Hiring Reaches 3-Year High, Manufacturing Continues Climb

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WASHINGTON (AP) — The nation's economy posted its largest job gain in three years in March, while the unemployment rate remained at 9.7 percent for the third straight month.

The increase in payrolls is the latest sign that the economic recovery is gaining momentum and healing in the job market is beginning. Still, the healing is likely to be slow, and most economists don't expect new hiring to be fast enough this year to rapidly reduce the unemployment rate.

The Labor Department said employers added 162,000 jobs in March, the most since the recession began but below analysts' expectations of 190,000. The total includes 48,000 temporary workers hired for the U.S. Census, also fewer than many economists forecast.

Private employers added 123,000 jobs, the most since May 2007.

"It's just the beginning of a rise in private hiring that will help sustain the recovery," said Stuart Hoffman, chief economist at PNC Financial Services Group. "They're not big numbers, but they're welcome numbers."

Still, there are 15 million Americans out of work, roughly double the total before the recession began in December 2007. More Americans entered the work force last month, which prevented the increase in jobs from reducing the unemployment rate.

Manufacturers added 17,000 jobs, the third straight month of gains. Temporary help services added 40,000, while health care added 37,000. Leisure and hospitality added 22,000.

Even the beleaguered construction industry added 15,000 positions, though that likely reflects a rebound from February, when major snowstorms may have kept many construction workers off payrolls.

The average work week increased to 34 hours from 33.9, a positive sign. Most employers are likely to work current employees longer before they hire new workers.

The department also revised January's job total to show a gain of 14,000, up from a previously reported loss of 26,000. February's job numbers were also revised higher by 22,000 to show a loss of 14,000. The economy has now added jobs in three months since the recession began.

Still, more Americans said they were working part-time even though they preferred full-time work. When they and discouraged workers who have given up searching for jobs are included, the "underemployment" rate ticked up to 16.9 percent from 16.8 percent.

And average hourly earnings fell by two cents to $22.47. That shows that high unemployment is enabling companies to hold down wages. Average weekly earnings rose by about $3 to $629.37, partly reflecting the longer work week.

Friday's jobs report follows positive data earlier this week that showed consumers are increasing their spending and manufacturing activity is growing at its fastest pace in more than five years. Economists are increasingly confident that the nation will avoid a "double-dip" recession, in which growth slows after a short burst at the end of last year.

The economy is likely to expand at a roughly 3 percent pace in the current January-to-March quarter, analysts predict. That's roughly half the 5.6 percent pace seen in the final quarter of last year.

Normally, growth in the 3 percent range would be considered respectable. But the nation is emerging from the worst recession since the 1930s. Growth needs to be in the 5 percent range or higher to quickly drive down the unemployment rate. Both the Federal Reserve and Obama administration expect joblessness will remain above 9 percent through the end of this year.

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