Workers pushed to limit



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Adam Metzger prepares to mount the engine on a 2011 GMC Sierra at the Flint Assembly in Michigan. After dramatic job cuts, Midwest plants now are hiring.

Factories expected to increase hiring

By Paul Davidson
USA TODAY

Factories are expected to step up hiring in the second half of the year even as the growth in production slows, helping spark a sluggish job market.

The seemingly contradictory trends are occurring because existing workers have been pushed to their limits with overtime. As a result, more workers will be hired to ease the burden, says Dan Meckstroth, chief economist of researcher Manufacturers Alliance/MAPI.

The manufacturing sector grew in July but at a slightly slower pace than early this year, according to an Institute for Supply Management report. Its manufacturing index slipped to 55.5 in July from 56.2 in June. A reading above 50 indicates growth, and the index has been above that level for the past year.

A report Monday from the majority staff of Congress' Joint Economic Committee shows factory job gains in 2010 largely have been in durable goods such as trucks, metals and machinery, rather than consumer products. The uneven rebound has mostly benefited Midwestern states.

Durable goods makers are adding jobs largely because they cut so severely in the recession as carmakers, construction firms and factories virtually stopped ordering metals, machines and other heavy-duty products. Inventories fell so low they had to increase purchases, igniting a manufacturing rebound.

After slashing nearly 2 million jobs from June 2006 to last December, durable goods makers have added 130,000 jobs this year, the JEC study says. The hiring largely benefited states that make transportation equipment and metals. Ohio, for example, added 19,600 factory jobs, a 3.2 percent increase.

But California, with at least double the factory workers of any Midwestern state, added 16,800 jobs, up 1.4 percent. .

Factories should add about 200,000 workers the second half, up from 136,000 the first half, says Tom Runiewicz of IHS Global Insight