

U.S. Companies Add 166,000 Jobs In September

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WASHINGTON (AP) — U.S. businesses added just 166,000 jobs in September, only slightly more than the previous two months. The lack of improvement in hiring, along with the threat of a prolonged government shutdown, could help persuade the Federal Reserve to delay scaling back its stimulus.

Payroll company ADP said Wednesday that private employers added just 159,000 jobs in August and 161,000 in July. Both were lower than the previous estimates.

The figures are taking on greater importance because they may be the only measure of the September job market for some time. The Labor Department will have to delay its September jobs report, scheduled for Friday, now that it appears the government [shutdown](#) [1] will go past Wednesday.

The ADP data suggest that the economy is growing too slowly to rapidly boost hiring. Economists forecast that it expanded by a 1.5 percent to 2 percent annual rate in the July-September quarter, down from a 2.5 percent annual rate in the April-June quarter.

At the same time, hiring has slowed, according to the government's more comprehensive employment figures. Employers have added 155,000 jobs a month in the four months through August. That's down from an average of 205,000 in the first four months of the year.

The ADP figures show job growth remained sluggish in September.

"The job market appears to have softened in recent months," said Mark Zandi, chief economist at Moody's Analytics, which helps compile the report. "While job growth has slowed, there remains a general resilience in the market. Job creation continues to be consistent with a slowly declining unemployment rate."

Joseph LaVorgna, chief U.S. economist at Deutsche Bank, said the pace of job creation remains too weak to convince the Fed to scale back its \$85-billion-a-month in bond purchases at its meeting later this month.

And the partial government shutdown could slow economic growth, particularly if it lasts more than a week. A prolonged shutdown may lead the Fed to delay any reduction in its purchases until next year.

"My sense is folks on the Fed would want to wait and see what the fallout is from that," Zandi said. "It's more likely to be early next year rather than this year."

Prior to the shutdown, economists had been optimistic that economic growth could strengthen in the October-December quarter to an annual rate between 2.5 percent

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and 3 percent. But David Stockton, an economist at the Peterson Institute for International Economics, estimates the shutdown will shave about 0.15 percentage points off the economy's growth rate each week it lasts.

The ADP report covers hiring only in the private sector. The figures often diverge from the government's more comprehensive jobs report. The government's September jobs report is expected to show that employers added 180,000 jobs, while the unemployment rate was unchanged at 7.3 percent.

Construction firms added 16,000 jobs last month, one of the few highlights in ADP's September report. But manufacturers gained just 1,000 and have cut jobs through the first nine months of the year, according to ADP.

Financial services firms shed 4,000 jobs. That likely reflects layoffs at many banks' mortgage processing divisions. The number of mortgage refinancing applications fell sharply after borrowing rates over the summer.

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