

Job openings fell to a 3 1/2-year low

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Job openings vs Job creations

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WASHINGTON>> U.S. job openings tumbled last month to their lowest level since January 2021, a sign that the labor market is losing some momentum. Still, posted vacancies remain well above pre-pandemic levels.

The Labor Department reported Tuesday that the number of job openings dropped to 7.4 million in September from 7.9 million in August.

Economists had expected the level of openings to be virtually unchanged. Job openings fell in particular at health care companies and at government agencies at the federal, state and local levels.

The number of layoffs also rose. And the number of Americans who quit their jobs fell below 3.1 million, the fewest since August 2020. *

"Workers (are) not as confident as they have been about being able to find a job if they quit without another to step into," Carl Weinberg and Rubeela Farooqi of High Frequency Economics wrote in a commentary. Still, they added, "there is no signal here of any sudden collapse of the labor market here or any imminent recession. The labor market is softer, sure, but it is not imploding."

Though job openings have fallen sharply since peaking at 12.2 million in 2022, they remain higher than they were before the coronavirus pandemic paralyzed the American economy in early 2020. *

When the economy roared back with unexpected strength from the COVID-19 recession, companies scrambled to find enough workers to keep up with customer orders.

The overheating economy caused an outburst of inflation, and the Federal Reserve responded by raising its benchmark interest rate 11 times in 2022 and 2023. Inflation has plummeted from a peak of 9.1% in June 2022 to 2.4%. ++

The economy proved surprisingly resilient in the face of the Fed hikes, dodging a widely forecast recession. Compared with a surge in hiring from 2021 through 2023, though, job creation has slowed this year — to an average of 200,000 new jobs a month from January through September this year. That is healthy though down from a record average of 604,000 jobs a month in 2021 at the end of pandemic lockdowns, 377,000 in 2022 and 251,000 last year.

Still, employers did add an unexpectedly strong 254,000 jobs in September.

On Friday, the Labor Department is expected to report that the economy added 120,000 jobs in October, a total that will likely be held down by the effects of Hurricanes Helene and Milton and a strike at Boeing.

The unemployment rate is expected to remain at a low 4.1%, according to a survey of forecasters by the data firm FactSet.