The Flows View of the U.S. Labor Market?

John Haltiwanger

University of Maryland and NBER

October 10, 2013
Job Creation and Destruction Rates, U.S. Private Sector, Quarterly, Source: BED
Quarterly Job Destruction, Layoffs, and Quits: U.S. Private Sector

Source: Davis, Faberman and Haltiwanger (2011), BED and JOLTS
Relating Job Destruction and Layoffs to Unemployment Inflows

Source: Davis, Faberman and Haltiwanger (2011), BED and JOLTS
Quarterly Job Creation and Hires: U.S. Private Sector

Source: Davis, Faberman and Haltiwanger (2011), BED and JOLTS
About half of worker reallocation (hires+separations) due to job reallocation. Both job and Excess churning exhibit downward trends. Excess churning has fallen substantially in Great Recession and been slow to recover.
Important to distinguish between firm size and firm age...

Net Growth Rates by Firm Age and Firm Size  

Source: BDS
Job Creation Rates by Firm Age and Firm Size

Source: BDS
Job Destruction Rates by Firm Age and Firm Size

Source: BDS
Declining Share of Activity from Young Firms
(Firm Age Five or Less), Source: BDS
Gross Job Creation Levels by Employer Size

Source: BLS BED
Job Destruction Levels by Employer Size

Source: BLS BED
Monthly Hires by Establishment Size Class, JOLTS
Monthly Quits by Establishment Size Class, JOLTS
Monthly Layoffs by Establishment Size Class, JOLTS
Goods producing – destruction more than “recovered” but creation has not...
Service sector similar but somewhat more robust recovery....

Source: BED