

Quits versus layoffs

When workers and employers go their separate ways, who usually initiates the split? Data from the U.S. Bureau of Labor Statistics (BLS) suggest that the answer has a lot to do with the overall state of the economy.

As the chart shows, when workers leave a job, it's usually because they choose to quit. At least, that's been the case over most of the 10 years BLS has been collecting such data.

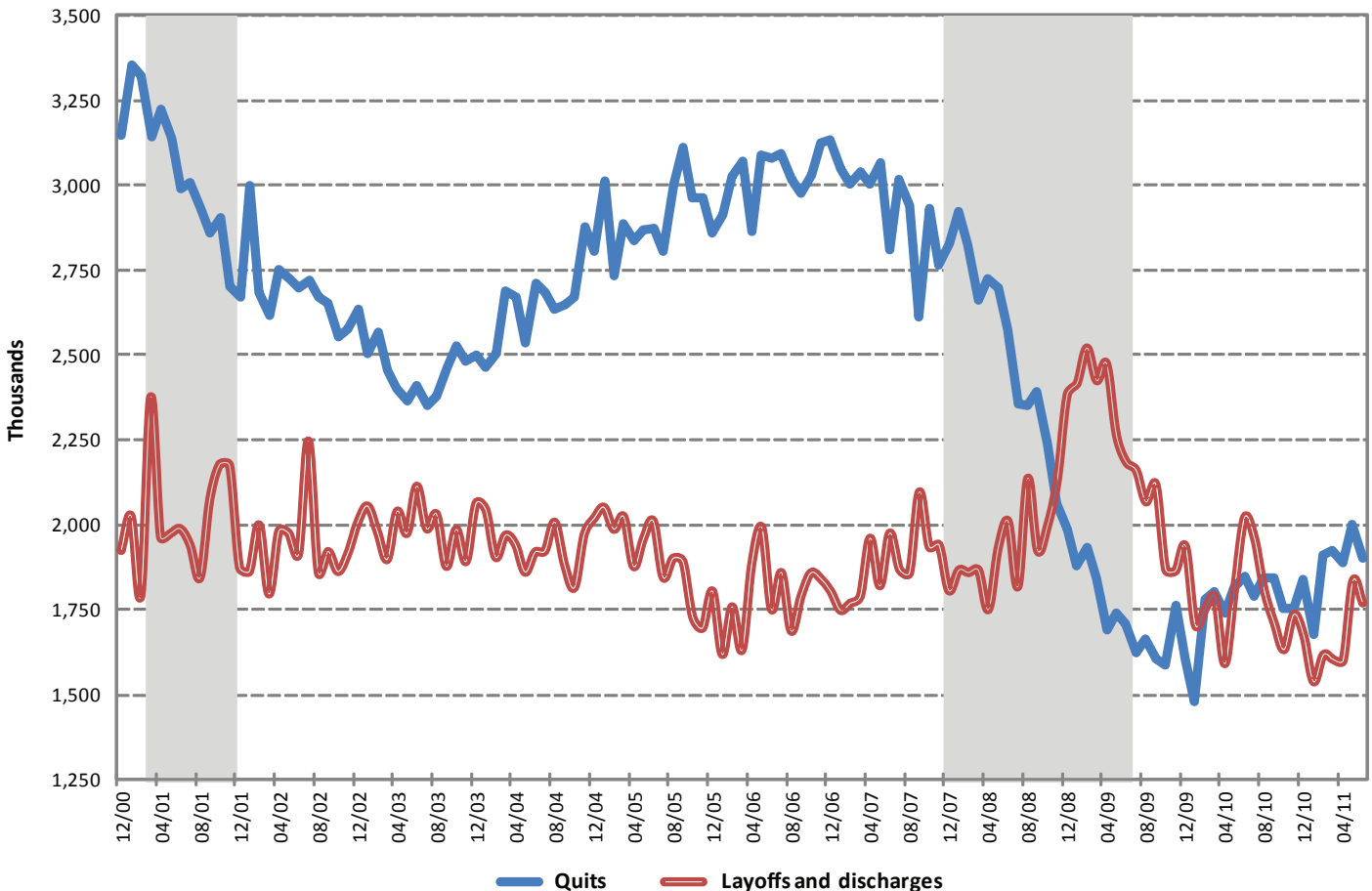
But workers quit less, either by choice or by necessity, during the past two recessions. And the decline in quits associated with the most recent recession was especially dramatic: Quits fell by more than half. This dropoff was accompanied by an unprecedented spike in the number of involuntary separations—the first time since the data series began, in fact, that involuntary separations outnumbered quits.

Quits tend to increase when jobs are perceived as readily available and tend to fall when jobs are perceived as scarce. In the past decade, quits have been a lagging indicator at the start of a recovery.

In contrast, layoff and discharge levels fluctuate for a variety of reasons. Some, such as firings for cause, occur in all economic climates. But others, such as business closures, cost-cutting layoffs, and downsizing, are more closely associated with recessions.

These data are from the BLS Job Openings and Labor Turnover Survey. For more information, write to Job Openings and Labor Turnover Survey, 2 Massachusetts Ave., NE, Suite 4840, Washington, DC 20212; call (202) 691-5870; or visit the program's website at www.bls.gov/jlt.

Quits versus layoffs and discharges, seasonally adjusted, December 2000 to June 2011



Note: Shaded areas denote recessions as determined by the National Bureau of Economic Research (NBER). Source: U.S. Bureau of Labor Statistics and NBER.