

Record-High Job Openings Persist in Tight Labor Market; There were more than 11 million job openings in early November, according to jobs site Indeed, well above the number of unemployed workers

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Total job openings have been well above their pre-pandemic peak since February, when Covid-19 vaccinations initially ramped up. PHOTO: Jose A. Alvarado Jr. for The Wall Street Journal

The U.S. economy has had more than 10 million open jobs since June, an extraordinary stretch of imbalance in the labor market that also includes record numbers of workers quitting their jobs .

As of Nov. 5, there were a projected 11.2 million U.S. job openings, according to estimates from the jobs site Indeed, exceeding 7.4 million unemployed workers in the U.S. labor force last month.

Economists surveyed by The Wall Street Journal estimate a different measure of job openings—a September report by the Labor Department—to show a slight dip in openings but a total still above 10 million. The department will release its report on Friday.

Total job openings have been well above their pre-pandemic peak—about 7.5 million in November 2018—since February, when Covid-19 vaccinations initially ramped up and the U.S. economy started to more broadly reopen. Many of the open jobs are in warehousing, shipping and consumer-facing retail, a trend that is likely to be supercharged by the holiday shopping season and strong consumer demand.

"Even accounting for seasonality, we could see stronger demand for retail and logistics positions," said Nick Bunker, an economist at Indeed. "There's been strong demand for goods for quite some time."

The glut of open positions isn't expected to abate in the near term, as businesses compete for workers for the holiday season. Employers are raising wages and offering benefits such as training and signing bonuses to attract workers. Workers, meanwhile, have demonstrated heightened bargaining power by quitting jobs at historic rates, either to take better jobs elsewhere or to assess their options in an economy emerging from the Covid-19 pandemic.

"It's a challenging time for recruitment, particularly for those with sophisticated technical skill sets," said Andrew Corbett, who runs the innovation and delivery center for NTT DATA Services, a global information technology consulting firm, in Nashville, Tenn.

NTT DATA is hiring briskly and has doubled-down on training for new hires so they can expand their pool of applicants. They run a campus-to-careers program that identifies promising candidates while they are still in college. The firm has also focused on hiring applicants without university degrees who have gone through boot camp or certificate programs in web and mobile development, data science and data analytics, Mr. Corbett said. After that, they offer more training in-house to suit the company's needs.

To retain existing employees, NTT DATA has started to offer more flexible working arrangements and regularly re-evaluates compensation to make sure it aligns with their competitors.

"We couldn't keep employees very long if we weren't attentive to their personal lives and professional aspirations," Mr. Corbett said.

Labor-force participation, or the share of working-age people employed or looking for work, has remained lower than normal despite strong job growth during the recovery. Employers, especially in lower wage sectors like food service, might normally hire workers who are unemployed, but are now looking to entice people to leave their current jobs for better pay or benefits.

"The vast majority of the quitting we've seen in 2021 has been job switching," Mr. Bunker said. "Industries that usually hire people out of work may have shifted their approach towards poaching."

A separate state-level report showed the rate at which workers were quitting in August—the latest data available—wasn't widespread across the U.S. The so-called quits rate that month increased in 14 states, with the largest increases occurring in Kentucky, Idaho and South Dakota. Growth in job openings has been more uniform, according to Indeed. With the exception of Honolulu, postings are at least 25% above the pre-pandemic baseline in all large metros, it said.

New openings, especially seasonal ones with set end dates, are growing rapidly. The National Retail Federation, an industry group, anticipates that retailers will hire 500,000 to 665,000 seasonal workers compared with the 486,000 they hired in 2020. Target Corp. aims to hire 100,000 seasonal workers and around 30,000 warehouse employees, while Walmart Inc. wants to hire 150,000 , many of which are offered as permanent positions.

Logistics companies are also staffing up and offering incentives as they race competitors to fill positions. United Parcel Service Inc. is hiring an additional 100,000 employees nationwide for seasonal positions, and they have

enlisted current employees to help. Employees can earn \$200 for every job applicant they steer toward the company, provided the person works through the holiday rush. Amazon plans to hire 150,000 seasonal employees starting at \$18 per hour, with sign-on bonuses of up to \$3,000.

"Employers are trying harder—a lot more places are offering starting bonuses," and those bonus offers are concentrated in jobs that don't require a bachelor's degree, said Rucha Vankudre, senior economist at Emsi Burning Glass, a labor market analytics firm. In February 2020, just under 2% of job openings that didn't require a bachelor's degree mentioned starting bonuses, and now just under 5% mention them, based on her firm's jobs postings data.

Growth in job openings isn't restricted to holiday-related consumption. Job postings in consulting, human resources, software development and at pharmacies are also booming, the latter likely the result of high demand for flu shots and Covid-19 vaccine boosters, according to Indeed's analysis and government data.

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Credit: By Gabriel T. Rubin

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