

Companies Add 175K Jobs in January

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WASHINGTON (AP) — A private survey shows that businesses added jobs at a modest pace in January, a sign that hiring may have rebounded after a disappointing figure in December.

Payroll processor ADP said Wednesday that companies added 175,000 jobs last month. That's down from 227,000 in December, which was revised lower. But it was much better than the government's official figure of just 74,000 new jobs in December.

The ADP numbers cover only private businesses and often diverge from the government's more comprehensive report. In December its figure was much higher than the official count.

The job gains in ADP's report, while lower than in December, are in line with average monthly hiring for the past two years.

Fears have risen in recent weeks that the U.S. and global economies may be weakening. Those fears have caused sharp falls in stock markets worldwide. Turmoil in developing countries and signs of slower growth in the U.S. have also raised uncertainty about the Federal Reserve's next steps.

Some economists were concerned that ADP's report suggested hiring slowed from December to January. But others were relieved that the job gains didn't fall further. Other economic data in the past two weeks, such as a survey of manufacturers by the Institute for Supply Management, have suggested the economy is weakening.

"Given the cratering in December payrolls and the poor ISM figures, these data should come as a relief," Jay Feldman, an economist at Credit Suisse, said in a note to clients.

Mark Zandi, chief economist at Moody's Analytics, which compiles the ADP report, said that cold weather "continued to weigh on the job numbers."

Excluding the impact of bad weather, hiring is likely occurring at a pace of 175,000 to 200,000 new jobs a month, Zandi said.

"I don't think anything fundamental has changed in the economy," he said. Moody's is still forecasting that hiring will pick up this year and average about 225,000 a month.

Many economists said bad weather was partly to blame for the sharp fall-off in December hiring. Job gains had averaged 214,000 a month from August through November, nearly three times December's total.

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Construction added 25,000 jobs in January, the ADP survey found, slightly below December's total. Manufacturing cut 12,000 jobs.

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