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JOBS GO UNFILLED AS THE ECONOMY EXPANDS

U.S. job openings reached 6.7 million last quarter, a 17-year high, with demand for workers growing the most in transportation

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Unfilled jobs are piling up in the transportation, retail and business-services sectors as workers become scarce in the fast-growing economy.

The number of available jobs grew by nearly 750,000 this spring, compared with a year earlier, according to Labor Department data released Tuesday. There were 6.7 million job openings on average in the three months ended in June – the highest quarterly level on record dating back to 2001. Economists often look at three-month averages for openings because the data can be choppy month to month.

Unfilled jobs are growing in nearly every industry because an expanding economy is demanding more labor and a historically low unemployment rate, 3.9 percent last month, means fewer workers are available. Overall in June, the number of available jobs exceeded the number of unemployed Americans by nearly 100,000.

The problem is most acute in a few fields, led by transportation.

The number of unfilled jobs in transportation, warehousing and utilities, combined, grew by 109,000 over the past year to 298,000, a 58 percent increase, the largest growth rate of about 20 broad groupings tracked by the Labor Department. During the second quarter, there were 4.5 job openings on average per 100 total positions in that grouping, up from 3.1 in the spring of 2017.

Growing consumer spending and manufacturing output are supporting demand for transportation and warehouse workers, but some are opting for jobs in other areas. Trucking companies, for example, compete for workers with construction and energy jobs that often pay better or offer more time at home. The trucking workforce is also aging, and turnover in the industry is high, with truckers often switching fleets in search of better pay or work conditions.

The shortage has grown to the point that Scotlynn Group, a Fort Myers, Fla., logistics company, is turning down work.

“We are leaving opportunities on the table because we do not have enough trucks,” Ryan Carter, executive vice president at Scotlynn. “The challenging part is finding enough qualified drivers out of all of these applicants who have enough experience and a good driving record to work for us.”

Scotlynn has about 20 open jobs, including driver and office positions.

To attract drivers, Scotlynn has raised pay about 4 percent from a year earlier and purchased new Peterbilt and Kenworth trucks with high-end features such as leather seats and double-size bunks. "We even put several thousand dollars of extra chrome on the trucks," said Mr. Carter. The nice-looking trucks act as recruiting tools when drivers talk to each other at truck stops, he said.

Freight volumes have been rising as manufacturing activity expands. Truck tonnage was up 7.9 percent in the first half of the year compared with the year-earlier period, according to the American Trucking Associations.

The growth of e-commerce also is driving demand for parcel carriers and for staff who fulfill orders at sprawling warehouses. Payrolls in the warehousing and storage sector were up 47 percent last month from five years earlier. Companies are raising pay and investing in automation to help boost productivity as it becomes more difficult, and costly, to fill positions.

Better consumer demand is also driving up job postings at retailers. Openings rose 165,000 in the second quarter from a year earlier to 790,000.

While some large retailers closed stores this year, most shops in the U.S. are small businesses, said Jack Kleinhenz, chief economist at the National Retail Federation. Store owners are growing more optimistic about the economy, prompting more job postings and hiring.

"Wrongheaded stories about the demise of the industry may be an impediment for some people to consider the industry," he said. "But the data is clear: Retailers are hiring."

Retailers are paying more, too. Average weekly pay for retail nonsupervisory workers rose 4.7 percent from a year earlier in July, the Labor Department said last week. That is well ahead of nearly 3 percent overall wage growth. But the sector pays those workers an average of \$15.31 an hour. Average hourly pay in manufacturing is \$20.88 an hour and in construction it is \$26.74, making it hard for retailers to compete.

"There just aren't enough bodies to go around," said Sung Won Sohn, chief economist at SS Economics in Los Angeles.

In the broad professional and business-services category, there were 129,000 more open jobs posted in the second quarter than a year earlier.

Openings in the field are growing widely, from higher-skilled jobs, such as accountants and software programmers, to entry-level positions, such as customer-service agents, said Paul McDonald, senior executive director at staffing agency Robert Half.

One part of the field growing especially fast is human resources, he said.

"Companies are hiring more recruiters," he said, "and employing more technology to find workers."