

16 July 2025 (No. of pages:1)

Japanese report: 09 Jul 2025

Does Stagnation of the Active Job Openings-to-Applicants Ratio Reflect the Actual Situation?

Be mindful of fluctuations in data and biases in aggregation targets due to the nature of operational statistics

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Summary

- Despite many employment-related indicators suggesting tight labor supply and demand, the active job openings-to-applicants ratio has remained significantly low even recently. This paper analyzes the factors behind the continued stagnation of the active job openings-to-applicants ratio compared to pre-pandemic levels, evaluates its trends, and discusses effective ways to utilize the statistics of the Employment Referrals for General Workers, including the active job openings-to-applicants ratio.
- Factors contributing to the stagnation of the active job openings-to-applicants ratio compared to the 2019 fiscal year are as follows: (1) Some companies refrain from using public employment services following changes to the job postings form in January 2020, (2) A decrease in job openings for certain occupations (sales and services) and for seniors (aged 55 and older), and (3) An increase in the number of job seekers, particularly among seniors. The sales and service sectors have historically had relatively few job seekers entering the workforce through public employment services, so there may have been an expansion of recruitment activities through private services. The increase in the number of job seekers in the senior age group is also attributed to the public employment services expanding their support programs for seniors.
- The statistics of the Employment Referrals for General Workers are advantageous in that they include small and micro enterprises in their data collection and comprehensively reflect job vacancy and job seeker trends at public employment offices nationwide. However, as these are operational statistics, data may fluctuate due to changes in business content or processes. Additionally, the trends of companies and workers who often (rarely) utilize public employment offices are more (less) likely reflected. When analyzing labor supply and demand using the active job openings-to-applicants ratio as a reference, it is important to interpret the data by comparing it with other statistics and fully considering these characteristics.