U.S. Job Openings Dipped In August From July

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WASHINGTON (AP) — U.S. employers advertised slightly fewer jobs in August than July, while they filled the most positions in three months, offering a mixed signal on the job market.

The Labor Department said Wednesday that job openings dropped by 32,000 to 3.56 million in August. July's openings were also revised lower.

The job market remains very competitive. With 12.5 million people unemployed in August, there were 3.5 unemployed people, on average, competing for each open job. In a healthy economy, that ratio is 2 to 1.

Companies have been filling jobs slowly since the recession ended and often only when absolutely necessary. Total monthly hiring has increased just 15 percent since the Great Recession ended three years ago, even though job openings have risen nearly 63 percent in that same time.

The August report did offer some encouraging signs that the trend could change. Employers hired a total of 4.39 million people in August — the most since May.

And Wednesday's report on job openings and labor turnover follows a positive report on net hiring in September. That showed the unemployment rate fell below 8 percent for the first time in 3 ½ years.

Even with the gains, the job market remains weak and unemployment rate is still painfully high at 7.8 percent.

Economists note several reasons why hiring hasn't kept pace with the increase in job openings.

Applicants are passing on jobs when companies offer lower pay. Some employers are seeing fewer applicants with needed skills in key industries, such as manufacturing and information technology. Businesses are also worried about slower global growth and possible recession in the United States next year if Congress stays deadlocked on pending tax increases and spending cuts.

Roy Sweatman, president of Tampa, Fla.-based Southern Manufacturing Technologies Inc., says it's "almost impossible" to find skilled machinists to run the computer-assisted equipment in his factories. Southern Manufacturing makes precision components for the aerospace and defense industries.

The company is also worried about big cuts in defense spending, among those set to take place next year if lawmakers can't reach a deal.

There are eight job openings at the 110-person company. They are being filled only when absolutely necessary.

"We are looking for folks now, but we are doing it with a bit of trepidation," he said. "I would hate to hire them and then have to let them go next year."

Hiring has improved from the spring. From July through September, employers added an average of 146,000 a month. That's more than double the average monthly job growth during the previous three months.

Even with the gains, hiring must be stronger to bring relief to the unemployed. Roughly 100,000 new jobs are needed each month to keep up with the working-age population.

The economy is growing too slowly to create more jobs. The economy expanded at an annual rate of 1.3 percent pace in the April-June quarter, down from 2 percent in the first three months of the year. Most economists expect growth to remain at a sluggish pace of around 2 percent for the rest of the year.

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