

JOB OPENINGS REMAIN ROBUST, THOUGH IN-PERSON POSTINGS SLIPPED IN AUGUST

Supply of labor remained constrained as pandemic-related unemployment benefits came to an end

By Eric Morath
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Demand for workers in the US remained strong – but leveled off – in the late summer due to an easing of job openings for in-person services positions as the economic recovery showed signs of slowing due to the Delta variant of Covid-19.

Postings on job-search site Indeed.com were up about 39 percent at the end of August from February 2020, ahead of the pandemic. That marked a modest gain from the comparable week of July, when postings were up 37 percent from February 2020.

Advertisements grew for jobs in healthcare, technology and finance positions that can be done remotely. Postings for child care and beauty and wellness fell and openings in construction and at restaurants rose only slightly.

The Federal Reserve's Beige Book, a collection of business anecdotes from around the country, in a Wednesday report separately said that economic growth weakened over the summer during the resurgence of Covid-19 cases.

"The deceleration in economic activity was largely attributable to a pullback in dining out, travel, and tourism in most districts, reflecting safety concerns due to the rise of the Delta variant," the report said. The report also cited continued supply problems and a shortage of available workers as factors holding back growth.

Separate jobs data from the Labor Department released Wednesday showed there were 10.9 million unfilled jobs at the end of July, when the Delta variant surge started, exceeding the 8.7 million Americans who were unemployed and seeking jobs in July. The report showed the number of hires in the month eased slightly to 6.67 million from 6.83 million in June.

"The supply of jobless workers currently looking for a job was well outstripped by employer demand," said Indeed economist Nick Bunker. "Even if demand slows down or even falters, job seekers remain in a relatively favorable bargaining position."

Economists have pared back expectations for economic growth this fall as the Delta variant increases uncertainty, causing some governments to impose new restrictions and making some Americans skittish about dining out and traveling. The American Hotel and Lodging Association said Wednesday that 69 percent of leisure travelers surveyed in August planned to reduce trips amid rising Covid-19 cases.

A number of factors are holding some Americans back from taking jobs, even though they are readily available. Those include fear of contracting Covid-19, employer vaccine mandates, lack of child care, and, until recently, enhanced unemployment benefits.

In July there were 83 unemployed workers for every 100 job openings, a ratio last seen in December 2019. Unemployment did drop in August, so this ratio may have fallen further depending on what happens to job openings.

Extended and enhanced unemployment benefits related to the pandemic ended nationwide Monday. Those benefits increased payment by \$300 a week on top of state levels and offered benefits to those out of work for more than six months as well as gig workers not typically eligible.

It isn't yet clear how the ending of those benefits will affect the labor market this fall. About half of states ended participation over the summer, while the remaining states continued to offer the benefits to workers. Regular state programs remain in place, which give laid-off workers an average weekly benefit of \$325.85.

Many economists expect that ending of the benefits will prompt some people to take jobs, though how many is an open question. A Wall Street Journal analysis found that states which ended enhanced benefits saw the same pace of job growth as states that continued offering the pandemic-related extra aid in May through July.

While many businesses said the enhanced benefits had made it difficult to fill lower-wage jobs in recent months, the Delta variant has renewed some Americans' fear of returning to in-person work and made child care less certain as the virus has disrupted many schools.

Indeed data showed categories such as food service and tourism had driven overall gains in job openings during the first half of the year. At the time, widespread availability of vaccinations increased consumer confidence and raised the prospect that the economy would soon fully reopen.

That changed in August.

"The Delta variant has thrown a wrench into things and the pace of postings has slowed down," Mr. Bunker said.

Postings for beauty and wellness jobs, such as those done in salons and spas, fell 8.5 percent during August, after jobs in those industries had returned to a pre-pandemic level in the prior month, Indeed said. Job openings in child care fell 3.3 percent. Openings for food-services positions were up 0.7 percent in August, after strong gains earlier in the year.

Postings for jobs that can largely be done from home – mainly white-collar occupations – increased in August, according to Indeed. Software development postings rose 19 percent in August, it said, while those for human resources jobs were up 13.2 percent. Banking and finance postings increased 10.8 percent.

Wednesday's Labor Department report on July openings showed a similar pattern. Available jobs surged in healthcare and social assistance, up by 294,000, or 20 percent, in July from June. Openings in finance and insurance rose by 116,000, or nearly 60 percent. In contrast, openings fell in retail, held nearly flat in the services category that includes salons and dry cleaners, and rose by 8 percent in food services and accommodations in July – the smallest increase in available jobs in the sector since January.

Regionally, the South had the highest rate of openings in July, and the Midwest had the lowest of four regions.

The rate at which workers quit their jobs remained elevated, holding just below April's record high.

The pandemic caused workers to reassess the jobs they want to do, where they want to live and how long they want to commute, while working from home reduced attachment to employers, said Dawn Fay, senior district president for staffing firm Robert Half. Ample job openings also give workers opportunities to jump to new firms.

"There is a lot of churn right now in the labor market," she said, adding that businesses are simultaneously creating new openings as the economy recovers from the pandemic, while also trying to back fill for employees who took another job. "I don't see it slowing down anytime soon," Ms. Fay said.