Job gains cut unemployment to 7.7%., a 4-year low



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ann Oganesian, left, of Newton, Mass., pauses as she speaks with a State Department employee Feb. 25 about job opportunities with the fed-ral government during a job fair in Boston. U.S. employers ramped up hiring in February, adding 236,000 jobs and pushing the unemployment ate down to 7.7 percent from 7.9 percent in January.

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WASHINGTON — The American job mar-et isn't just growing. It's accelerating.

Employers added 236,000 jobs in February nd drove down the unemployment rate to .7 percent, its lowest level in more than four ears. The gains signal that companies are onfident enough in the economy to intensify iring even in the face of tax increases and overnment spending cuts.

Last month capped a fourth-month hiring pree in which employers have added an aver-ge of more than 200,000 jobs a month. The iring has been fueled by steady improve-ent in housing, auto sales, manufacturing nd corporate profits, along with record-low orrowing rates.

And the Dow Jones industrial average is at record high.

"The recovery is gathering momentum," aul Ashworth, an economist at Capital Eco-omics, said in a note to clients.

Job growth has picked up since summer. mployers added an average of 205,000 jobs month from November through February. hey added an average of 154,000 from July hrough October and 132,000 from March hrough June.

The gains could boost consumer spending, adding momentum to the U.S. recovery and helping troubled economies in Europe and Asia.

The U.S. economy is forecast to grow a modest 2 percent this year. Growth will likely be held back by uncertainty about the federal budget, higher Social Security taxes and across-the-board government spending cuts that kicked in March 1.

Unemployment remains high nearly four years after the end of the Great Recession. Roughly 12 million people remain out of work.

The unemployment rate declined in February from 7.9 percent in January mostly because more people found work. Another factor was that 130,000 people without jobs stopped looking for work last month. The government doesn't count them as unemployed.

The unemployment rate is calculated from a survey of households. The number of jobs gained is derived from a separate survey of employers.

Hiring would be rising even faster if governments weren't shrinking their work forces, as they have been for nearly four years. Governments cut 10,000 jobs in February.

Some $44 billion in spending cuts kicked in last week after Congress failed to reach a budget deal. The cuts are expected to shave about a half-point from economic growth this year and lower total hiring by about 30,000 jobs a month from April through September, according to Moody's Analytics.

And most workers have had to absorb higher Social Security taxes this year. Someone earning $50,000 has about $1,000 less to spend in 2013. A household with two high-paid workers has up to $4,500 less.

Stock prices rose after the report was released and strengthened later in the day. The Dow rose 67 points to 14,397, its fourth straight record close.

Robust auto sales and a steady housing recovery are spurring more hiring, which will trigger more consumer spending and could lead to stronger economic growth. The construction industry added 48,000 jobs in February; it's added 151,000 since September. Manufacturing gained 14,000 jobs last month and 39,000 since November.

Among industry categories, the biggest job growth in February was in professional and business services, which added 73,000. This category includes higher-paying jobs in accounting, engineering and information technology as well as temporary positions that typically pay less.