



# Job outlook for 2015: Work aplenty (like it's 1999)

Paul Davidson, USA TODAY    January 4, 2015

A strengthening labor market will not let up this year, economists say, with job growth approaching or exceeding the estimated 15-year high reached in 2014.

The stronger U.S. economy and increased employer confidence should continue to bolster job gains, and economists expect sluggish wage growth to finally accelerate, though they're divided on how quickly that will happen.

Employers added 321,000 jobs in November, the most in nearly two years, and 2014 is on track to be the strongest for job growth since 1999. Economists expect a Labor Department report Friday to show that 230,000 jobs were added in December, according to median estimates, slightly below the 241,000 average for the first 11 months of the year.

This year, many economists expect low gasoline prices and rising household wealth to drive consumer spending, offsetting weakness overseas and helping the economy to grow at least 3%, vs. an estimated 2.4% in 2014.

That, along with more bullish employers, should power average monthly job gains to 250,000 to 300,000, says **Bernard Baumohl, chief global economist for The Economic Outlook Group**. Nearly six years after the recovery began, "businesses are going to be confident that the economic expansion is more sustainable," he says.

Meanwhile, job growth that has largely lifted low-wage sectors such as restaurants and retail should expand, says Sophia Koropecyk of Moody's Analytics. The Affordable Care Act will fuel job-growth in health care, and stronger housing demand will drive payroll gains in construction and finance, predicts Koropecyk, who projects average monthly growth of 265,000.

According to a recent CareerBuilder survey, 36% of employers plan to increase their full-time staff in 2015, up from 24% last year and the most since 2006. CareerBuilder is majority-owned by Gannett, the parent of USA TODAY.

Some economists are more cautious. Doug Handler, chief U.S. economist of IHS Global Insight, predicts average monthly job gains of about 230,000 this year as the boost to consumer spending from low gasoline prices fades by the second half of 2015.

Like other economists, Handler expects the 5.8% unemployment rate to fall more slowly this year, reaching a near-normal 5.4% by December.

**Baumohl** predicts average annual wage growth — stuck at a meager 2% for most of the recovery — will pick up to 3% by midyear as the falling jobless rate forces employers to pay more to attract workers. Koropecj says earnings will be pushed up by stronger demand for workers in higher-paying industries.

But Goldman Sachs Chief Economist Jan Hatzius says wages will rise only slowly as discouraged workers who stopped looking for work stream back into an improving labor market.

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