Employers add 280,000 jobs

But jobless rate rises slightly

Paul Davidson
USA TODAY

The labor market's spring rebound strengthened in May as U.S. employers added 280,000 jobs, soundly topping economists' estimates.

The unemployment rate rose to 5.5% from 5.4%, the Labor Department said Friday. That's largely because an improving market drew an additional 400,000 Americans into the labor force, which includes those working and looking for jobs.

Economists surveyed by Bloomberg expected employment gains of 220,000, according to their median forecast.

Businesses added 262,000 jobs, led by solid gains in professional and business services, leisure and hospitality, and health care. Federal, state and local governments added 18,000.

Oil companies continued to lay off workers in response to low crude prices. The mining and logging industry lost 18,000 jobs.

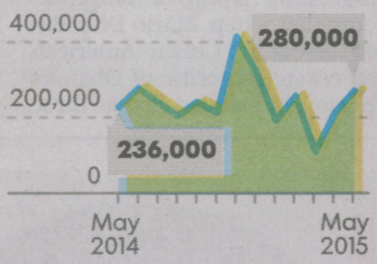
Payroll gains for March and April were revised by a total 32,000. March's count, which was an anemic 85,000, was revised to 119,000. The April estimate is now 221,000, down slightly from 223,000. Also encouraging is that wage growth, which has been sluggish throughout the recovery, picked up a bit. Average hourly earnings increased 8 cents to $24.96. Over the past year, pay is up 2.3%, compared with a 2.2% annual rise in April and about 2% since the recession.

IN MONEY
FED RATE HIKE?

"The economy is strong enough for businesses to be adding lots of workers, and they're now paying up for them," says Joel Naroff of Naroff Economic Advisors. "Wages are not where they should be, but they're clearly accelerating."

JOB GROWTH HEATS UP

Additions to payrolls have picked up recently along with the milder weather.



Source Bureau of Labor Statistics
KARL GELLES, USA TODAY