Economy picking up?



Payroll processor ADP said Wednesday that private companies added 238,000 jobs in December, the highest total for 2013. DAVID GOLDMAN/AP

HIRING SURVEY: December was best jobs month of 2013

Payroll processor reports that companies added 238K positions

By Christopher S. Rugaber
Associated Press

WASHINGTON — A private survey shows U.S. businesses added the most jobs in a year in December, the latest evidence that the economy gained momentum at the end of 2013.

Payroll processor ADP said Wednesday that companies added 238,000 jobs in December, up slightly from 229,000 in the previous month. November's figures were revised higher.

The report showed solid gains in higher-paying jobs.

Construction firms hired 48,000 additional workers in December, the most since 2006. And manufacturers added 19,000 positions. Companies in retail, transportation and utilities also gained 47,000 jobs.

The ADP numbers cover only private businesses and often diverge from the government's more comprehensive report. But both reports have shown a solid pickup in hiring since the summer.

"We're now 4½ years into this economic recovery, and there have been a lot of false starts," said Mark Zandi, chief economist at Moody's Analytics, which helps prepare the report. " ... But this time it does feel more fundamental, more real, more broad-based."

Last month, the Labor Department said private businesses added 203,000 jobs in November. The government will report Friday on December job growth.

Economists forecast that the government report will show employers added 196,000 jobs last month. That would be similar to the healthy average gain of 200,000 a month from August through November. Those increases have helped push the unemployment rate to a five-year low of 7 percent.

A stronger job market is a key reason the Federal Reserve last month announced it would begin to slow its extraordinary stimulus.

The Fed said after its meeting that it would reduce its purchases from $85 billion to $75 billion this month. And it said it expected to further reduce the bond purchases in "measured steps" at upcoming meetings, if the economy and the job market continue improving.

WEATHER'S EFFECT

Several economists noted that cold weather last month could cause the government's December jobs report, out Friday, to come in below payroll processor ADP's estimate. That's because the official figures are more likely to capture workers who stay home from work because of extreme weather.