

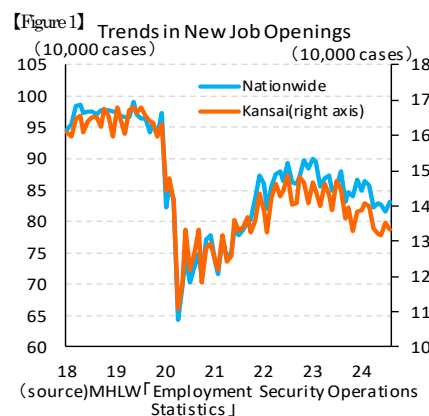
Economic Short Comment (09 Oct 2024)

One in Four New Job Seekers Are in Their 60s

～ Concerns About Persistent Employment Mismatches ～

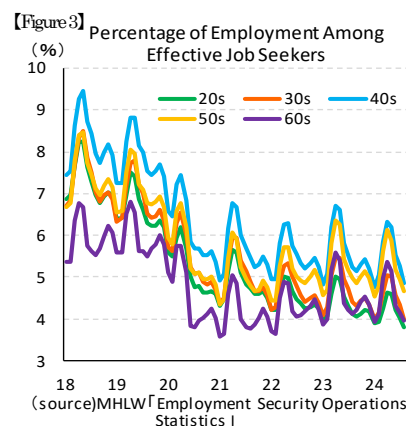
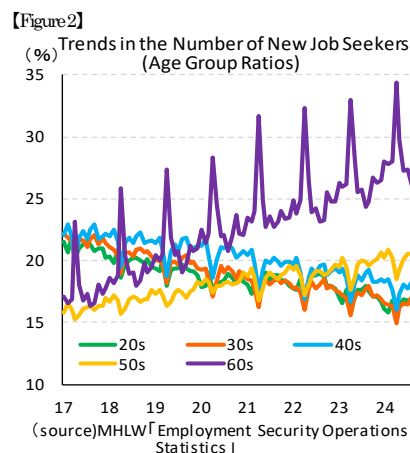
● Decrease in New Job Openings

One notable change in the recent job market is the trend of decreasing job openings. While the labor shortage faced by companies is becoming more severe, the number of job openings posted by companies is decreasing (Figure 1). This can be attributed to the diversification of recruitment channels, which is more of a medium- to long-term structural change and does not explain the short-term decrease. Regarding the recent decline over the past few months, it is likely due to the worsening profitability of small and medium-sized enterprises (SMEs), as suggested by voices from Hello Work. Despite struggling with labor shortages, SMEs are reluctant to post new job openings because they lack the financial capacity to hire new employees. With rising costs and difficulties in passing on these costs, the profitability of SMEs is deteriorating. At the same time, the cost of hiring new employees continues to increase due to rising wage levels across society, leading to a reluctance to post job openings.



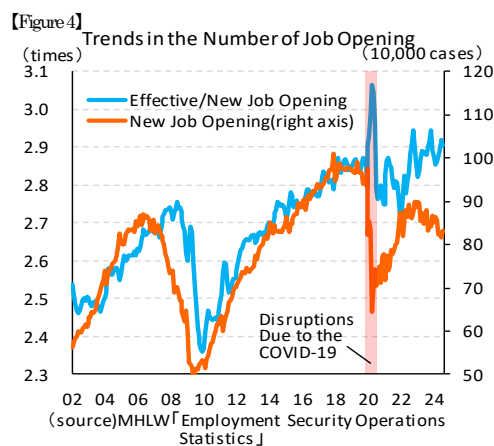
● Increase in the Proportion of Elderly Job Seekers

In addition to the decrease in job openings, another notable point in the recent job market is the increase in the proportion of elderly job seekers (Figure 2). Job seekers aged 60 and over tend to surge in April each year, but excluding April, the proportion was around 16% in 2017, whereas it has recently increased to around 27%, a rise of over 10 percentage points. This is partly due to an increase in job seeking among the elderly, but also due to a decrease among those in their 20s to 40s. The concern with this increase in elderly job seekers is the expansion of employment mismatches. The desired job types and working styles of seniors often do not match the needs of companies, making mismatches more likely to occur. This is reflected in the employment rate among active job seekers, with those in their 40s and 50s having a high rate of 5-6%, while those in their 60s have the lowest rate at 4-5% (Figure 3).



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job openings” ratio, which indicates the degree of job vacancy, has recently reached its highest level since 2002 (excluding the irregular period during the COVID-19 pandemic) (Figure 4). The stagnation of new job openings leads to an increase in effective job openings, indicating a strengthening trend of mismatches. Typically, in periods like the present where new job openings decrease, mismatches also tend to decrease. However, the opposite trend is observed recently. When new job openings decrease, the scarcity value of job openings increases, so the vacancy rate should normally decrease. The fact that vacancies are increasing in such a context can be considered an abnormal situation. While not all of these issues are due to the rising proportion of senior job seekers, it is undoubtedly a contributing factor. It is important to recognize that the persistent labor shortage faced by companies is influenced by these circumstances.



(Reference)

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