

The U.S. economy added 113,000 jobs in January, suggesting continuing weakness after December's poor numbers, the Labor Department said Friday. PAUL J. RICHARDS/AFP/GETTY IMAGES

January's 113,000-job gain a disappointment

Experts: Weather likely played a role in second-straight weak month

By Paul Davidson
USA Today

The job market showed another weak gain last month as employers added 113,000 jobs, though weather might have distorted the employment picture for the second straight month.

The unemployment rate fell to 6.6 percent from 6.7 percent, the Labor Department said Friday.

Job gains for November and December were revised up by a total 34,000. November's gains were revised to 274,000 from 241,000 and December's to 75,000 from 74,000.

Economists surveyed by Action Economics estimated 185,000 jobs were added last month, according to their median forecast.

Businesses added 142,000 jobs. Federal, state and local governments cut 29,000.

Construction companies led job gains with 48,000. Professional and business services added 36,000; leisure and hospitality, 24,000 jobs; and manufacturers, 21,000.

Average weekly hours were unchanged at 34.4. Average hourly earnings rose 5 cents to $24.21.

A broader measure of distress in the job market known as the underemployment rate fell sharply to 12.7 percent from 13.1 percent. That includes the unemployed, people working part time even though they prefer full-time jobs, and discouraged workers who have stopped looking for jobs.

Cold weather was largely blamed for the disappointing number of jobs added in December, a sharp drop from the average 200,000-plus monthly gains from August through November. Some economists expected a sharp rebound last month as workers kept home by the inclement December weather returned to work. But others figured more bad weather in January would again depress the totals.

Wells Fargo chief economist John Silivia said bad weather likely partly held down job growth again in January. But he said that the labor market likely also was simply offsetting outsized job gains of more than 250,000 in both October and November.

"The job market is probably 190,000 to 200,000" gains a month, he said. "We are getting payback."

Other economic reports have been mixed lately. A measure of manufacturing activity fell sharply last month in part because of weather effects. But an index of service-sector activity rose solidly, and initial jobless claims — a gauge of layoffs — declined last week.

Economists generally have expected the economy and job market to pick up this year on an accelerating housing recovery and lower household debt, among other factors.