



They connected with Xerox.

THE DO
XE

SEARCH

Economist.com

GLOBAL AGENDA

Tuesday April 6th 2004

EE denotes premium content | [Log in](#) | [Free re](#)

- OPINION
- WORLD
- BUSINESS
- FINANCE & ECONOMICS
- SCIENCE & TECHNOLOGY
- PEOPLE
- BOOKS & ARTS
- MARKETS & DATA
- DIVERSIONS

Hopeful signs of a job-full recovery

Apr 2nd 2004
From The Economist Global Agenda

- [Printab](#)
- [E-mail](#)
- [Get e-r](#)

At last, American firms are hiring again in earnest: payrolls grew by 308,000 in March. If the job gains continue, interest rates will rise, and so will President George Bush's fortunes

- CITIES GUIDE
- COUNTRY BRIEFINGS

GLOBAL EXECUTIVE

- [Management](#)
- [Reading](#)
- [Business Education](#)
- [Executive Dialogue](#)

RESEARCH TOOLS

- [Articles by subject](#)
- [Backgrounders](#)
- [Surveys](#)
- [Economics A-Z](#)
- [Style guide](#)
- [Business encyclopedia](#)

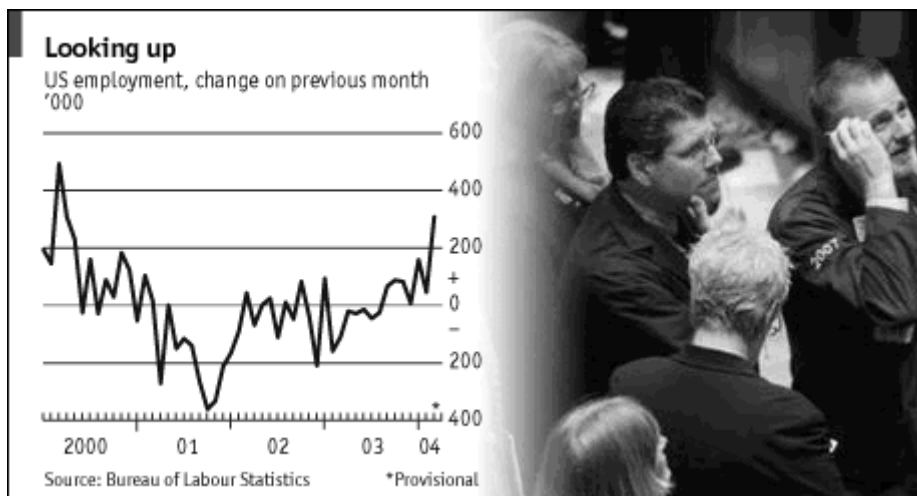
PRINT EDITION



[Full contents](#)
[Past issues](#)

SERVICES

- [Free registration](#)
- [Web subscriptions](#)
- [Print subscriptions](#)



FOR months, America's jobless recovery has bemused economists, bound the Federal Reserve and benighted the administration of George Bush. Despite impressively fast economic growth, firms have been depressingly slow to hire. This month, however, America's corporations made up for lost time: 308,000 workers were added to the payrolls in March, according to figures released on Friday April 2. The gain is twice the number hoped for by even the most optimistic forecaster. Has spring finally arrived for America's barren labour market?

Actually, the weather may have helped. The construction industry, which lost 21,000 workers in February, gained 71,000 last month thanks to the balmy climate, which brought many building plans out of hibernation. The resolution of a strike by Californian grocery-store workers also boosted the job figures for retailing, which added 47,000 workers in March. This was a welcome, but one-off, development: strikes only end

RELATED ITEMS

Backgrounders

[America's economy](#)

From The Economist

[John Kerry's economic policy](#)

Apr 1st 2004

[American interest rates](#) EE

Mar 11th 2004

[Misplaced fears about jobs in America](#)

[Academic offers](#)
[Gift vouchers](#)
[Mobile editions](#)
[E-mail alerts](#)

Economist Intelligence Unit
onlinestore

CLASSIFIEDS

Business education, recruitment, business and personal: [click here](#)

ABOUT US

[Economist.com](#)
[The Economist](#)
[Global Agenda](#)
[Contact us](#)
[Media Directory](#)
[Advertising info](#)
[Job opportunities](#)

ADVERTISEMENT

once. More promising was the great strength showed by service industries, which hired an extra 230,000 people in March. Even manufacturing, which lost jobs for 43 months in a row, seems to have finally hit bottom: the sector's payrolls were unchanged in March.

Paradoxically, despite these widespread gains, the unemployment rate—the percentage of the workforce who are not in fact working—edged up from 5.6% to 5.7%. But the paradox is only apparent: many Americans, despairing of ever finding a job, had dropped out of the workforce altogether in recent months and were therefore not counted as unemployed. Fresh glimmers of hope about their job prospects have tempted many back into the labour force, and thus back into the unemployment statistics.

Good news for the jobs market is bad news for the market in bonds, the price of which falls when interest rates rise. The Federal Reserve has so far stayed its hand, keeping the federal funds rate at 45-year lows, mainly because of the slack in the labour market. With so many workers standing idle, the Fed has argued, the economy is performing well below its potential and is thus still in need of a stiff monetary stimulus. That argument will be a little harder to make after Friday's figures. If they mark a sustained turn in the labour market, interest rates may also now turn upwards before the summer is out.

And what of Mr Bush's political fortunes? Will Friday's figures defuse one of the more incendiary charges laid against him by his Democrat critics: that he has presided over the worst jobs record since the Depression-era president, Herbert Hoover? They will certainly help. But even after last month's strong hiring, payroll employment is still down almost 1.9m from where it stood when Mr Bush came to office. Voters' perceptions of the economy will also take time to change. Only economists and political campaigners pay much attention to the statistics; ordinary people wait to see how they and their neighbours are doing. Until those feelings of job insecurity pass, Mr Bush's political security will be far from assured.

Mar 11th 2004
[Jobs in America](#) **EA**
 Feb 19th 2004
[Jobs in America](#) **EA**
 Feb 19th 2004
[America's labour market](#) **EA**
 Dec 5th 2003

Country briefing

[United States](#)

Websites

The [Bureau of Labour Statistics](#) gives unemployment figures and other economic statistics. See also the [Department of Commerce](#) and the [Federal Reserve](#). The [White House](#) outlines Mr Bush's economic policies.

Also in Global Agenda

[Iraq](#) Apr 6th 2004
[Muslims in Europe](#) Apr 5th 2004
[Software](#) Apr 6th 2004
[The music industry](#) Apr 2nd 2004
[Cyprus talks](#) Apr 1st 2004
 Buttonwood is away until April 13th

About Glo

ADVERTISEMENT

XEROX

Buy

Sell

Seek

Find

**Business
opportunities,
careers
and more**

Economist.com
Classifieds



They chose Xerox to help manage
imaging and output devices worldwide.

THE DOCU
XE

[OPINION](#) | [WORLD](#) | [BUSINESS](#) | [FINANCE & ECONOMICS](#) | [SCIENCE & TECHNOLOGY](#)
[PEOPLE](#) | [BOOKS & ARTS](#) | [MARKETS & DATA](#) | [DIVERSIONS](#) | [PRINT EDITION](#)

An Economist Group business

Copyright © The Economist Newspaper Limited 2004. All rights reserved.
[Advertising info](#) | [Legal disclaimer](#) | [Privacy Policy](#) | [Terms & Conditions](#) | [Help](#)
