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U.S. Job Openings Outnumber Unemployed by Widest Gap Ever

Even though employers are hungry for workers, the supply of prospective employees is shrinking

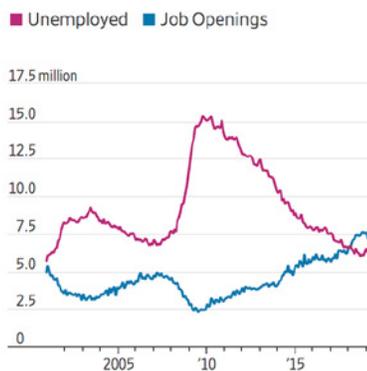


The number of openings outnumbered the unemployed by 1.625 million in April, the Labor Department says. PHOTO: WILFREDO LEE/ASSOCIATED PRESS

The number of job openings exceeded the number of unemployed Americans by the largest margin on record in April, signaling difficulty for employers to find workers in a historically tight market.

There were a seasonally adjusted 7.449 million unfilled jobs at the end of the month, barely budging from March, the Labor Department said Monday. Meanwhile, the number of Americans seeking work in April dropped to 5.824 million from 6.211 million a month earlier.

Level of U.S. unemployment and job openings



Note: Seasonally adjusted
Source: Labor Department

The number of openings increased across education, retail and construction and outnumbered the unemployed by 1.625 million in April, the largest gap on records back to 2000.

The gap between job seekers and job openings shows that employers are still eager to fill roles. At the same time, though, growth in job openings is stalling, pointing to a slowdown in labor-market momentum, said Nick Bunker, economist at Indeed Hiring Lab.

“Labor demand is still strong, but it’s not just as strong or as fast as it was in a hot 2018,” Mr. Bunker said.

There were 4.8% more job openings in April than a year earlier, pulling back from the double-digit gains in openings posted through January. In March, they were revised down slightly to 7.474 million from 7.488 million. Openings had peaked in November at 7.626 million.

In recent months, the pace of hiring has cooled from last year. The most recent jobs data showed employers added 75,000 to payrolls in May, largely a reflection of slowing global growth and employer uncertainty amid trade tensions between the U.S. and China. The data are volatile from month to month. More broadly, monthly job growth has averaged 164,000 in 2019, compared with 223,000 in 2018.

Some of the slowdown in job growth could reflect a shrinking supply of available workers. The share of adults ages 25 to 54 in the labor force—which filters out many people who are still in school or who have retired—fell to 82.1% in May. That shows that even the 3.6% unemployment rate in April and May, a 50-year low, doesn’t appear to be attracting additional Americans off the sidelines and into the job market.

One company struggling to fill roles is Handyman Connection, a Cincinnati-based home-repair franchise with nearly 2,000 U.S. workers. Handyman Connection franchisees need to hire more employees, such as electricians, plumbers and carpenters, to work on a growing number of home repairs, said Jeff Wall, chief executive. The problem is fewer people are entering such trades and many tradespeople are retiring, he said.

“The No. 1 issue our franchisees are having right now is they cannot find enough qualified labor to meet the demands,” Mr. Wall said. “Everybody’s fighting for the same labor pool at this point, whether it’s new housing starts or remodelers or people in the trades.”

There were 404,000 unfilled construction jobs in April, up by nearly 150,000 from a year earlier.

Mr. Wall’s company has ramped up wages, especially for skilled roles like electricians and plumbers, to attract and retain employees. But such an approach doesn’t appear to

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be as widespread as economists might expect given the half-century low unemployment rate. In May, private-sector workers saw average hourly earnings rise 3.1% from a year earlier, a rate that has drifted downward since hitting a postrecession peak of 3.4% in February.

The rate at which workers quit their jobs, a proxy for worker's confidence in the job market, is already the highest since the recession. Without stronger wage growth, it might not move

much higher. The so-called quits rate held steady at 2.3% in April for the 11th straight month, according to Monday's report, offering no evidence of a breakout.