

# Insufficient Job Opportunities

Conditions are improving,  
but there is still a long way to  
go before reaching normal  
employment levels.



As 2010 came to an end, there were a number of signs that U.S. economic activity continued to slowly improve. Economic expansion has been officially underway since June 2009, with moderate increases in the production of goods and services. Lately, consumer confidence and retail purchases are increasing, and even some labor market indicators are finally showing signs of improvement.

The modest economic growth during 2010 was primarily driven by stimulus, both fiscal policy engineered by Congress and the president and monetary policy conducted by the Federal Reserve Bank. These policies have been unprecedented, varied, and large. The mainstream economic view for 2011 is that the U.S. economy is successfully transitioning to a self-sustaining recovery driven by private domestic consumption and business demand.

While many economic indicators have improved, the severity of the recession during 2008 and 2009 will have long lasting effects. Labor market conditions are improving but it will likely take several years to bring unemployment rates down to more healthy levels that are around six percent.

One example of the recent positive labor market news is provided by job openings. Prior to the recession in 2007, U.S. job openings averaged a little above 4.5 million per month. When the recession ended in July 2009 they had fallen to a low of 2.4 million per month. Through the end of 2010 they have been trending up, reaching about 3.3 million job openings, clearly an improvement but still below pre-recession levels.

By examining job openings relative to the number of unemployed it becomes clear that we need much more improvement. During 2007, unemployment averaged about 7 million persons per month. In 2010, U.S. unemployment averaged 14.8 million. In 2007, there were 1.5 unemployed persons per job opening. At the end of 2009, there were about six persons unemployed per job opening. During 2010 this ratio has gradually improved, ending the year at about 4.5 unemployed for each job opening. Definite improvement, but still a long way to go before reaching more normal levels where there are reasonably good job opportunities for those seeking employment. ●

## U.S. Job Openings by Month

(in thousands)

Though the openings are rising, they are still below pre-recession levels.

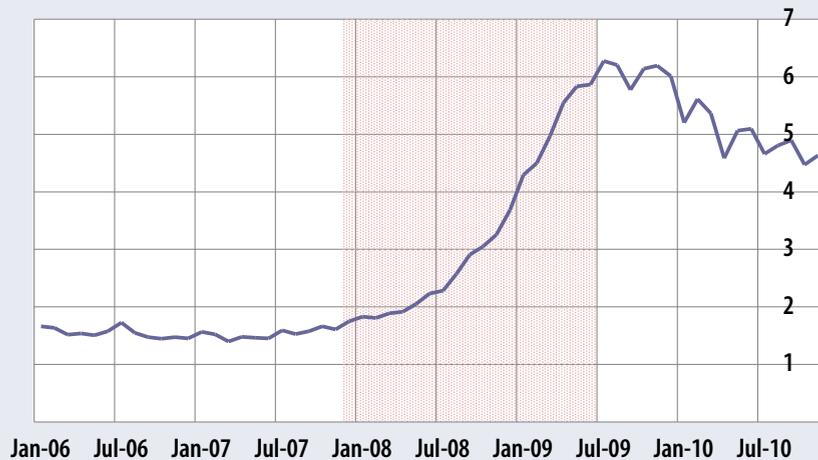


Recession

## Number of Unemployed Persons per Job Opening

(Seasonally Adjusted)

During 2010 this ratio gradually improved, ending the year at about 4.5 unemployed for each job opening.



Source: U.S. Bureau of Labor Statistics.