

Jobless rate up slightly in March

Curtailed fighting in Iraq may prod Triangle companies to resume hiring, economists say.

BY AMY MARTINEZ
STAFF WRITER

RALEIGH — The Triangle's unemployment rate rose to 4.6 percent in March as businesses remained reluctant to hire amid the war in Iraq and uncertainty about the economy.

The Triangle's seasonally adjusted rate was up from the revised February reading of 4.5 percent, snapping a two-month streak of declining joblessness.

But economists said recent improvements in consumer confidence and an end to the major fighting in Iraq are likely to encourage businesses to start hiring again.

"The erosion of jobs will subside over the next three months, and we'll see some modest increases in nonfarm payrolls," said Campbell Harvey, a Duke University economist.

Unemployment rates for North Carolina's metropolitan statistical areas were announced Tuesday by the state Employment Security Commission and adjusted for seasonal factors by Wachovia Securities.

The number of people who re-

ported being out of a job dropped to 32,304 from 33,163 a month earlier. But discouraged job seekers — not a pickup in hiring — drove the decline.

Employment in the Raleigh-Durham-Chapel Hill area slipped to 667,206 in March, down 586. The number of people working or looking for work fell by 1,445 to 699,510, suggesting more job seekers gave up and stopped looking or left the Triangle.

A year ago, the Triangle had 4.9 percent unemployment.

Now with the war in Iraq largely over, local job consultants say hiring has begun to pick up, albeit slowly. Gene Norton, manager of the state job link center in

Raleigh, said layoffs have leveled off, but he stopped short of declaring a recovery under way.

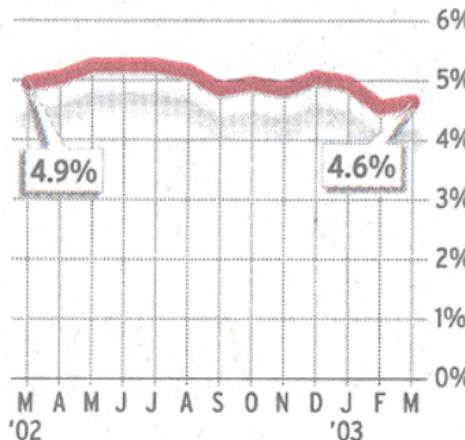
"Companies are still in business and functioning. A lot of them just aren't choosing to grow," Norton said. "Hopefully, we'll see some growth in the next quarter or two."

"I don't think it's to the point yet where I feel comfortable about getting excited."

The state jobless rate rose 0.2 percentage points in March to 6 percent, largely because of continued layoffs in manufacturing and a slowdown in construction. Nationally, unemployment

JOBLESS RISES

The Triangle's unemployment rate edged up in March after two straight months of declines.



Seasonally adjusted rate

Sources: state Employment Security Commission; Wachovia Securities

The News & Observer

SEE JOBS, PAGE 8D

JOBS

CONTINUED FROM PAGE 1D

was 5.8 percent in March and 6 percent in April.

Pam Higdon, who owns Express Personnel Services in Raleigh and Durham, said more employers called her offices for temporary workers as soon as the Iraq war began in mid-March, relieved that months of speculation had ended.

Although the telecommunications sector remains weak, Higdon said, she's seeing significant improvement in hiring by small-to-medium businesses representing a wide range of sectors.

"I still feel some companies are hesitating over fears that there might be a repeat of Sept. 11, but overall there's a sense of optimism," Higdon said.

Harvey, who studies global risks, said the threat of terrorism is holding many businesses back, explaining why five consecutive quarters of economic growth has failed to produce job gains. Nationally, nearly 600,000 jobs have been lost during the last six months, compared with an aver-

age monthly gain of 105,000 in previous post-recession periods.

"While the heavy fighting in Iraq is over, there is sharp uncertainty as to what will actually play out in the Middle East, and we haven't won the war against terrorism," Harvey said. "I think that's a concern for businesses."

Joblessness increased from 4.7 percent to 4.9 percent in Wake County. Durham County saw its rate rise from 5 percent to 5.1 percent, while Orange County's rate declined from 3 percent to 2.7 percent.

Without adjusting for seasonal factors, unemployment fell in 80 of North Carolina's 100 counties. The Charlotte area posted 5.8 percent unemployment, down from 6 percent in February.

For the third month in a row, Tyrrell County had the state's highest unemployment rate, 14.3 percent, largely because of layoffs in the food-making sector. Also for the third consecutive month, Gates County, a small, rural area in the northeast, had the state's lowest rate, 2.6 percent.

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