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## Payrolls Show Strong Growth but Jobless Rate Rises

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For three straight months, the nation's employers have delivered solid job growth, easing some concerns that the economy could be stalling.

Employers added 244,000 jobs in April, more than economists had forecast and an increase from 221,000 in March, the government reported on Friday.

As a measure of how far uphill the economic climb remains, though, the unemployment rate actually nudged up to 9 percent, from 8.8 percent a month earlier. The Labor Department uses a different survey, of households rather than employers, to calculate that rate, which tends to be volatile.

The monthly snapshot of the job market showed that government workers continued to receive pink slips, but the private sector more than picked up the slack, adding 268,000 jobs in April, the most in five years. Hiring was spread broadly, with manufacturing, retail, health care, and leisure and hospitality industries all expanding.

Including some revisions to reflect more hiring in February and March, the nation's employers have added an average of 192,000 jobs a month this year, compared with just 78,000 monthly last year.

"This is very encouraging for the sustainability of the recovery," said James F. O'Sullivan, chief economist at MF Global.

Another brighter sign was among the long-term unemployed. The number of people out of work for more than six months eased to 5.8 million, its lowest level since October 2009. Still, 13.7 million people remained without work and were still looking.

Earlier in the week, a number of reports indicated that the economy had stumbled in the days since the Labor Department compiled its survey. The biggest worry was a rise in new claims for unemployment insurance, and a survey of companies showed a slowdown in new orders and hiring.

**Bernard Baumohl**, chief global economist with the Economic Outlook Group, has spent most of the last year as a strong optimist, but sounds increasingly cautious.

“There are just too many economic indicators that point to an economy that has been slowing,” said **Mr. Baumohl**, noting last week’s report that output slumped to 1.8 percent in the first quarter of the year. “It almost looks like a bull that’s charging through a crowd, utterly impervious to what’s in front of it.

“Regretfully, I think the pace of hiring will slow down in May and June,” he added. “I think in this case the job market is a lagging indicator, and I think it will probably fall off as well, as more signs point to a weakening economy.”

President Obama, speaking at Allison Transmission, a maker of transmissions that is increasingly moving into hybrid products, hailed the job numbers while acknowledging headwinds from high gas prices and interruptions caused by the earthquake in Japan. “There are always going to be some ups and downs like these as we come out of a recession,” he said. “But the fact is that we are still making progress.

“And that proves how resilient the American economy is, and how resilient the American worker is, and that we can take a hit and we can keep on going forward.”

Manufacturing has been one of the surprising pillars of the recovery, adding back 250,000 of the 2.3 million jobs it lost during the recession. In April, it grew by 29,000 jobs, up from 22,000 in March.

A weakened dollar has helped exports, and companies are describing an increase in demand at home. Quality Float Works, a family-owned company that makes floating metal balls and valves in Schaumburg, Ill., shrank by six workers during the recession. Since the beginning of the year, it has hired two people and aims to hire two more.

Jason W. Speer, vice president and general manager, said that although high prices for energy and raw materials had temporarily made the firm hesitate, “we’ve been getting long-term commitments from our customers, and we have felt fairly comfortable.” He added: “I can easily see hiring two or more before the end of the year, if we have no more bumps.”

Economists who saw signs of lasting momentum said they did not believe a few hiccups in coming months would derail the recovery this time. “I do view this impending softness as a temporary response to the rise in oil prices,” said Ian Shepherdson, chief United States economist at the High Frequency Economics research firm, “not a fundamental reversal.”

Austan Goolsbee, the chairman of the president’s Council of Economic Advisers, said several signs pointed to continuing strength in hiring, including slower productivity gains after a fairly sharp run-up. After companies squeeze all they can out of their existing workers, they need to add more. “This is clearly the track you want to be on to plow your way,” Mr. Goolsbee said.

Average hourly earnings increased by 3 cents, to \$22.95, and the average workweek was flat at 34.3 hours. Heather Boushey, senior economist at the liberal Center for American Progress, said she was concerned that neither wages nor hours were moving strongly upward, as would be expected if companies were wringing all they could out of their existing workers. “We’re not out of the woods,” she said. “As much as I think it would be such a relief to say, ‘Hey, this is the out-of-the-woods report.’ ”

Among job seekers, the least educated, African-Americans and teenagers continue to have the highest unemployment rates. For workers in the 55-and-over age group, the average duration of unemployment spiked to 53.6 weeks, compared with 39.4 weeks for those younger.

A weak area was government — local, state and federal — where the work force contracted by 24,000 jobs. Construction added 5,000 jobs, though mostly because of gains in heavy and civil engineering, probably helped by the remaining federal stimulus dollars devoted to infrastructure projects like highways. Most other segments of construction, including residential, shrank.

Temporary help, which has been strong, lost 2,300 jobs. Executives of two temporary services companies, Tig Gilliam, chief executive of the Adecco Group North America, and Jorge Perez, senior vice president of North America for Manpower, said companies that had relied on contract workers early in the recovery were now hiring.

Amanda Fisher, who was laid off from her hostess job at a high-end restaurant in New York City last October, applied for work with Manpower in November. After a couple of jobs in retail, she took an assignment as a customer service representative at a furniture company. Last month, the company offered her a full-time job with benefits.

“I have a real grown-up job,” said Ms. Fisher, 21, who said she spent eight months out of work and was intermittently homeless early in the recession. Several of her friends, she said, were still “in terrible situations.”