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COMMENTARY

Job Market Slowdown: What the Latest JOLTS and NFP Data Reveal

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The labor market and employment are assessed through the Job Openings and Labor Turnover Survey (JOLTS) and the Non-Farm Payroll (NFP). The Bureau of Labor Statistics releases the monthly JOLTS estimates of “job openings, hires, and separations for the nation” and the individual states.¹ The NFP is macroeconomic data that measures the monthly change in the number of employees on non-agricultural business payrolls.² The U.S. Department of Labor publishes the NFP on the first Friday of each month.³

Weak data in the NFP presents through sub-estimate payrolls, downward revisions, and rising unemployment.⁴ Likewise, weak data in the JOLTS presents through fewer job openings, high unemployment rates, low hires, and high layoffs and discharges.⁵

On September 3, 2025, the Bureau of Labor Statistics (BLS) released the July JOLTS.⁶ Job openings in the United States fell from 7.44 million in the previous month to 7.18 million in July.⁷ For the first time in four and a half years, the United States economy lost jobs in June.⁸ Two days later, on September 5, 2025, the BLS released the August NFP.⁹ The data revealed that job growth

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¹ *Job Openings and Labor Turnover Survey*, U.S. BUREAU OF LAB. STAT., <https://www.bls.gov/jlt/> (last visited Sept. 17, 2025).

² *Non-Farm Payroll 2025 schedule – date and time when the NFP numbers are released*, SIMPLEFX, <https://simplefx.com/blog/non-farm-payroll-2025-schedule-what-time-is-nfp/> (last visited Sept. 17, 2025).

³ *Id.*

⁴ Kai Lan, *Non-Farm Payrolls And Their Impact On The Market And Economy*, SIMPLEFX (Feb. 15, 2023), <https://simplefx.com/blog/2023/02/15/non-farm-payrolls-and-their-impact-on-the-market-and-economy/>.

⁵ Waverly Langston, Rachel Gretencord, Jessica Jackson, Dustin Nord, & Benjamin Iannuzzi, *Using JOLTS Data to Understand Regional Labor Markets*, ADVANCECT (Jan. 2024), <https://www.advancect.org/research/jolts/>.

⁶ Aiden Reiter, Ian Smith, Leo Lewis, & Arjun Neil Alim, *Global bonds rally after poor US economic data*, FIN. TIMES (Sept. 3, 2025), <https://www.ft.com/content/12877ec4-daa6-4cd5-af29-494fd12554bf>.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

was weak, with only 22,000 new jobs created.¹⁰ Further, the unemployment rate increased to 4.3%.¹¹ This is the highest rate the nation has seen since 2021.¹² Following these reports, the BLS revised its job estimates to 911,000 fewer jobs through March 2025 than it initially reported.¹³

Taken together, both the JOLTS and NFP reports show clear cooling in the labor market and decreasing demand for workers. Some fear that this slowed growth indicates stagflation.¹⁴ However, other economists argue that these concerns may be overestimated, given that the decline in job openings is primarily concentrated in the healthcare and social assistance industries.¹⁵ Additionally, revisions to the job data are not unusual in periods of economic change.¹⁶

The JOLTS and NFP also have a direct impact on interest rates.¹⁷ This influence has become more significant given the Federal Reserve's increased focus on employment.¹⁸ On August 22, 2025, Federal Reserve Chair Jerome Powell presented at the economic symposium in Jackson Hole, Wyoming.¹⁹ His remarks addressed the current economic situation and the Federal Reserve's outlook for monetary policy.²⁰ Due to the sharp fluctuations in inflation and high interest rates over the past couple of years, the Federal Reserve made several changes to the consensus statement to better address inflation concerns.²¹ Now, a big part of the consensus statement revolves around employment data.²² Powell explained, "[W]e removed language indicating that the ELB [effective lower bound] was a defining feature of the economic landscape. Instead, we noted that our 'monetary policy strategy is designed to promote maximum employment and stable prices across a broad range of economic conditions.'"²³ Citing concerns about the labor market, the Federal Reserve lowered interest rates by a quarter point following its meeting on September 16th and 17th.²⁴

Looking forward, there are a couple of different situations that could result. First, slower employment growth with inflation stability would allow for shallow cuts and a soft landing. In another scenario, flat job growth with increased joblessness could lead to a need for deeper cuts to stabilize the job market. In a worst-case scenario where there are negative payrolls and rising unemployment, the response would likely escalate to large rate cuts paired with renewed

¹⁰ Michael Sainato, *US created 911,000 fewer jobs through March 2025 than initially reported*, THE GUARDIAN, (Sept. 9, 2025, 11:09 AM EDT) <https://www.theguardian.com/business/2025/sep/09/us-created-fewer-jobs-march-2025>.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ Lucia Mutikani, *US unemployment rate near 4-year high as labor market hits stall speed*, REUTERS, (Sept. 5, 2025, 11:58 AM MST) <https://www.reuters.com/business/us-unemployment-rate-near-4-year-high-labor-market-hits-stall-speed-2025-09-05/>.

¹⁵ *Id.*

¹⁶ Sainato, *supra* note 10.

¹⁷ Jerome Powell, Chair, Fed. Rsr., Monetary Policy and the Fed's Framework Review (Aug. 22, 2025).

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Federal Reserve issues FOMC statement*, BD. OF GOVERNORS OF THE FED. RSRV. SYS. (Sept. 17, 2025, 2:00 PM EDT), <https://www.federalreserve.gov/newsevents/pressreleases/monetary20250917a.htm>.

quantitative easing, signaling a full recessionary environment. While the latter possibility cannot be dismissed, such an outcome is unlikely. Although the recent JOLTS and NFP reports cause growing concern for the labor market, the outlook remains uncertain rather than decisively negative.