Private sector added 213,000 jobs last month

Paul Davidson
USA TODAY

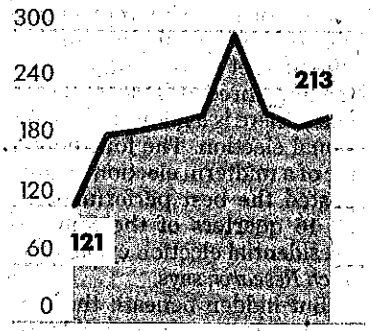
Private employers added 213,000 jobs in September, payroll processor ADP said Wednesday, possibly signaling that the government's closely watched report this Friday will show a rebound in employment growth.

Economists had estimated that ADP would report 207,000 private-sector job additions. They predict the Labor Department's report Friday will show 215,000 payroll gains by businesses and governments, according to the Action Economics survey's median forecast.

ADP said small businesses added 88,000 jobs; midsize ones, 48,000; and large companies, 77,000. Trade, transportation and utilities led the job gains, with 38,000. Manufacturers added 35,000, and professional and business services, 29,000.

MORE JOBS

Change in non-farm private-sector jobs from previous month, in thousands:



Source ADP, Moody's Analytics

KRIS KINKADE, USA TODAY

"Especially encouraging most recently is the increasingly broad-base nature of those gains," said Mark Zandi, chief economist of Moody's Analytics, which helps ADP compile the report. "Nearly all industries and companies of all sizes are adding consistently to payrolls."

ADP and the Labor Department track similar trends, but ADP's count has differed from Labor's private-sector job tally by an average of 34,000 since Moody's Analytics began helping ADP compile the data nearly two years ago, according to High Frequency Economics.

Last month, ADP reported that businesses added 202,000 jobs in August, while Labor's estimate was 134,000.

Overall payroll growth slowed to 142,000 after six straight months of 200,000-plus gains, Labor said.

Many economists note that other labor market indicators have been positive recently, including initial jobless claims that have fallen to pre-recession levels.

They expect the government to revise up the August figure.

The ADP total for September "supports our view that the disappointing 142,000 gain in official payrolls last month was just a blip," Paul Dales, senior U.S. economist at Capital Economics, said in a research note.