

Job openings remain close to record-lows

Job openings stuck near record-lows as companies hesitate to hire despite recovery

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WASHINGTON (AP) -- Job openings are at rock-bottom levels, according to government and private surveys released Tuesday, a trend that could keep the unemployment rate high even as layoffs slow.

Small businesses in particular are reluctant to add workers as they struggle to obtain credit. Many are pushing their current employees to produce more. Economists say small businesses account for about 60 percent of new jobs.

Still, there are some pockets of hiring as demand for information technology and sales professionals grows, according to government reports and job search Web sites. And there are signs that companies are adding more human resources personnel, which could signal more hiring down the road.

"We've seen a real spike in the hiring of contract recruiters," said Phil Haynes, managing director of AllianceQ, an employers' association that includes companies such as Starbucks Corp., Bank of America Corp. and Intuit Inc. "The recruiters come before the jobs."

But overall, it's a tough time to be out of work. There are about 6.1 unemployed workers, on average, competing for each job opening, a Labor Department report shows. That's down slightly from 6.2 last month, the most since the department began tracking job openings nine years ago.

It's a sharp increase from only 1.7 workers per opening when the recession began in December 2007.

The department's Job Openings and Labor Turnover survey said employers advertised about 2.5 million job openings at the end of September, up slightly from the previous month. That's down from a peak of 4.8 million openings in June 2007.

Layoffs are slowing a bit. Employers cut a net total of 190,000 jobs in October, the government said last week, much lower than the average of about 700,000 a month in the first quarter of this year. But until companies are willing to hire, the unemployment rate is likely to keep rising from its current level of 10.2 percent, the highest in 26 years.

The increase in joblessness came even as the economy grew by 3.5 percent in the July-September quarter, the strongest signal yet that the recession is over.

Many economists worry the U.S. will experience a jobless recovery. That happened after the last two recoveries in 1991 and 2001, when the unemployment rate didn't peak until 15 months and 19 months, respectively, after those recessions ended.

The National Federation of Independent Business said Tuesday that small companies remain skeptical about the recovery. Its Index of Small Business Optimism rose 0.3 points to 89.1 last month, the third straight increase but still below the 94.6 reading in December 2007.

Small businesses are reluctant to hire or invest in expansion, the monthly survey found. Sixteen percent of the survey respondents plan to cut jobs over the next three months, while only 9 percent plan to hire.

"Overall, the small business job machine is still in reverse," said William Dunkelberg, NFIB's chief economist.

Many small businesses also are still having a hard time getting loans, the report said.

Ray Pinard, the CEO of Boston-based 48HourPrint.com, was able to borrow to buy additional printing equipment but said it took much longer to find a lender than the last time the company needed a loan in 2007.

The additional equipment may eventually require more workers, but not anytime soon. "As we ramp up the volume on the equipment, we'll try to use existing personnel first," Pinard said.

Still, some companies are looking to increase revenue by hiring more sales people.

The Conference Board's Help Wanted Online report, released last week, found that sales jobs saw the largest increase in vacancies among the 10 largest occupations, with a jump of about 11 percent. But overall, total jobs posted fell by 83,200 last month to nearly 3.3 million, the

business research group said.

Opel Solar Inc., an 8-year-old solar panel designer based in Shelton, Conn., and Toronto, Ontario, has added six positions this year as the government's stimulus package helped companies and communities get funding for solar projects.

Opel has one active opening, in sales, and will probably add one or two additional positions soon, vice president Pat Agudow said.

In addition, the information technology sector has been slowly adding jobs in recent months. According to the Labor Department's employment report last week, the computer systems sector added about 4,500 jobs in October.

Tom Silver, senior vice president for North America at Dice.com, a job site for technology professionals, said that job postings are increasing in two large technology markets -- Silicon Valley and New York City -- as well as some smaller locations, such as Austin, Texas, and Charlotte, N.C.

New York-based job postings have risen 16 percent so far this year, he said, while they are up 6 percent in Silicon Valley.

"For the first time in more than a year, recruiters and hiring managers have more confidence in the underlying business climate," he said.

AP Business Writer Tali Arbel in New York contributed to this report.

<http://finance.yahoo.com/news/Job-openings-remain-close-to-apf-1854524839.html?x=0&sec=topStories&pos=6&asset=&ccode=>