

## Using Monthly Employment Change to Verify Hires and Separations Data

Over the past year, a number of employers have requested a clarification of the JOLTS definitions and reporting instructions. Specifically: **whether a firm’s monthly employment change must equal the reported Hires minus Separations.**

*Example:* Firm A reports:

Month	Employment	Openings	Hires	Separations
December	10	3	0	0
January	14	2	5	1

In this case, Employment from December to January is fully explained by the “5” Hires and “1” Separation – but this may not always be true. In many industries, this relationship will be very close each month, or will average-out across several months; however, there are a number of reasons why it may not be exact, including:

- the reference period for employment is the 12<sup>th</sup> of the month, whereas Hires and Separations have an end-of-month reference period;
- part-time employees may not be scheduled to work every pay period, which could cause a temporary employment drop, but no actual separations; or
- employees on an extended non-pay leave status who have not been officially removed from the firm’s personnel roster.

While this is not an exact relationship, respondents should use it as a helpful guide when preparing their monthly data.

### Using Monthly Employment Change to Help Verify Hires and Separations Data:

**Does *Employment Change = Hires – Separations* ?**

**We are requesting our respondents to check this relationship each month as they prepare their data. This will help identify possible Hires/Recalls or Separations which may have been missed. Correspondingly, our data collectors also will periodically request respondents to help clarify their reported data where the employment change appears out-of-line with the reported Hires and Separations data. Again, as noted above, there are valid reasons for differences to occur.**

The employment relationship has proven very useful in developing accurate Hires and Separations data; using this relationship, respondents have been able to identify instances where:

- Hires data did not include the “Recalls” who were reported as Layoffs two (2) months earlier; and
- Separations data did not include the subsequent layoff of temporary, seasonal hires (e.g., Christmas build-up/layoff cycle).