June job openings hit 13-year high

Another growth sign: More quitters

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Job openings climbed for the fifth-straight month in June, reaching their highest level since early 2001, the Labor Department said Tuesday.

The latest figures, from Labor's Job Openings and Labor Turnover Survey — or JOLTS for short — offer further evidence of the job market's growing strength this year.

The seasonally adjusted level of openings was 4.7 million on June 30, up from 4.6 million at the end of May, the Labor Department said. Openings have risen sharply this year from 3.87 million in January, with increases averaging 159,000 per month.

Unemployed workers still exceeded openings by almost 2-to-1 in June, but that's much improved from the 3-1 ratio a year earlier.

Hires also rose slightly, increasing to a seasonally adjusted 4.8 million in June, up 92,000 from May.

Quits — a measure of workers' confidence in their ability to find a new job — rose by just 47,000 to 2.5 million, but that was the highest level since June 2008.

"Businesses are hiring and people are quitting, two clear signs that the labor market is firming," said economist Joel Naroff of Naroff Economic Advisors. "Firms are looking for new employees, but they are also having trouble filling the positions: Over the year, openings rose nearly twice as rapidly as hiring," he said.

The recent trend in job openings is one of several encouraging signs pointing to a strengthening labor market.

For the first time since 1997, the economy has strung together six straight months of job gains exceeding 200,000. Last month, employers added 230,000 jobs.

Meanwhile, the unemployment rate fell to 6.2% in July, more than a percentage point below July 2013 and a half-point lower than February and March. And first-time claims for unemployment over the latest four weeks have averaged 289,000 — the lowest since early 2006. Heidi Shierholz, an economist with the liberal-leaning Economic Policy Institute, says the JOLTS data show that the hiring rate remains below its pre-recession level.

"For a full recovery in the labor market to occur, hiring needs to pick up," she said.

Federal Reserve policymakers are closely watching jobs as they weigh when to start raising short-term interest rates, which they have held near zero since the financial crisis in 2008.

The Fed has signaled that the first increase could come around mid-2015, but some private economists say signs of the economy's growing momentum could force the Fed's hand sooner.