

Time to fill jobs  
in the US  
**January 2015**

The

**30** day

tipping point

## Key Findings

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**57%**

chance that the position will remain open for three months or more



For businesses that **fail to fill job openings within the first month**, there is a 57% chance that the position will remain open for three months or more. Approximately two-fifths (44%) of jobs in the US are filled within 30 days.



These delays can have serious consequences for businesses, **potentially resulting in longer working hours and lower quality work as a result of staff shortages**. This in turn can reduce morale and lead to higher staff turnover, ultimately raising hiring costs to the business further down the line. This research shows that over 330 million working hours are lost every month in the US from unfilled job openings.



Overall, reflecting a tightening in the US labor market, **most positions are taking slightly longer to recruit for compared to a year ago**. The percentage of jobs unfilled after 30 days rose by 0.8 percentage points – from 56.2% for the three months to October 2013 to 57% over the same period in 2014.



Across the 16 industries studied, the hospitality sector has the **greatest difficulty finding the right people**, with 43% of job openings in the sector still unfilled after three months.



There is significant variation in regional and state recruitment timelines throughout the US. **Eastern and Mid-Western states generally display longer timelines**, with Indiana having the highest proportion of openings going unfilled for three months or more, at 35.8%. In part, this reflects the greater prevalence of industries with harder-to-fill jobs within these states.



Differences in population skill sets within each state, and how well these match to those required by employers, are crucial in determining regional and state variances. **Higher-growth states may experience longer job opening timelines as a consequence of greater competition among businesses** to attract the best candidates.



At the sector level, in December 2014, **information technology and healthcare positions are some of the hardest to fill**. Of the top 20 most difficult jobs to fill, software engineers topped the list with seven in the top 20 hardest to fill positions, followed by four in healthcare, including nurses and physician assistants.



Of the 10 largest cities in the US, **Seattle** had the most jobs that were hard to fill followed by **San Francisco** and **Atlanta**.

## Introduction

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Each job opening represents an opportunity both for an individual and for a business. To the individual, it represents a potential income from employment, while the business itself needs to bring in the right people to allow it to produce goods and services to generate profits - difficulties in recruiting the right people can therefore have a detrimental effect on the productivity of businesses, as incumbent workers may not be adequately qualified, have to cover for skills shortages by working longer hours, or may not have the capacity to take on new work.

This report uses a combination of official statistics and Indeed's extensive job openings data to explore how long it takes to fill job openings.

*“This research demonstrates that employers must keep a close eye on the time that it's taking to fill positions. We have identified a ‘tipping point’ of 30 days. If a position remains unfilled after the first month, it is highly likely that the employer will struggle to fill this role within three months – meaning a significant knock-on effect to the productivity of their business.”*

Paul D’Arcy, SVP Indeed

## Job openings in the US

The length of time it takes for a company to fill a job can be a key determinant of its ability to expand. Using Indeed's job advertisement data, equivalent to almost half (47%) of job openings available in the US, it is possible to evaluate how long businesses take to find suitable candidates. This data is represented in Figure 1, which shows the proportion of job openings remaining after given lengths of time.

According to the data, 56% of job openings remain active after one month, illustrating that approximately half of businesses appear to be able to hire new people relatively quickly.

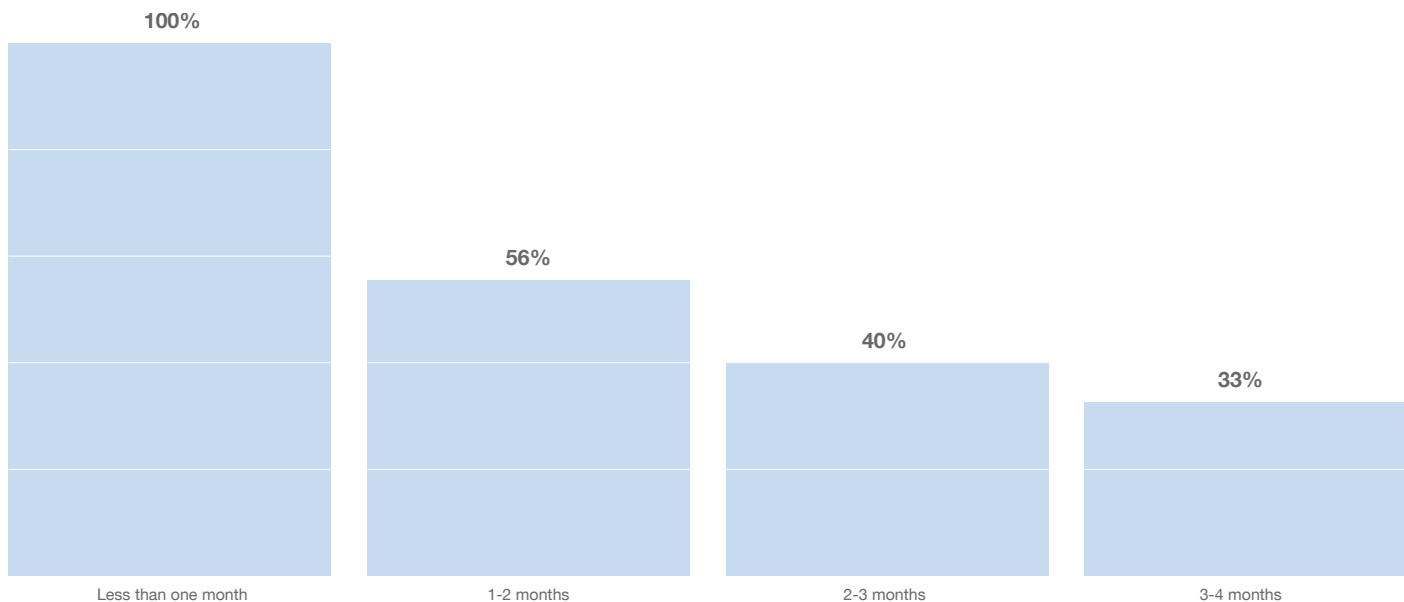
For a significant proportion of job listings, however, finding the right people appears to be somewhat trickier, as a third (33%) of job listings are still active after 3 months. This means that if a job is not filled within the first month, there is a 57% chance that the position will remain open for three months or more.

These delays can have serious consequences for businesses, potentially resulting in longer working hours and lower quality work as a result of staff shortages. This in turn can reduce morale and lead to higher staff turnover, ultimately raising hiring costs to the business further down the line.

Across the US economy, our research suggests that over 330 million working hours could be added every month if businesses were able to more effectively identify employees. These are hours that either have to be covered by existing employees, or are lost to businesses that would otherwise add to their workforce.

On the whole, hiring for most occupations is taking slightly longer than a year ago – as evidenced by the 0.8 percentage points rise in job openings taking more than 30 days to fill (from 56.2% for the three months to October 2013 to 57% over the same period in 2014). This appears somewhat reflective of the general tightening in the US labor market as the unemployment rate has fallen back to below 6%, while labor force participation remains low by historic standards, at less than 63%.

Figure 1 – United States, percentage of jobs remaining, averages 2013-14



Source: Indeed.com, BLS, Centre for Economics and Business Research (Cebr) analysis

## Comparisons across industries

By matching occupations to their relevant industries, it's possible to look at how different sectors fare in the jobs market. This is illustrated in Figure 2, which charts the percentage of job openings in each industry that remain unfilled three months after their initial posting.

The hospitality industry appears to have the greatest difficulty finding the right candidates, with over two-fifths (43%) of advertised positions remaining open for at least three months. Manufacturing closely follows this, where 38% of openings made it to the three-month mark.

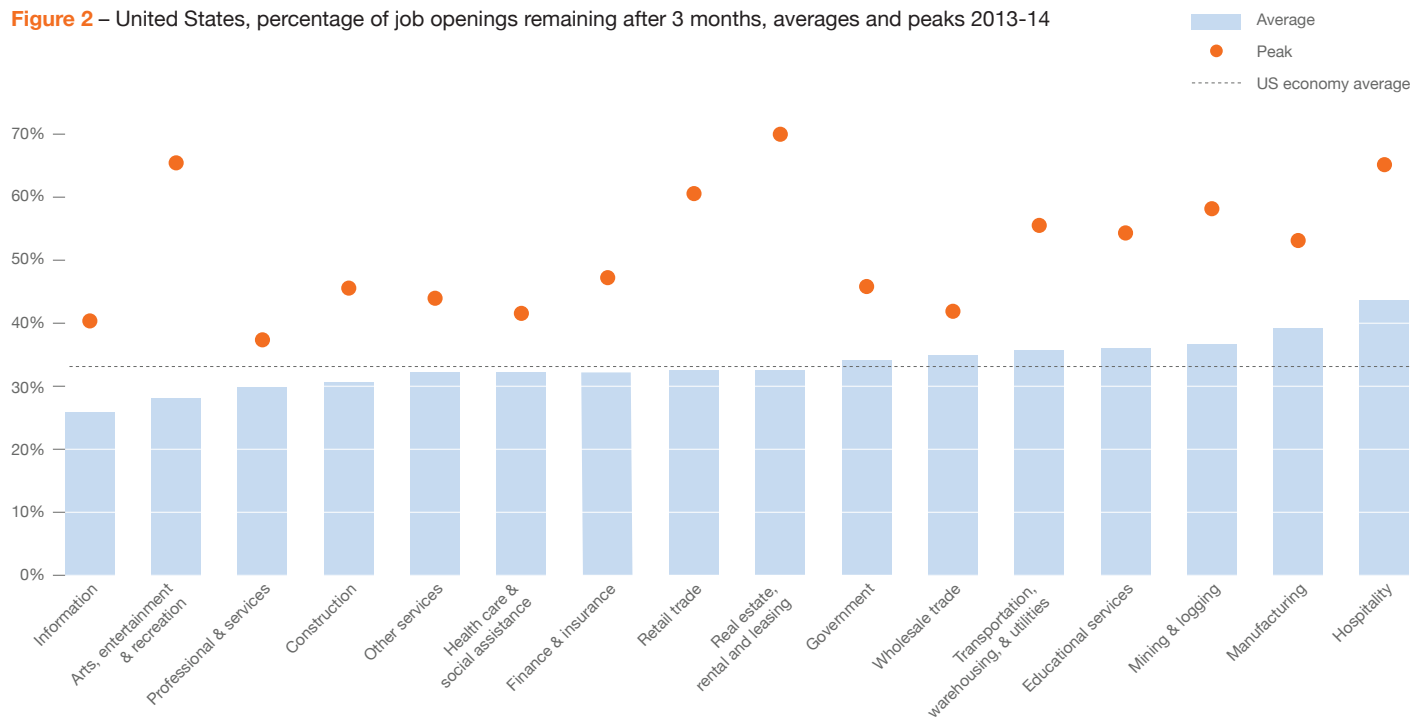
Both sectors saw moderate rises in employment over the same time period, which may have increased the time needed for employers to locate the right people, contributing to the relatively longer hiring timelines. This competition among employers for the employees may also be affecting the mining and logging sector, where 36% of vacancies remain active for at least three months.

This contrasts with the information sector, where employment growth has been slightly more subdued, and where just 25% of jobs remained open for three months.

Differences in employment growth are unlikely to be the only cause, however, since some sectors experiencing relatively stronger increases in employment – such as professional services and arts and entertainment – have been able to fill their job openings more quickly. Other factors, such as wages and salaries, and the availability of in-demand skills sets, are also likely to be playing a role.

The chart also shows how hiring can become more difficult at different times of year. Job ads posted in some months can prove over twice as hard to fill compared to the typical average, as shown by the peak markers on the chart. In the real estate sector, for example, 69% of job openings took over three months to fill at their peak over the past 12 months, compared to an average of just 32%.

Figure 2 – United States, percentage of job openings remaining after 3 months, averages and peaks 2013-14



Source: Indeed.com, BLS, Cebr analysis

## Toughest Jobs to Fill in the US

Behind the recruitment trends shown across industries, detailed job descriptions allow us to examine which job titles are most difficult to recruit for, and in which cities. Table 1 shows the 20 most difficult job titles to fill in the 10 largest cities in the US.

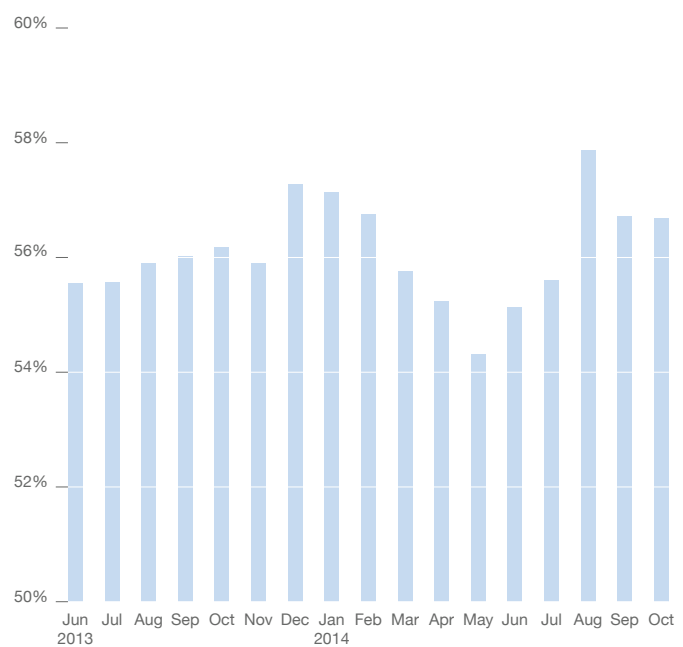
Half of the top 20 are management or supervisory positions, suggesting that more senior posts take longer to fill. Positions within the IT sector are also well represented, which would indicate that while the Information industry itself may have short recruitment timelines (see Figure 3), there are certainly segments within it where finding the right people for the job is proving more challenging.

Comparing between cities, Seattle has the most job titles within the top 20, with four represented. Seattle is followed closely by Atlanta with three. Five cities - Chicago, Dallas, Los Angeles, San Francisco and Washington - each have two job titles that make it into the top 20 toughest to fill.

**Table 1** – 20 most difficult-to-fill job openings in the 10 largest US cities in December 2014

Rank	Detailed occupation	City
1	Retail Sales Manager	Chicago
2	Operations Manager	Austin
3	Retail Sales Manager	Atlanta
4	Computer Software Engineer	Washington
5	Computer Software Engineer	Seattle
6	Management Analyst	Atlanta
7	Computer Software Engineer	San Francisco
8	Computer and Information Systems Manager	Seattle
9	Software Quality Assurance Engineer	Washington
10	Retail Sales Manager	Dallas
11	Medical and Clinical Laboratory Technologist	Los Angeles
12	Physician Assistant	Atlanta
13	Management Analyst	San Francisco
14	Customer Service Representative	Chicago
15	Sales Representative	Dallas
16	Sales Manager	Seattle
17	Software Quality Assurance Engineer	New York
18	Registered Nurse	Houston
19	Registered Nurse	Seattle
20	Marketing Manager	Los Angeles

**Figure 3** – Percentage of jobs unfilled after 30 days, by month posted (3 month rolling average)



Source: Indeed.com, ONS, Cebr analysis

## State-by-state comparisons

In addition to the variation identified across industries, there are also significant differences in job opening timelines across US states. These are illustrated in Figure 4, which shows the percentage of jobs remaining unfilled after three months in each state. The regional findings suggest that businesses in Western states (such as Montana and Oregon) are able to fill positions more quickly. Alaska is found to have the lowest proportion of job openings taking three months or more to fill, estimated at just 24.1%.

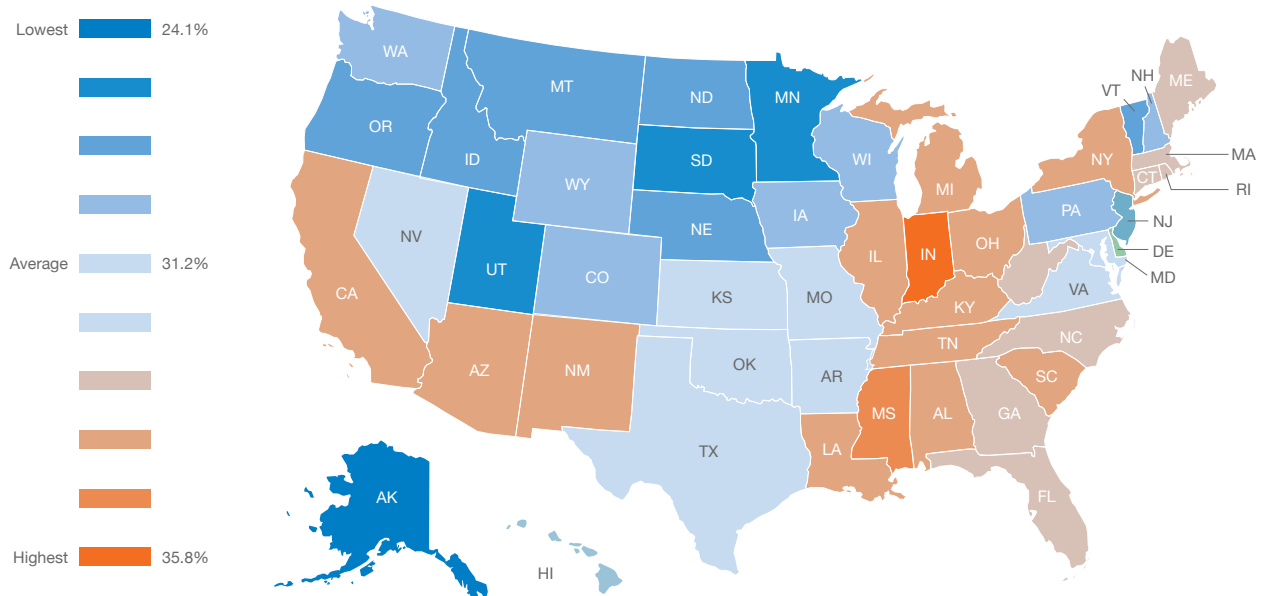
Meanwhile, Eastern and Midwestern states generally display longer timelines, with Indiana having the highest proportion of openings going unfilled for three months or more, at 35.8%. In part, this reflects the greater prevalence of industries with harder-to-fill jobs within these states. Indiana, for example, has the highest proportion of employees working in manufacturing of any US state, which makes a significant contribution to the length of time taken to fill openings. The economic

powerhouses of New York and California are not far behind, with over 34% of job openings typically remaining open for more than three months – this contrasts with faster recruitment in Texas where less than 32% of vacancies remain unfilled for this long.

In Wyoming and North Dakota, which have higher concentrations of construction activity than the national average, recruitment is helped by the shorter job opening timelines seen in the sector. But the differences by sectors can only take us so far in explaining the differences across states.

Differences such as the skills sets of the populations within each state, and how well these match to those required by employers, are also crucial in determining the rate of unfilled jobs. In addition, higher-growth states may experience longer job opening timelines as a consequence of greater competition among businesses to attract the best candidates.

Figure 4 – United States, percentage of unfilled after 3 months, by state, average 2013-14



Source: Indeed.com, ONS, Cebr analysis

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**Authorship and acknowledgements**

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