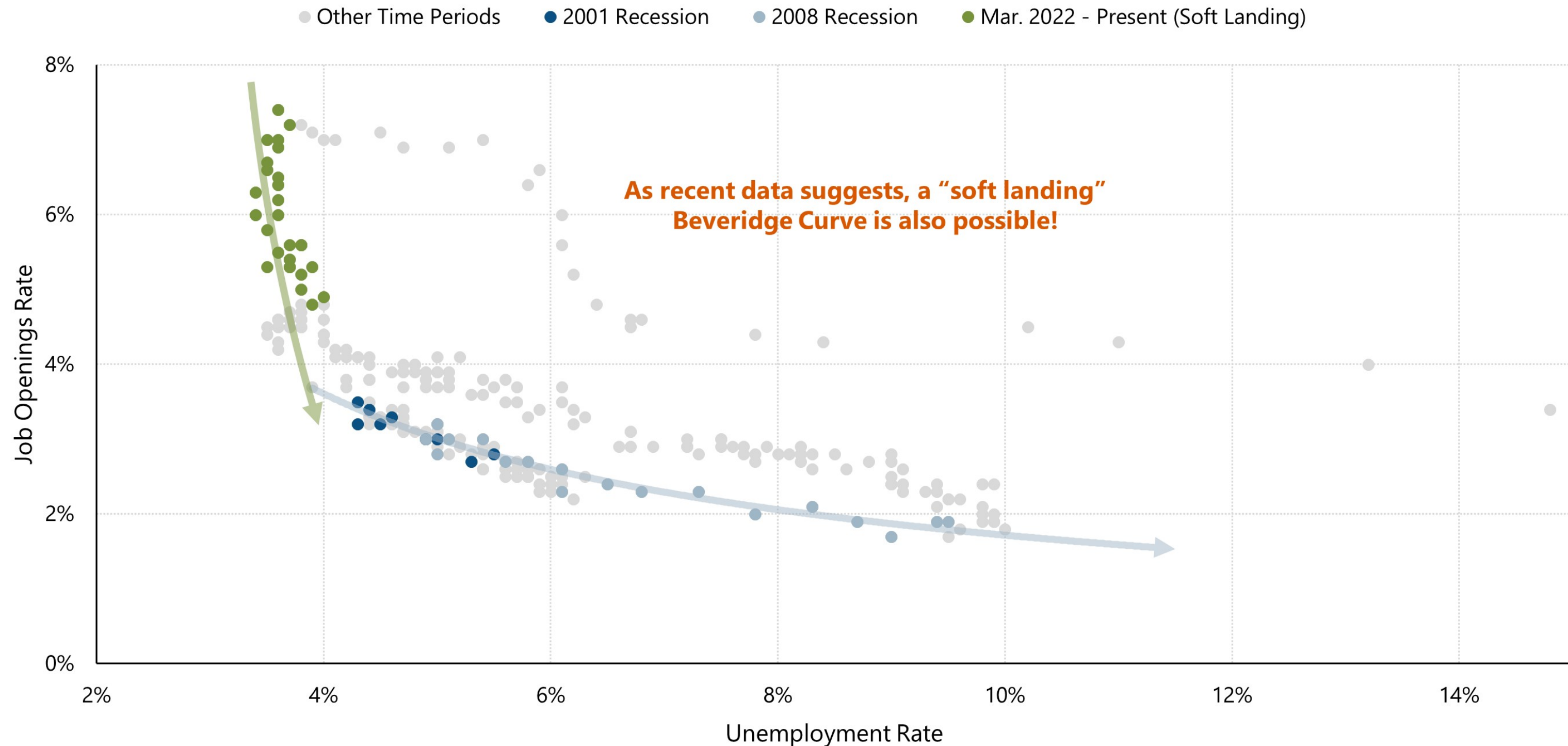


Beveridge Committee

Job Openings* And Unemployment Rates Since 2001 (Beveridge Curve)

For The Week Ending 07/19/2024



Source: Bureau of Labor Statistics

*The job openings rate, also known as the vacancy rate, is the number of job openings as a percent of the labor force

This week, Federal Reserve Governor Waller reflected on his argument for a "soft landing" back from [August 2022](#). At the time, Governor Waller argued that declining job vacancies were not necessarily a precursor to rising unemployment, despite what the historical relationship between the two—the Beveridge Curve—suggested. Despite all the [chatter](#), the job vacancy rate has dropped from 7.4% to 4.9%, close to the pre-pandemic average, with the unemployment rate only rising a mere 0.5 percentage points. If inflation moderates in the second half of 2024, the Federal Open Market Committee (FOMC) can reduce rates in the "not-too-distant future" and "may well be able to achieve the soft landing," per Waller this week. Sometimes, it's good news for consensus economic wisdom to be proven wrong.