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business services as well as leisure and hospitality.

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*By Reade Pickert, Bloomberg News – (via TNS).*

U.S. hiring and workers' pay gains accelerated in April, showing signs of labor-market resilience and fresh inflationary pressures in the face of economic headwinds.

Nonfarm payrolls increased 253,000 after a downwardly revised 165,000 advance in March, a Bureau of Labor Statistics report showed Friday. The unemployment rate fell back to a multi-decade low of 3.4%.

The job growth was broad-based, reflecting gains in health care, professional and business services as well as leisure and hospitality. However, the prior two months of

payrolls were revised lower by a combined 149,000.

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The data come just after the Federal Reserve raised interest rates for a fourth and possibly final time of this cycle in an effort to tame inflation. Chair Jerome Powell has said that will likely require a period of below-trend growth and softer labor-market conditions.

Part of what the Fed would like to see is a further easing in pay gains. That didn't happen in Friday's report — average hourly earnings rose 0.5% in April, the most in about a year on an unrounded basis. From a year ago, they were up 4.4%.

"The labor market remains extremely tight," said Diane Swonk, chief economist at KPMG LLP. "The Fed left the door open to additional rate hikes for a reason. This data is not as reassuring on a pause as we would like."

The labor market, however, is coming more into balance — not only are job postings declining, but more people have been coming off the sidelines in recent months. For those aged 25-54, the labor force participation rate — the share of the population that is working or looking for work — climbed in April to 83.3%, the highest since 2008.

Powell, who's said his own expectation is that the economy will grow modestly this year, still acknowledged that the US could experience a "mild recession." Many economists, however, see the labor market deteriorating more rapidly in the second half of the year, underpinning expectations of a downturn.

Several policymakers have said the Fed won't cut rates this year, but traders still don't buy it. However, they pared those bets somewhat after the report.

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(With assistance from Kristy Scheuble, Augusta Saraiva and Steve Matthews.)

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