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U.S. Added 916,000 Jobs in March as Hiring Accelerated

Unemployment rate fell to 6%; jobs growth appears set to take off

By [Eric Morath](#)

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U.S. hiring surged in March as the economic recovery accelerated, the start of what economists say could be a sustained run of job growth to industries, regions and workers hardest hit during the pandemic.

U.S. employers [added a seasonally adjusted 916,000 jobs](#) in March, the best gain since August, the Labor Department said Friday, and the unemployment rate, determined by a separate survey, fell to 6.0%, a pandemic low. Still, as of March, there are 8.4 million fewer jobs than in February 2020 before the pandemic hit.

The jobs rebound is gaining renewed momentum as more people are vaccinated against Covid-19, states lift restrictions on business activity, and consumers grow more comfortable dining, shopping and traveling outside their homes.

“There’s a seismic shift going on in the U.S. economy,” said Beth Ann Bovino, a Ph.D. economist at S&P Global. The confluence of additional federal stimulus, growing consumer confidence and the feeling that the pandemic is close to abating—despite rising infections in recent weeks—is propelling economic growth and hiring, she said.

Other [recent data shows](#) restaurant, hotel and airlines bookings are up and consumers are spending more at gyms, salons and spas in recent weeks than they have in more than a year. Consumer spending accounts for more than two-thirds of economic demand and is an important element of the recovery.

“Fear is subsiding, and American households are sitting on a lot of cash” from stimulus checks and savings from reduced spending on vacations, commuting and child care, said Dr. Bovino. “That’s going to support spending, especially in the services sector.”

Yields on U.S. government bond yields rose after the jobs report was released in an abbreviated day of trading. U.S. stock markets were closed in observance of Good Friday.

Friday’s report showed hiring rose in most industries, led by a gain of 280,000 in the category that includes restaurants and hotels. Employment also rose sharply in construction, most manufacturing sectors and public and private schools.

Temporary help and auto manufacturing, where a [semiconductor shortage has idled assembly plants](#), were weak spots.

Nearly two million fewer Americans reported last month they were unable to work because their employer closed or lost business due to the pandemic and 500,000 less said they couldn’t seek work due to the pandemic. The share of employees

who worked remotely due to the coronavirus also declined last month, the Labor Department said.

The gains could provide more employment opportunities to women and racial minorities, who disproportionately lost jobs last year. And job growth could pick up in hard-hit cities in the Northeast and California, [and in tourist hotbeds](#) such as Las Vegas and Orlando, Fla. Regional employment data for March will be available April 16.

Some economists project job growth will top one million in April. Further out, [economists surveyed by The Wall Street Journal](#) project employers will add an average of 514,000 jobs each month over the next year, for a total of more than six million. That would mark the best 12-month stretch of job creation in decades but leave overall employment totals below where they stood before the pandemic.

[Even with sustained hiring](#), industries, workers and regions suffering the most from the pandemic still face lengthy recoveries. Those mostly dodging the downturn—better paid, more highly educated workers and states that imposed lighter restrictions—are expected to return quickly to the strong economy that existed before the pandemic.



Customers dined outdoors recently at a Beef 'O' Brady's in Tampa, Fla.
PHOTO: FSC FRANCHISE CO.

Stronger growth should return jobs to industries with the deepest losses during the pandemic. Last month, restaurants and bars added 176,000 jobs, arts, entertainment and recreation venues added 64,000 jobs, and accommodations added 40,000 jobs. Still, employment in the overall leisure and hospitality sector is down by 3.1 million, or 18.5% from February 2020.



'Pent-up demand as Covid goes away is really strong,' said Chris Elliott of FSC.
PHOTO: FSC FRANCHISE CO.

The Tampa, Fla.-based Beef 'O' Brady's and Brass Tap restaurant chains are hiring about 400 additional employees, mostly prep cooks and dishwashers, as demand increases, said Chris Elliott, chief executive of parent FSC Franchise Co.

The company had its best sales week on record in mid-March, which coincided with St. Patrick's Day, the college basketball tournaments and spring break, he said.

"Pent-up demand as Covid goes away is really strong," Mr. Elliott said.

He added that the chains are having trouble filling open positions, which pay between \$12 and \$15 an hour, because of increased competition for workers. He said some potential employees aren't actively looking for work, [with enhanced unemployment benefits available](#) until September. The company is increasing recruiting efforts and speeding up the hiring process.

"If someone comes in with an application, you talk to them that day," Mr. Elliott said. "If you tell them to come back tomorrow, they'll already have a job."

The economic expansion will also [support additional job growth](#) at sectors that fared relatively well during the pandemic. Construction added 110,000 jobs in March. Warehousing and transportation, driven by online shopping, added 48,000 jobs. Job gains in manufacturing sectors such as metal fabrication, machinery and food processing offset the decrease in auto making.

Storch Products Co., a decades-old manufacturer in Livonia, Mich., reduced staff by five workers last year, said Matt Carr, the company's president. Since then, demand has picked up for the industrial magnets and related machines it produces.

The company recently hired three new employees and has several open positions in both sales and production.

"We were seeing a lot of growth before Covid, and now I feel we're getting back to that," Mr. Carr said. "It feels like we're a startup," he added.

Hourly shifts have increased in the Midwest, recently surpassing the Southeast, according to the workplace software firm Ultimate Kronos Group. While hourly work in all regions remains below pre-pandemic levels, higher shift totals can be a precursor to better job growth.

Areas of the country that depend largely on tourism, including Nevada and Hawaii, should see strong hiring as many Americans start to travel domestically again, said Gabe Ehrlich, a Ph.D. economist at the University of Michigan.

Partial reopenings of offices will aid employment in New York, California and other states, helping cities with some of the highest unemployment rates in the U.S.

“Those areas are coming out of a much deeper hole than the rest of the country,” Dr. Ehrlich said.

The return of in-person-services jobs should aid in the hiring of women, who disproportionately held those jobs lost during the pandemic. The unemployment rate for women in March fell to 5.9% versus the 6.2% rate for men. However, a larger share of women dropped out of the labor force during the pandemic and many haven't returned.

Those with lower levels of education are also seeing gains. The unemployment rate for those with less than a high school diploma fell to 8.2% last month from 10.1% in February. The rate also declined for those with only a high school education, but held nearly steady for college grads. And the return of some lower-skilled workers likely helped push down average hourly wages by 4 cents to \$29.96.

Increased service-sector hiring could also help Latino and Black workers, who are furthest from fully recovering job losses [after advances late in the last expansion](#). The unemployment rate for Latino workers fell below 8% last month. And while the rate for Black workers also decreased, it remains well elevated at 9.6%

“It’s an open question how much trouble those groups will have as we come out of the pandemic and hiring improves,” Dr. Ehrlich said. “When you lose your job, it can be a slippery ladder to get back on.”