

US job openings drop; layoffs hit highest level in more than two years

WASHINGTON, May 2 (Reuters) – U.S. job openings fell for a third straight month in March and layoffs increased to the highest level in more than two years, suggesting some softening in the labor market that could aid the Federal Reserve’s fight against inflation.

Still, the labor market remains tight, with the monthly Job Openings and Labor Turnover Survey, or JOLTS report, from the Labor Department on Tuesday showing 1.6 vacancies for every unemployed person in March. That compared to 1.7 in February.

Fed officials, who started a two-day policy meeting on Tuesday, are closely watching this ratio. The U.S. central bank is expected to raise its benchmark overnight interest rate by another 25 basis points to the 5.00%-5.25% range on Wednesday before potentially pausing its fastest monetary policy tightening campaign since the 1980s.

“The decline in the ratio of job vacancies to unemployment in the last three months represents a reduction in the excess demand for labor that will be welcomed by the Fed,” said Conrad DeQuadros, senior economic advisor at Brean Capital in New York.

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