

Wall Street Journal - March 6, 2010

Outlook Brightens for Jobless

By [CONOR DOUGHERTY](#)

The job market is beginning to thaw.

The Labor Department's closely watched employment report, released Friday, suggests the nation's unemployment rate, which peaked at 10.1% in October, has hit a plateau as employers gain confidence in the economic recovery.

Christina Romer, chair of the Council of Economic Advisers, discusses with WSJ's Kelly Evans how severe winter weather hit February job numbers.

Employers still shed 36,000 jobs last month. But many economists say the U.S. would have added jobs if not for the snowstorms that kept people from working and potential employers from hiring. The unemployment rate was flat at 9.7% last month, while a steady rise in temporary workers and job gains across a spectrum of private-sector industries showed companies are growing more willing to hire.

Upbeat signs in the labor market cheered Wall Street and sent oil prices higher. The new report suggests January's drop in the unemployment rate wasn't a fluke. Indeed, the new report also showed that the number of workers facing long-term unemployment fell.

"There's a good chance we're at the turning point for unemployment," said Bruce Meyer, an economics professor at the University of Chicago.

Mr. Meyer said Friday's report was doubly encouraging because it showed that a steady drop in the unemployment rate since October was real. "It appears that last month's decline was not a statistical anomaly," he said.

U.S. Secretary of Labor Hilda Solis tells Meena Thiruvengadam February unemployment and non-farm payroll figures offer a glimmer of hope that the economy is on the mend.

There remain deep problems in the labor market, with 14.9 million still looking for full-time work, 8.8 million forced into part-time jobs and 1.2 million too discouraged to look for a job. But the report offers a glimmer of hope to demoralized workers who have suffered through the Great Recession.

The House of Representatives, still concerned the economy isn't producing enough jobs, passed a \$15 billion bill Thursday with tax cuts and credits to prod employers into hiring.

Cumulative Job Losses

TD Bank, a unit of Toronto's TD Bank Financial Group, is among those hiring. The bank aims to take on about 4,600 U.S. workers this year, a combination of new hires and replacements for employees who have left, said Chief Executive Bharat Masrani. "Yes, the economy is tough, and some of our clients are suffering, and when our clients suffer, we suffer," said Mr. Masrani. "But we are growing." TD Bank, which employs 23,000 in the U.S., plans to add around 32 U.S. retail locations in 2010, hiring customer-service representatives, bank tellers and call-center operators.

Ninety-two percent of U.S. companies plan to hire in 2010, but half plan to do so more slowly than in pre-recession years, according to a January study by human resources consultancy Towers Watson.

Many companies that are hiring are doing so cautiously. Encouraged by the signs of recovery, two weeks ago, Baxter Miller, owner of bmla landscape architecture in Corona, Calif., hired a business-development manager to find new customers for the firm. It is a single job out of millions still needed, but a big step for Mr. Miller, who had slashed his work force to six employees from 20 in the past three years. "Going from laying off 50% of my staff to hiring someone—that's a significant change," he said. "We're taking a calculated gamble that we can take advantage of the little things popping up."

Last month's snowstorms likely kept the economy from adding jobs. Some of the most severe storms struck parts of the Northeast and Midwest during the pay period when the Labor Department collects its data. Weather was almost certainly behind a fall in the average workweek to 33.8 hours from 33.9 in January. About 1.1 million people were unable to work last month due to weather, compared with 300,000 in January.

Despite the weather, several industries showed job gains. Manufacturing added 1,000 jobs, following a 20,000 increase in January. The professional and business-services sector, a broad category that includes legal work and consulting, added 51,000 jobs. Another encouraging sign: The temporary-help services sector added 47,500 jobs and has added 284,000 since September 2009, a sign employers need workers and may eventually add permanent positions.

Job seekers in Lake Orion, Mich., line up in sub-freezing temperatures in January to attend a jobs fair sponsored by the United Auto Workers Union Local 5960 and the Lake Orion Chamber of Commerce at the UAW Local 5960 hall.

Meanwhile, some of the heaviest job losses were in construction, which continues to suffer from depressed homebuilding and a slowdown in commercial real estate, such as office and industrial buildings. The construction industry shed 64,000 jobs in February. Without the losses in construction jobs, the private sector actually added jobs in February.

Another encouraging sign was that the number of people unemployed for 27 weeks or more—the long-term unemployed—fell to 6.1 million from 6.3 million in January.

Things are starting to look up for people like Valerie Kinman. In mid-February, Ms. Kinman, 45 years old, got a full-time position at a company that charges people a fee to settle their credit-card balances and other debt, where she does clerical tasks such as data entry and light accounting. For two years, Ms. Kinman, a single mother in Plainfield, Ill., has been getting by on unemployment checks, food stamps and temporary jobs that never lasted more than a few months. "I'm so happy," she said.

About a year and a half ago, Ms. Kinman was at a food bank set up at a local school, where she and her daughter were collecting free bags filled with items such as laundry detergent, boxed potatoes and pudding. "I don't care what job it is, call me back and I'll go to work," she said at the time.

Today, Ms. Kinman still has almost \$6,000 in credit-card debt. For the next few months, she said she would continue to lean on food banks so she could use more of her paycheck to work down her debts. "I have to start living in the real world, but I'm excited."

Another report Friday showed U.S. consumers increased their borrowing for the first time in a year, indicating that Americans may be starting to feel more comfortable about spending amid signs the economy is improving.

Consumer credit outstanding rose at a seasonally adjusted annual rate of 2.4% in January, up \$4.96 billion to \$2.456 trillion, the Federal Reserve said. The last time consumer credit rose was January 2009.

—*Dana Mattioli and Luca Di Leo contributed to this article.*

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