Economy bouncing back

Country rebounds from brutal winter

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WASHINGTON — The American economy shrugged off the end of a brutal winter last month, rebounding with the biggest hiring surge in two years and suggesting that the job market's gains could endure.

Employers added 288,000 jobs across industries from manufacturing to construction to accounting. Even local governments hired. The unemployment rate sank to 6.3 percent, its lowest point since 2008, from 6.7 percent.

But the rate fell that far because many fewer people began looking for work in April, thereby reducing the number of unemployed. The proportion of Americans who either have a job or are looking for one dropped to a three-decade low.

And the monthly employment report the government released Friday showed that worker pay has yet to pick up — evidence that the job market has not fully recovered.

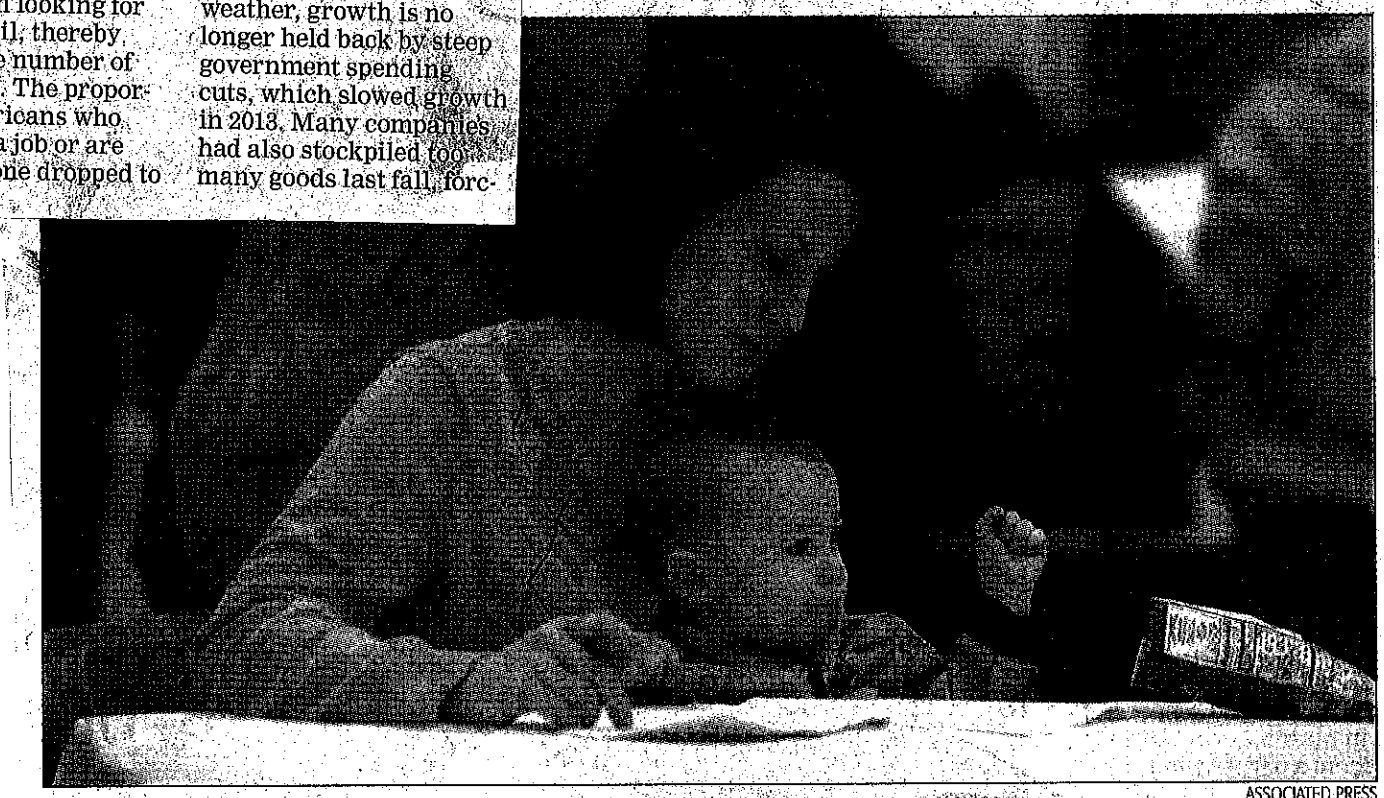
Yet April's robust hiring gains suggested that the economy is returning to the solid pace of growth it achieved in the second half of 2013, before it was hammered by a harsh winter. Job growth has averaged 203,000 a month in the past six months, similar to last year's average of 194,000.

Analysts said the economy is facing fewer hurdles now. In addition to better weather, growth is no longer held back by steep government spending cuts, which slowed growth in 2013. Many companies had also stockpiled too many goods last fall, forcing them to cut back in the first quarter to clear their shelves.

"The absence of these factors is finally allowing the economy's underlying strength to come to the surface," said Bart Van Ark, chief economist at the Conference Board. "The result is not just a relatively strong gain in jobs in April but probably more of the same in May and June."

April's solid job growth wasn't enough to boost stock prices. The Dow Jones industrial average fell 48 points in afternoon trading.

The unemployment rate is now at the lowest level in 5½ years. It's fallen far enough that economists are anticipating the key next step in an improving job market: higher pay.



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In this April 22 photo, Sarah Keegan of Windham, N.Y., with her son, Kevin, fills out paperwork during a job fair at Columbia-Greene Community College in Hudson, N.Y. The Labor Department said on Friday U.S. employers added a robust 288,000 jobs in April, the most in two years.