



Jobless Back In The Hunt

Pace Of Return Suggests Confidence

By **CHRISTOPHER S. RUGABER** Associated Press

WASHINGTON — Americans are flooding back into the job market at the fastest pace since before the Great Recession, encouraged by steady hiring and some signs of higher pay.

The flow has halted, at least temporarily, one of the economy's more discouraging trends: the sharp decline in the percentage of people either working or looking for work. That figure fell last year to a four-decade low.

The pickup since then suggests that nearly seven years after the recession ended, Americans are finally more confident that they can find jobs.

In March, nearly 400,000 people began job hunts, though not all found work. Their searching lifted the unemployment rate to 5 percent from 4.9 percent. Employers added 215,000 jobs, the Labor Department said Friday, a solid figure but not enough to keep up with the new job-seekers.

Since last September, 2.4 million people have either found jobs or started looking. The proportion of Americans working or looking for work, known as the “participation rate,” has increased to 63 percent during that time, from 62.4 percent, a 38-year low.

“The rise over the past six months has been truly astounding, suggesting that the job market is finally pulling discouraged workers off the sidelines,” said James Marple, an economist at TD Bank.

Still, the participation rate was 66 percent before the recession began. The drop has fueled concerns that the recession rendered millions of Americans essentially unemployable, held back by deteriorating skills or a lack of available jobs nearby. The increase in the past few months provides hope that's not the case.

Martin Nyholt, 61, of Apex, N.C., recently began looking for work again after retiring from IBM last May. He is looking for a part-time position, but would take a "simple job" that pays \$10 to \$15 an hour if it is full time. He wants less pressure than existed in his former project-manager position.

"I've kind of run out of TV shows that I want to watch," Nyholt said, outside an employment center. "Every additional month I go is money that's going to be coming out of [savings] and that's a negative there."

Economists estimate that at least half of the decline in the participation rate is a result of ongoing retirements by the vast baby boom generation. That demographic trend could overwhelm the return of younger workers, keeping the participation rate flat or pushing it lower in the coming months.

The extra job-seekers also give the Federal Reserve additional flexibility in the timing of future interest rate increases, economists said. If employers have more potential workers to choose from, they won't be forced to raise wages as quickly, a step that can push up inflation.

The Fed raised rates for the first time in nine years in December. Most economists don't expect Fed policymakers to move again until June.

Average hourly wages rose 2.3 percent in March compared with a year earlier, a faster pace than the first few years after the recession. But that is still about a percentage point below the rate that is typical for a healthy economy.

The percentage of Americans without high school degrees who are working or seeking jobs has jumped sharply since last fall. That could be a response to big increases in low-paying jobs in industries such as retail, which added 48,000 jobs in March, and hotels and restaurants, which gained 26,000.

Older Americans are also more likely to work or look for work than they were a year ago.

Tara Sinclair, chief economist at the online job site Indeed, says that many companies are frustrated that they cannot find the workers they need. So they are trying to keep older workers on board by offering perks such as flexible hours or part-time work.

Last month's healthy hiring comes even as growth has showed signs of slowing. That suggests employers see the tepid growth figures as temporary.

Sluggish consumer spending in January and February caused many economists to lower their estimates for growth in the first quarter to 1 percent or below. That would follow an anemic 1.4 percent pace at the end of last year.

Yet many analysts think the GDP figures will likely be revised higher in the coming months. Consumers may also spend more of their savings from lower gas prices, boosting the economy.

Kevin Wilson, CEO of Buzz Franchise Brands, said the growing economy is helping him expand. He plans to add eight more employees to his headquarters staff of 22 by the end of this year.

The company operates Mosquito Joe, a pest-control provider, and Pool Scouts, which provides pool-cleaning services. Wilson expects to hire more workers at the existing 113 Mosquito Joe franchises and open 58 new ones. Those steps should create about 450 new jobs.

Yet he hasn't had to offer much higher pay to attract workers. "We get a ton of responses to our job ads," he said.

Sluggish wage growth has been a source of frustration for many workers and has spilled over into widespread demands for a higher minimum wage.

California approved a measure this week to lift its minimum to \$15 an hour by 2020, more than double the current federal minimum of \$7.25. New York lawmakers have also approved a \$15 minimum that will be phased in at different times around the state.

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Article 2 of 106

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