



Labor Market Insight

Job Market Off to a Strong Start in 2010

Improving outlook has more people looking for work

Key Facts

- ❑ Employers added 290,000 workers in April.
- ❑ The unemployment rate increased to 9.9%.
- ❑ Average hourly wages for production workers are up 2.3% over last year.

After registering the strongest quarterly growth rate in more than six years, the economy expanded at a more modest, yet sustainable pace of 3.2% during the first quarter of 2010.

A closer look at the economic growth drivers during the first quarter showed a healthy rise in consumer spending as workers are becoming more confident about the recovery.

Employment has grown by 573,000 since the start of the year and is outpacing current forecasts calling for 1 million new jobs in 2010.

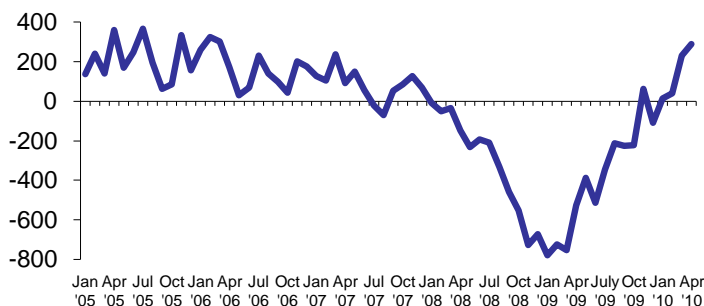
Employers ramped up hiring as economic conditions continue to improve, adding an impressive 290,000 jobs last month. Temporary government hiring to support the 2010 Census accounted for 66,000 of those jobs, but private sector employers hired 231,000 workers in April alone and 483,000 since the start of the year. April's job gains were the best monthly performance in four years and easily beat expectations. Strong upward revisions to payroll estimates for both February and March have pushed job growth past the half million mark in 2010.

Unemployment jumped to 9.9% last month as job creation cannot keep pace with rising numbers of people now searching for work. However, the outlook for near-term job creation seems strong as on-line advertised job vacancies have risen 27% over the past six months, with April's increase showing broad-based demand across geographies and occupations. A notable exception is state and local government, where demand for new workers remains muted as a result of shrinking budgets.

Goods-producing industries added 65,000 jobs in April, with manufacturing seeing its largest monthly gain since 1998 (44,000). Private service-providing industries added 166,000 jobs last month with the strongest hiring coming from professional and business services (80,000), leisure and hospitality (45,000) and health care (20,000).

Even factoring out the temporary impacts of the current Census hiring, sustained job creation finally appears to be underway. The challenge over the coming months will be to see if unemployment can be held in check as more people flood back into the job market.

Monthly Change in Non-Farm Employment (000's)



Source: Bureau of Labor Statistics

Employment Overview

	Apr	Mar	Feb	Jan	Dec
Non-Farm Empl. Growth	290K	230K	39K	14K	-109K
Unemployment	9.9%	9.7%	9.7%	9.7%	10.0%

Source: Bureau of Labor Statistics

The Class of 2010: Stiff challenges remain, but the outlook is improving.

While the 2010 class of college graduates still face an uphill battle as they compete against vast numbers of more experienced and available workers, a few breaks in the clouds are now visible.

For the first time since its inception last fall, April's college hiring index released by the National Association of Colleges (NACE) broke through the 100 mark to signal expanding job opportunities for new college graduates.

April's index results are consistent with NACE's 2010 Job Outlook Survey in which employers say they expect to hire 5 percent more college graduates from the Class of 2010 - a significant turnaround from a year ago when employers indicated hiring for 2009 grads would decrease by 22 percent.

While encouraging, the 2010 survey went on to report that nearly half of the firms responding are working with smaller recruiting budgets this year. As a result of fewer campus visits and career fairs, new grads are being forced to take an even more proactive role in their job search.

Sources: NACE, US News and World Report (4/09)