

Are jobs coming back? Signs point to yes

December 2, 2010

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NEW YORK (CNNMoney.com) -- Could the job market finally be turning a corner?

Though millions of workers are still reeling from a battered U.S. labor market, there are some early signs of improvement. Monthly payroll numbers have been rising and fewer people are filing for unemployment. Plus, Americans are working longer hours.

"I don't think we're at a point where we're going to turn the corner rapidly, but I think what we see through a variety of metrics is, clearly things are getting a little bit better," said T.C. Robillard, a senior research analyst for Signal Hill Capital who covers large staffing firms.

Last month's labor report from the government showed that the U.S. economy added 151,000 jobs in October. The next report is due out Friday.

Economists surveyed by CNNMoney.com expect a similar gain for November -- they're predicting 150,000 jobs were added to payrolls during the month.

Bernard Baumohl, chief economist of the Economic Outlook Group, is even more bullish, predicting another 235,000 added in November.

"There's a general realization among businesses that the economic recovery is real, and that since so many of them have cut so sharply, there is now a rush to hire the most skilled workers at this point," **Baumohl** said.

And there is reason to be optimistic. According to November figures released from payroll processor ADP -- seen as a barometer for the

government's monthly report -- private-sector employment posted its biggest improvement in three years, as employers added 93,000 to their payrolls in November.

That good news builds on optimism fueled by the government's weekly report on unemployment claims, which shows that fewer people are relying on benefits. The four-week moving average has fallen to its lowest level in two years.

And Americans who do have jobs are working more. October's jobs report showed that average weekly hours worked were up 1.8%, the biggest year-over-year gain in 26 years. **Baumohl** said that increase could mean businesses may soon reach a point where they're forced to decide between overworking their current employees and hiring new ones.

"You can only have your workers continue putting in overtime up to a certain point until fatigue and quality control issues come into play," **Baumohl** said.

Still, not all signs point to a rosy job market just yet. Some employers, particularly the government, are still shedding workers. Nearly 11,000 were cut from public payrolls in October, mostly from state and local governments.

Overall, employers announced 48,711 planned job cuts in November, the highest in eight months, outplacement firm Challenger, Gray & Christmas said Wednesday morning. By industry, the public sector cut the most -- about 11,000 jobs.

And the broader economic recovery is on shaky ground too. The housing market is still sputtering, inflation is considered dangerously low and the economy is still stuck in neutral. Gross domestic product, the broadest measure of the economy, was just 2.5% in the third quarter, according to the latest revision. While that's a slight improvement, it's not strong enough to make a dent in the unemployment rate.

"We need about 2% to 2.5% growth just to accommodate new workers coming into the labor force," said Federal Reserve Chairman Ben Bernanke, speaking at Ohio State University Tuesday. The economy is "not growing fast enough to materially reduce the unemployment rate," he added. Overall, economists expect the unemployment rate to stay above 9% through 2011.