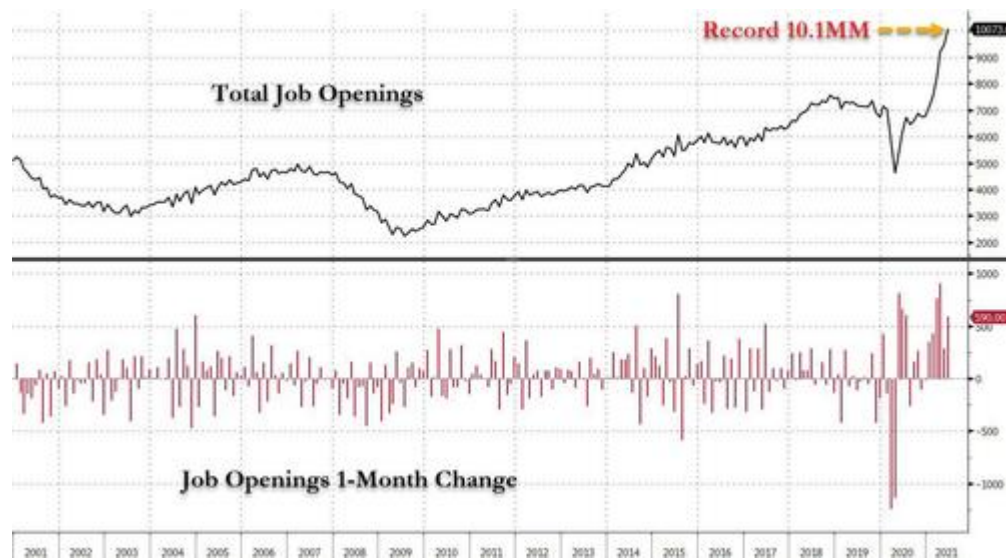


BY TYLER DURDEN

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There was an absolute shocker in today's JOLTs report.

While consensus was expecting the BLS to report a print of 9.270MM in June job openings, which would be a new all time high and a modest increase from May's 9.209MM, nobody - not even the most optimistic whispers - was prepared for the **shocking 10.073 million job openings that hit the tape at 10am ET sharp**. This unprecedented number of job openings was made possible as more than 3.3 million openings were added in the past 6 months, with every single month of 2021 seeing an increase in job openings, the longest such stretch in history.

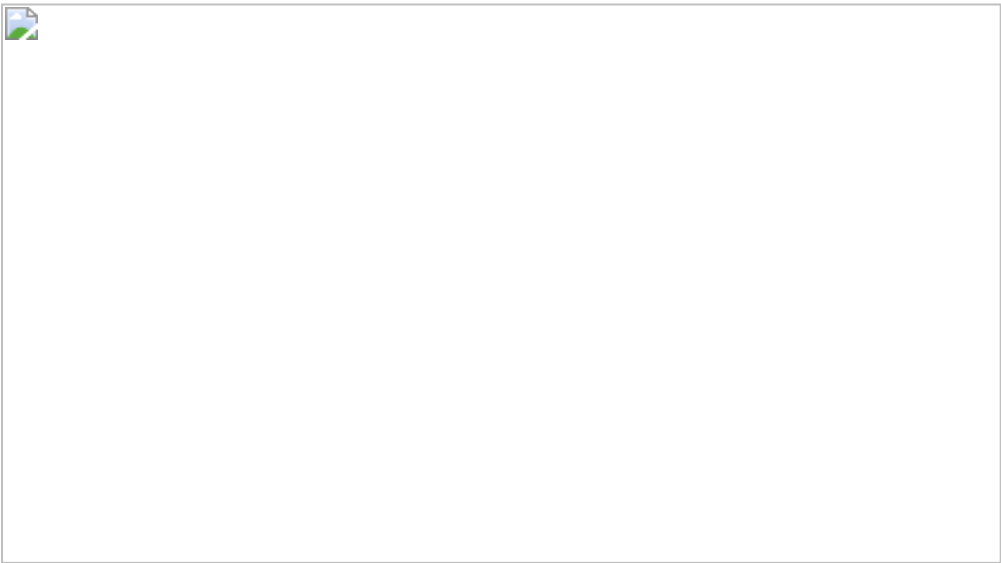


Looking at the details, the increase in job openings was driven by a number of industries with the largest increases in professional and business services (+227,000); retail trade (+133,000); and accommodation and food services (+121,000).

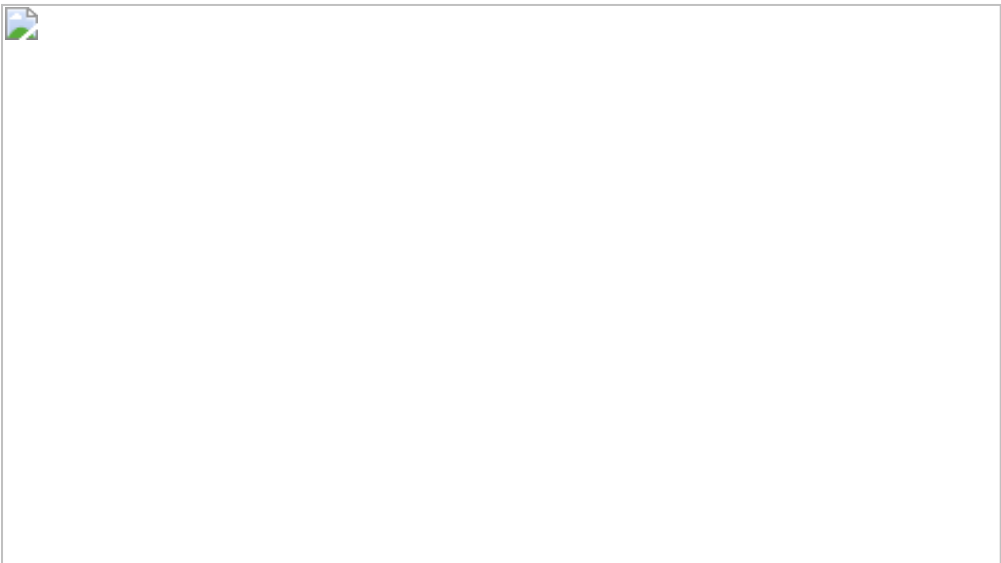
The record number of job openings stands out in stark contrast against the countless Americans who are still collecting various pandemic emergency unemployment claims, which in the latest week was just above 11 million.



But the biggest shocker is that while we were expecting the BLS to report that there were some 500K more job openings than unemployed workers, a testament to just how broken, supply constrained and/or overheating the US job market is, the actual number meant that there **were 1.371 million more job openings (10.073MM) compared to the total number of unemployed people which as of July was 8.702 million.**



Obviously, with (way) more job openings than unemployed workers, **this meant that in June there were less than 1 unemployed workers (0.9415 to be exact) for every job opening, down from 1.01 in May, and from a record 4.6 at the peak crisis moment last April.**



What is remarkable is that the job openings did not come at the expense of reduced hiring: on the contrary, in June the BLS reported that hiring rose by a whopping 697K to 6.719 million, the third highest print on record. Hires

increased in retail trade (+291,000); state and local government education (+94,000); and durable goods manufacturing (+36,000).



Finally, and in a sign that the overheating in the labor market appears is nowhere close to ending, in June the level of quits - or people leaving their job voluntarily due to better prospects elsewhere - posted its biggest decline since the peak of the covid crisis, as it plunged by a whopping 388K to 3.604 million, dropping from a record 3.992 million, after rising by 424K and 185K in the previous two months. The number of quits increased in professional and business services (+72,000); durable goods manufacturing (+47,000); and state and local government, excluding education (+33,000). Quits decreased in state and local government education (-26,000).

