Private survey: Hiring slowed

Numbers dropped drastically for April

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The Associated Press

WASHINGTON—A private survey shows U.S. businesses sharply reduced hiring in April, a cautionary sign two days before the government reports on monthly job growth.

Payroll provider ADP said Wednesday that businesses added just 119,000 jobs last month, far lower than a revised total of 201,000 jobs in March.

The number of jobs added was the fewest ADP has reported in seven months.

Stock futures fell slightly after the report was released. The survey covers only private sector hiring. And it's been known to deviate sharply from governments figures, which will be released Friday.

For example, the government said employers added just 120,000 jobs in March — far lower than ADP's estimate.

Many economists said the ADP figures wouldn't lead them to change their forecasts. Analysts expect the government will report Friday that employers added 163,000 jobs in April, according to a survey by FactSet. The unemployment rate is expected to stay at 8.2 percent.

Economist Paul Ashworth, of Capital Economics, said in a note to clients that the report "will renew fears of another spring slump in the labor market."

However, Ashworth added that even if the government's report confirms weak hiring in April, "we would still expect employment growth to start picking up again in a few more months."

The report is the latest example of the conflicting signals currently being sent by economic data.