Survey: U.S. Businesses Added 162K Jobs In September

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WASHINGTON (AP) — A private survey shows that U.S. businesses added fewer workers in September than August, a sign that slow growth may be holding back hiring.

Payroll processor ADP said Wednesday that companies added 162,000 jobs last month. That's below August's total of 189,000, which was revised lower.

The September increase was better than economists had expected. And it marks the latest in a string of modest hiring gains reported by the survey in recent months. Still, the gain isn't enough to significantly push down the unemployment rate, which has been above 8 percent for three and a half years.

About 100,000 new jobs are needed each month just to keep up with the growth of the working-age population. Twice as many are typically needed on a consistent basis to bring unemployment down rapidly.

"While the economy isn't plunging into recession, it still isn't creating enough jobs to drive the unemployment rate lower either," said Paul Ashworth, chief U.S. economist at Capital Economics.

The report only covers hiring in the private sector and excludes government employment. The Labor Department will offer a more complete picture of September hiring on Friday.

The ADP and government surveys frequently diverge. In August, the government said private companies added 103,000.

Economists forecast that the Labor Department report will show employers added 111,000 jobs in September, slightly more than August. The unemployment rate is expected to tick up to 8.2 percent.

In September, services companies added 144,000 jobs, the ADP report said. Manufacturing, construction and other goods-producing industries gained 18,000.

The economy grew at a 1.3 percent annual rate in the April-June quarter, down from 2 percent in the January-March quarter and 4.1 percent in the final three months of last year.

Most economists expect growth to stay at about 2 percent for the rest of this year.

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