

JOB MARKET CHANGES FOR GOOD



Many economists believe that the recession that started in the United States in 2007 has caused the job market in the United States to be changed forever. When the recession first began, many businesses and companies suffered. Those that did suffer often went out of business which left many people unemployed and out of work. After becoming unemployed, these people found it hard to find new employment because the demand for workers was at an all-time low. It is believed that the United States may never be able to go back to its days of having a steady 5 percent rate of unemployed individuals. The reason is partly due to the fact that when individuals become unemployed, they are not finding work automatically after. In fact, it has been a troubling time for people who are unemployed and looking for work. With so many people unemployed and only a number of job positions available, potential employees are left competing with one another. This is a terrible thing for the people but a good thing for companies because it enables them to be selective about who they are hiring since they have so many choices. Data that was recently released by the Labor Department shows that while job openings are taking place, the unemployment rate is still higher than it used to be prior to the recession. This troubling data makes some wonder if the job market will ever return to the way it was before the recession took place and before the economy took such a hit. There has been some positive news but it seems as though the negative outweighs the positive. The positive news that was provided was that the job positions available for unemployed individuals had increased for the month of September. The increase was higher than it was the past three years during the same month. However, while many job openings are taking place rapidly, rapid employment is not taking place. An economist at Barclays Capital, Michael Gapen, has said, "That job openings are outpacing hires tells us that labor market frictions are keeping the rate of job finding subdued." With these noticeable frictions, it is obvious to most, especially economists, that while the recession is going away, it has left such a huge mark. It is believed that it will still take plenty of years for different industries to hire enough employees to equal about the same amount of employees that were hired for those industries prior to the recession. It is also believed that the extension of unemployment benefits is another reason why some of these job openings are not being filled by employees. With an extension of weeks that an individual does not have to work but still gets paid, individuals may be putting off finding employment until they get closer to their unemployment benefits running out.

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