

# US adds a solid 428,000 jobs, unemployment rate steady at 3.6%

by Agencies

May 06, 2022 - 3:41 pm GMT+3



[A hiring sign is displayed at a restaurant in Schaumburg, Illinois, U.S., April 1, 2022. \(AP Photo\)](#)

The U.S. economy added more jobs than expected in April, extending a streak of solid hiring that has defied punishing inflation, chronic supply shortages, the Russian war against Ukraine and much higher borrowing costs.

Nonfarm payrolls rose by 428,000 jobs last month, the United States Labor Department said in its closely watched employment report on Friday. Data for March was revised slightly lower to show 428,000 jobs added instead of 431,000 as previously reported.

The jobs report showed that last month's hiring kept the unemployment rate at 3.6%, just above the lowest level in a half-century.

The economy's hiring gains have been remarkably consistent in the face of the worst inflation in four decades. Employers have added at least 400,000 jobs for 12 straight months.

The April job growth, along with continued wage gains, will help fuel consumer spending and likely keep the Federal Reserve (Fed) on track to raise borrowing rates sharply to try to slow inflation without tipping the economy into recession.

The central bank this week raised its key rate by a half-percentage point – its most aggressive move since 2000 – and signaled further large rate hikes to come.

“It is ambiguous whether larger employment gains would be a cause for concern for the Fed or a source of relief,” said Lou Crandall, chief economist with Wrightson ICAP in Jersey City.

“Stronger growth that reflects a willingness by individuals to return to the workforce would tend to dampen labor costs, while growth induced by higher wage offers by employers pinched by labor shortages would have the opposite effect,” he added.

Still, at a time when worker shortages have left many companies desperate to hire, employers kept handing out pay raises last month. Hourly wages rose 0.3% from March and 5.5% from a year ago.

Across industries last month, hiring was widespread. Factories added 55,000 jobs, the most since last July. Warehouses and transportation companies added 52,000, restaurants and bars 44,000, health care 41,000, finance 35,000, retailers 29,000 and hotels 22,000. Construction companies, which have been slowed by shortages of labor and supplies, added just 2,000.

As the Fed's rate hikes take effect, they will make it increasingly expensive for consumers and businesses to borrow, spend and hire.

In addition, the vast economic aid that the government had been supplying to households has expired. And Russia's invasion of Ukraine has helped accelerate inflation and clouded the economic outlook. Some economists warn of a growing risk of recession.

For now, the resilience of the job market is particularly striking when set against the backdrop of galloping price increases and rising borrowing costs.

Last month's gains also underscored the economy's strong fundamentals despite output shrinking in the first quarter under the weight of a record trade deficit.

This week, the Labor Department provided further evidence that the job market is still booming. It reported that only 1.38 million Americans were collecting traditional unemployment benefits, the fewest since 1970. And it said that employers posted a record-high 11.5 million job openings in March and that layoffs remained well below pre-pandemic levels.

What's more, the economy now has, on average, two available jobs for every unemployed person. That's the highest such proportion on record.

And in yet another sign that workers are enjoying unusual leverage in the job market, a record 4.5 million people quit their jobs in March, evidently confident that they could find a better opportunity elsewhere.

Still, the nation remains 1.2 million jobs short of the number it had in February 2020, just before the pandemic tore through the economy.

Chronic shortages of goods, supplies and workers have contributed to skyrocketing price increases – the highest inflation rate in 40 years. Russia's invasion of Ukraine in late February dramatically worsened the financial landscape, sending global oil and gas prices skyward and severely clouding the national and global economic picture.

In the meantime, with many industries slowed by worker shortages, companies have been jacking up pay to try to attract job applicants and retain their existing employees. Even so, pay raises haven't kept pace with the spike in consumer prices.

That's why the Fed, which most economists say was much too slow to recognize the inflation threat, is now raising rates aggressively. Its goal is a notoriously difficult one: a so-called soft landing.