



Economics Group

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Job Openings, Quits Rise to Start 2017

Job openings rose in January despite an outsized decline in federal government openings. The number of voluntary separations jumped to a new cycle high, providing further evidence of a tight labor market.

Openings and Hiring Remain Firm

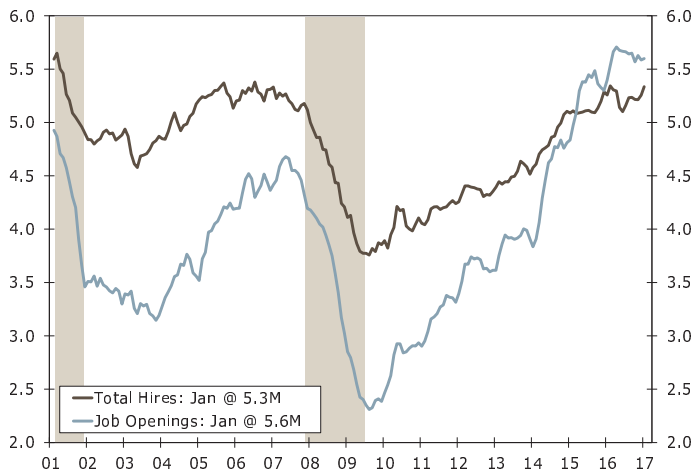
- Job openings rose to 5.6 million in January. Openings increased by 136,000 in professional & business services. Federal government openings declined by 37,000, perhaps reflecting the hiring freeze that began in January.
- Over the past year, job openings in natural resources & mining are up 11 percent on a three-month moving average basis, a sign of some recovery in the energy sector.

Will a Rising Quit Rate Presage Higher Wages?

- Voluntary separations surged in January, pushing the total number of quitters to a cycle high. The labor market continues to add jobs at a steady clip, and several indicators, such as the unemployment rate, are flashing signs of full employment. However, the FOMC would likely need to see faster wage growth to spur more rate hikes than currently anticipated. Continued momentum in quits could presage a pickup in wage growth.

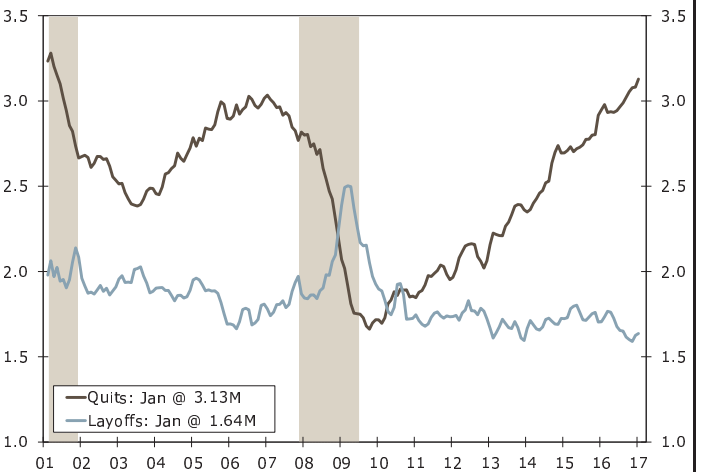
Job Openings and Hires

Millions of Workers SA, 3-Month Moving Average



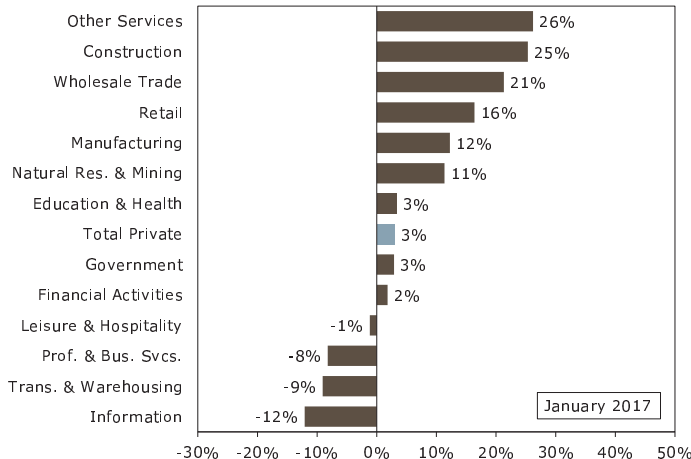
Quits vs. Layoffs

Millions of Workers SA, 3-Month Moving Average



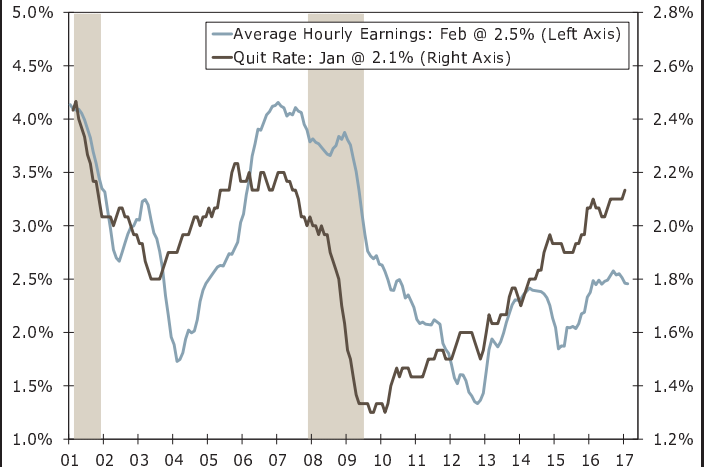
Jobs Openings by Industry

Year-over-Year Percent Change of a 3-Month Moving Average



Average Hourly Earnings vs. Quit Rate

Year-over-Year Percent Change, Rate; Both Series are 3-MMA



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