

# Ga. economy humming despite Fed

January hiring remained robust in spite of recent interest rate increases.



Job seekers meet recruiters Wednesday at Hartsfield-Jackson International Airport at the 2023 ATL Airport Career Fair, featuring over 2,300 positions, including managerial roles and jobs with airlines, cargo, maintenance, concessions and more.  
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## TOP LOCAL STORY ECONOMY

The Georgia economy jumped off to a strong start this year, adding 16,600 jobs in January as the unemployment rate stayed at a historically low 3.1%, the state Department of Labor said Thursday.

The state, which pre-pandemic lost jobs on average in previous Januarys, has expanded by 159,600 jobs during the past year, seeing especially robust hiring in hospitality and health care — sectors that together accounted for nearly half the month's new positions, according to Bruce Thompson, labor commissioner.

In the past 12 months, the economy has grown at a 3.5% pace, he said. "Georgia continues to lead the nation in job creation while outpacing the nation with low unemployment numbers."

The national jobless rate is 3.4%, while U.S. jobs have grown 3.2% in the past year.

Continued growth has come despite more than a year of higher interest rates, the result of a campaign by the Federal Reserve to damp down inflation by slowing the economy. The economy's defiance of the Fed has been generally good news for workers — rising wages and the leverage to leave undesirable jobs.

The state in January had 161,750 workers listed as unemployed, that is, without a job and actively searching for one. That is 22,000 fewer unemployed than before the pandemic, despite the expansion of the population since then.

Additionally, many people who had not been looking for jobs have returned to the labor market, which grew in January. That growth is often a sign that people who aren't working believe there are jobs to be had.

And there are, Thompson said: His agency has 129,000 job listings on its online jobs site — more than one-fifth of them in health care, including many nursing positions.

Nearly half of U.S. hiring managers say they have open positions they cannot fill, and most of those having trouble say they aren't getting enough applicants, according to a Harris Poll survey commissioned by Express Employment Professionals, a staffing company.

Georgia ranks 15th in "tightness," that is, in how hard it is for employers to fill positions, according to an analysis by Revelio Labs, a New York-based firm that crunches employment records.

The tightest job market is Massachusetts, where it is hardest to fill an opening and takes employers the longest time. Tennessee is the loosest market. The tighter the market, the better for workers.

But inflation is still higher than the Fed wants it to be, so like a flapping red flag in front

of a bull, robust growth in jobs and wages will keep the Federal Reserve charging more to borrow money — which could eventually tilt the labor market back toward employers, said Mark Hamrick, chief economist for Bankrate.

“Inflation has remained sticky,” he said. “The Federal Reserve appears determined to boost interest rates and to keep them high for longer.”

There are some signs that the economy has at least decelerated.

Nationally, claims for unemployment benefits are at their highest point in five months. But Georgia may be better-positioned than most states to weather a downturn, said Rajeev Dhawan, director of the Georgia State Forecasting Center, during his quarterly conference last week.

And while new jobless claims in Georgia were also up from the end of 2022, filings were still slightly lower last month than they had been in the same month pre-pandemic.

Another window on the local economy is coming later this month, when the state releases its jobs report for February.