

Private-Sector Adds Jobs, Moderate Job Growth Seen

ADP Report Not Seen Changing Expectations for Friday's Nonfarm Payrolls

By

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U.S. businesses last month returned to the modest pace of hiring seen before harsh winter weather curtailed job growth, a survey of private-sector hiring said Wednesday.

Private-sector payrolls in the U.S. increased by 191,000 new jobs in March, according to a national employment report compiled by payroll processor [Automatic Data Processing](#) Inc. **ADP -0.36%** (ADP) and forecasting firm Moody's Analytics.

The result came in near the 200,000 new jobs predicted by economists surveyed by The Wall Street Journal. The report also flashed an optimistic sign for the pace of hiring by revising February figures to 178,000 new jobs from the 139,000 reported a month ago.

The ADP report is seen as a precursor to Friday's nonfarm payrolls, an economic indicator often touted as the best barometer of the nation's economic health. However, the near-expectations data means this month's private-sector payrolls report is unlikely to cause forecasters to change their estimates for Friday. A Wall Street Journal survey of economists sees an increase of 200,000 jobs last month with the unemployment rate falling to 6.6% from 6.7%.

The ADP result provides more evidence that the labor market has started to thaw after a brutally cold winter appeared economic growth. After weak data in December and January, nonfarm payrolls added an above-expectation 175,000 jobs. Also, the latest report in initial jobless claims saw the three-month moving average fall to its lowest level since last September.

"The job market is coming out from its deep winter slumber. Job gains are consistent with the pace prior to the brutal winter," the ADP report said.

Stocks didn't react much the Wednesday's indicator, but the sign of increased hiring sapped demand for U.S. Treasurys, which saw prices falling to lows for the session. Bonds usually perform poorly during times of economic growth.

ADP, of Roseland, N.J., offers payroll processing, human resource and benefit administration services to about 620,000 clients world-wide. Economics firm Moody's Analytics is a subsidiary of Moody's Corporation

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