

BUSINESS

Outlook for jobs brightens

Confidence among small businesses expected to drive employment gains

By Paul Davidson and Barbara Hansen

USA TODAY

After nearly three years of unemployment, David Mote will be back at work next week, overseeing construction of a medical school building in Dothan, Ala.

Mote, whose \$2,000 weekly salary was cut to \$360 in unemployment benefits before he lost

even that 10 months ago, can again contemplate going out for dinner and taking in a weekend football game. "It feels great," says Mote, 52.

His employer, Batson-Cook of Atlanta, called Mote back to work amid a surge in health care and apartment construction as young adults who had doubled up with relatives find jobs and move into their own homes.

After losing 2.2 million jobs in the economic downturn, the construction industry is projected to add 113,000 this year, more than doubling last year's pace, according to a 2012 job market forecast by Moody's Analytics.

The job outlook has brightened the past two months with higher consumer spending, improved business confidence and a stock market rally.

In a survey, economists said they expect employers to add 2.1 million jobs

in 2012, an average of 175,000 a month. That would top the monthly pace of 136,000 last year and 78,000 in 2010, though still fall short of the 250,000 to 300,000 needed to quickly cut an 8.5 percent unemployment rate. The country has recovered just 2.6 million of the 8.8 million jobs lost in the recession.

"It's not going to be a breakout year," says Mark Zandi, Moody's chief economist.

Moody's predicts three categories — professional

and business services, education and health care, and leisure and hospitality — will lead job gains.

Driving the improvement in overall growth is confidence among small businesses as banks modestly ease credit standards.

Small firms, particularly start-ups, account for two-thirds of the new jobs created in a recovery.

"Small businesses are being more aggressive" than large ones, says consultant Harry Griendling of DoubleStar.