Worst. Hires Rate. Ever.

Welcome to the “Help Not Wanted” economy.

By Jerry Bowyer

It’s not enough for most people to know what the unemployment rate is and whether it’s going up or down. It’s not enough for investors and entrepreneurs living during some of the strangest times in American financial history. And it’s not enough for citizens trying to decide whether the policy proposals now in Washington are worthy of their support. If you fall into any of these categories, you need to know more about the labor market than the headline numbers. In particular, you need to know the JOLT.

Last week we learned that non-farm payrolls dropped by “only” 247,000 and that the unemployment rate decreased a tick from 9.5 percent to 9.4 percent — important statistics both. This week, however, a lesser-known but no-less-vital jobs indicator arrived: the Job Openings and Labor Turnover Survey (or JOLT, to its friends). This survey breaks down the ins and outs, literally, of our dynamic employment system. It tells us how fast we’re hiring, firing, quitting, and offering gainful employment. Critically, it tells us the hires rate.

The Bureau of Labor Statistics defines the hires rate as the “number of hires during the month divided by the number of employees who worked during or received pay for the pay period that includes the 12th of the month.” And the latest hires rate — the worst in the history of this measure — confirms what BuzzCharts has been reporting for months (see “Obama’s Magical Misery Tour” and “The Jobless Recovery”): Entrepreneurs and business managers are frozen. They’ve stopped posting want ads and they’ve stopped adding staff. When I look at the chart above, I see a giant sign hanging in the window of America. It reads: “Help Not Wanted.”

Economic minds on the political left might reflexively counter that the blame should fall on the greedy businesspeople who are not hiring. But even if we concede that business owners are greedy (which we do not), was there ever a point, across the hundreds of months during which the hiring rate has been reported, when they *weren’t* greedy? Weren’t they greedy when they went on a hiring*spree* following passage of the Bush-Cheney (or is it the other way around?) tax cuts of 2003? Did *Obama* make them greedy?

No, but Obama has made them scared. Everywhere I go I hear the same story. Business owners know the little details that academics and pundits don’t, and they know what *not* to do. They know, for example, that payroll taxes are not only scheduled to rise, but already have risen. And they know all too well that government-mandated unemployment compensation is funded by employers through an unemployment-compensation payroll tax. As a result, they know *not* to hire.

As a business owner, your unemployment-compensation level rises as you are forced to cut your workforce. And when job-market conditions are strained, as they are now, each new employee you hire becomes a potentially larger cost center than he used to be for each hour worked. If you let him go, you will end up paying him anyway every time you cut a check to your remaining employees. My friend Art Laffer calls this a “wedge” between employee and employer. It’s a job killer and a wealth killer.

BuzzCharts offers its sincerest prayers and condolences to the roughly 15 million Americans — including one in four teenagers and one in three African-American teenagers — who want work but can’t find it. We’ve been there too.

But if the job statistics don’t miraculously recover, you’ll need to proceed as follows: Next year, get out there and elect for yourself, and the rest of us, a new Congress. One that understands the way the world really works.

Two years after that, vote in a new president.

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