

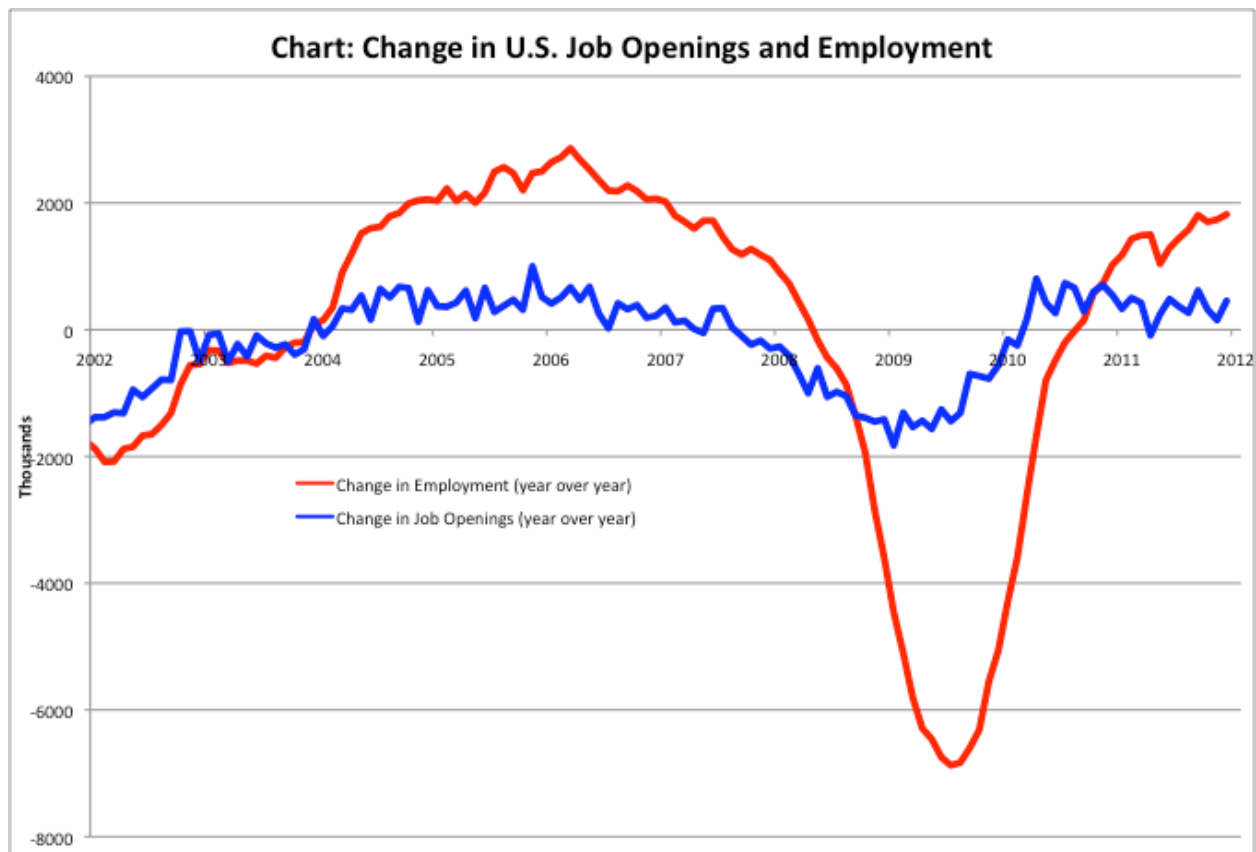
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## Will U.S. Employment Growth Be Sustained?

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The U.S. economy added an impressive 243,000 jobs in January. Those who follow economic news may recall that the similarly impressive employment gains of early 2010 and 2011 were followed by disappointingly smaller gains. Are we likely to repeat a pattern of disappointment in 2012, or are the employment gains likely to be sustained into future months?

As shown in the chart, changes in job openings lead changes in employment. The change in job openings peaked in late 2005, four months before the peak in job creation, and then turned negative in late 2007, eight months before employment began declining. The change in job openings hit bottom in early 2009 and then reached positive territory in early 2010, in both cases six months ahead of the changes in employment. Changes in job openings have been positive since April 2011, which suggests employment growth is likely to be sustained over the coming months.



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