



MNI REALITY CHECK: US March Jobs Seen Up on Vaccines, Stimulus

By Brooke Migdon

WASHINGTON (MNI) - U.S. payrolls growth in March should nearly double the gains seen in February, and that momentum isn't expected to slow down anytime soon as the country's immunization push picks up speed and the latest fiscal stimulus keeps businesses' and consumers' heads above water, recruiters and industry experts told MNI.

Jobs numbers in March should be "fantastic," Tom Gimbel, founder and CEO of the LaSalle Network, a staffing firm in Chicago, told MNI, noting "the market's never been stronger in my 25 years of doing this."

Gimbel said his clients' available jobs are up 50% over a year ago, and demand for temporary work has driven his temporary staffing business higher by 30% compared to a year earlier.

That's a leading indicator that more companies are gearing up to offer more permanent work down the line, he said, though it also suggests that there's still "some level of uncertainty for how long this recovery can go."

Still, Gimbel said the Biden administration's latest fiscal relief package should continue to strengthen hiring in coming months, as should the nation's quicker-than-anticipated vaccine rollout. The approaching spring and summer seasons will also boost employment gains in the service sector, with restaurant owners preparing to bring on more staff around Memorial Day in May.

Any moves in the unemployment rate will be downward ones, he said, though it's more likely to hold steady at 6.2%.

JOBS AVAILABLE

"If you want to work, there are jobs available," said Mike Brady, an Express Employment Professionals franchise owner in Jacksonville, Fla. But many companies in March still struggled to fill those open positions.

Brady said that likely stemmed from some hesitation about returning to work because of Covid exposure concerns, difficulty obtaining childcare, and enhanced unemployment benefits.

Still, "the economy seems to be on fire," he said. "People are looking for growth, they're looking to bring people on full-time." Brady said his business, which staffs mostly in the light industrial sector, was up 15% in March compared to February, and expects that to double from March to April based on his current supply of open job orders.

STRENGTH IN WAGES

March saw more upward pressure on wages, Brady said, and companies in Florida have been hard-pressed to find anyone willing to work for less than USD12-13 an hour despite the state's minimum wage sitting at less than USD9 per hour. His own company's wages are up to an hourly USD14.28 versus USD12.95 in 2020, a highly abnormal year-over-year increase.

Gains in workers' compensation through March can also be tied to increases in the length of the workweek, said Frank Fiorille, vice president of risk, compliance, and data analytics at Paychex, a U.S. payroll provider. Hours worked rose 0.5% in March over February, he said, citing Paychex data from roughly 350,000 small businesses nationwide.

Minimum wage increases in some states and cities also likely contributed to a gain in hourly wages, which were up 2.98% in March over the year, according to Paychex.

Total nonfarm payrolls are expected to increase 650,000 in March, according to the Bloomberg consensus, up from February's larger-than-expected 379,000 gain. That estimate is on the mid-to-low end of the spectrum, with forecasts on the higher end calling for a monthly payrolls gain of roughly 1 million -- with one Fed-model suggesting a possible [upside surprise](#) of almost 1.7 million jobs.

The unemployment rate should tick down two-tenths to 6%, according to Bloomberg.

-- MNI Washington Bureau |