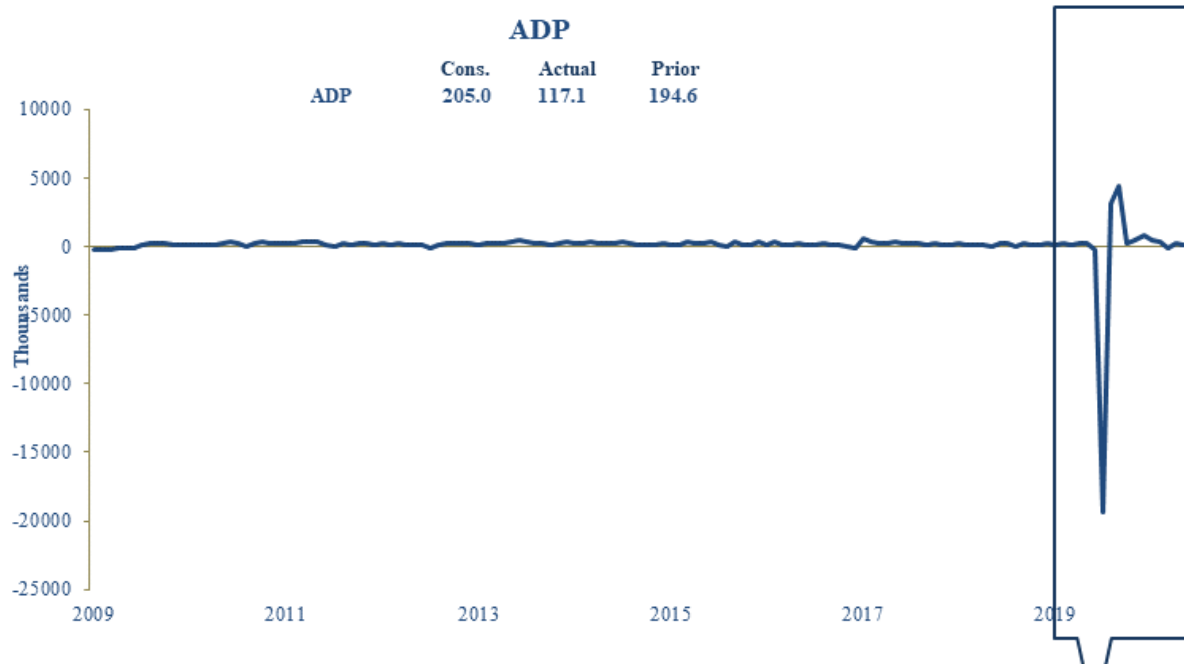
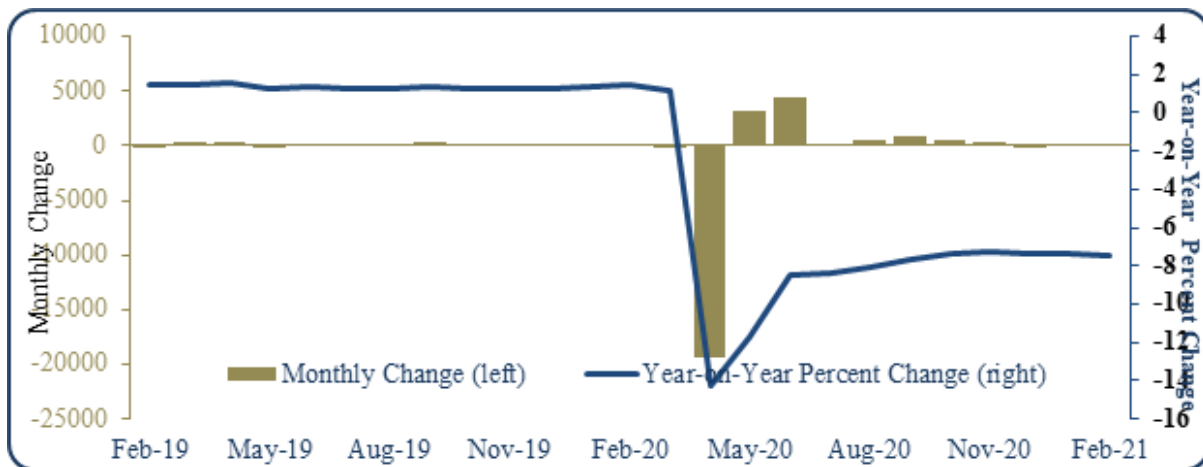


03.Mar.2021

## ADP Employment: Slower Gains

**Bottom Line:** Revised up slightly for January, ADP reported slower job gains in February. As reopenings continued in many parts of the country, service-producing jobs gained modestly. In many parts of the country, harsh weather hindered construction activity, causing modest job losses in both construction and manufacturing. Overall, this report left cause for concern as the recovery remains tepid in the labor market. The consensus for the non-farm payroll report due Friday morning is 195k -- and this report suggests the potential for a slight downside miss.



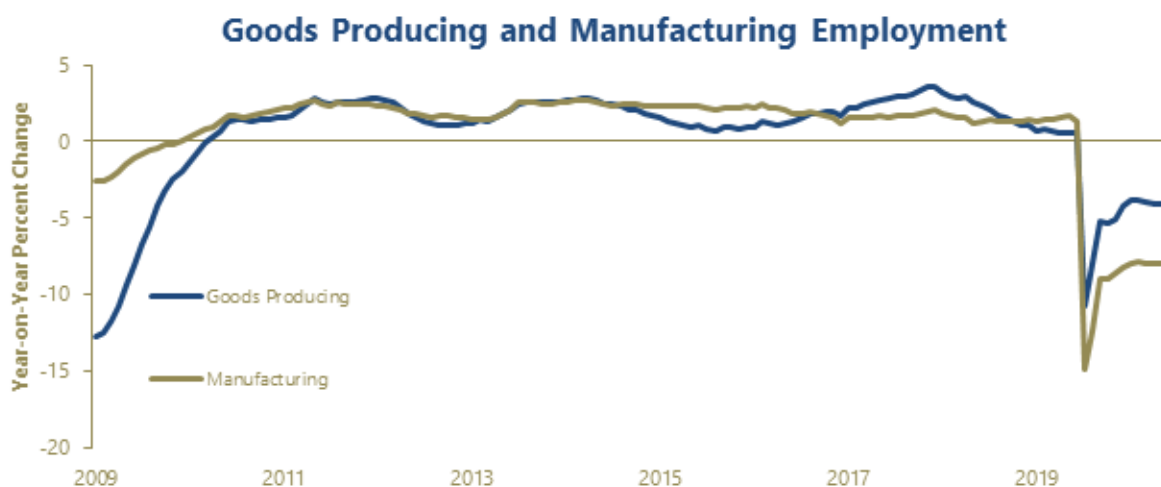


**ADP National Employment** ROSE by 117k in February, compared with the consensus estimate for a gain of 205k. Meanwhile, the revisions to the prior 3 months added an additional 26k to the previous estimate. Over the past 12 months, private payrolls have decreased by an average of -800k per month, lifting employment to 7.4% **BELOW** its year-ago level.

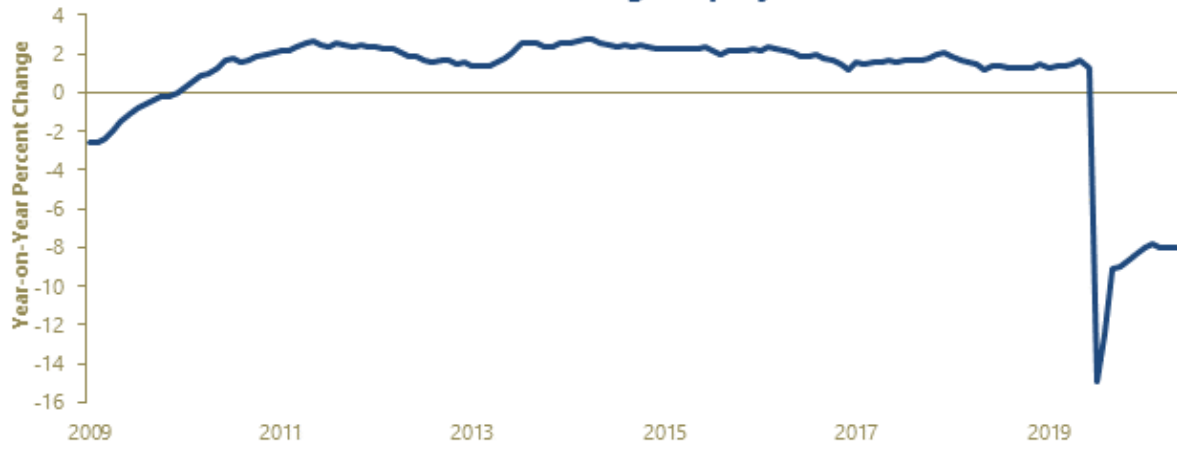
**Jobs in Goods-Producing Industries** FELL by 14k jobs but **Manufacturing** lost 14k workers. Moreover, **Construction** lost 3k jobs.

**Service-Producing Industries** ROSE by 131k jobs with Professional/Business Services hiring 22k workers, Trade/Transport/Utilities adding 48k, and Financial Activities remaining unchanged.

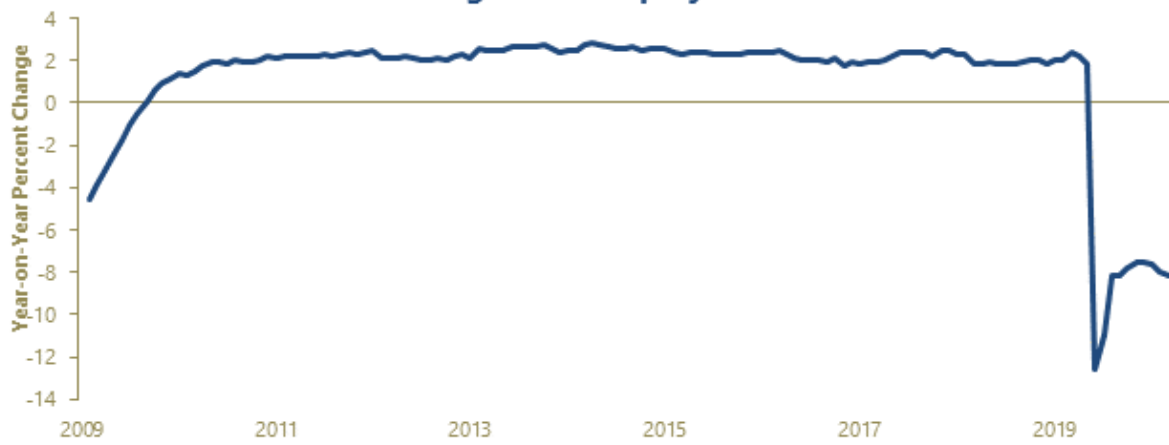
Small Firms hired 32k workers, Medium-Sized Firms grew by 57k employees while Large Firms added 28k positions.



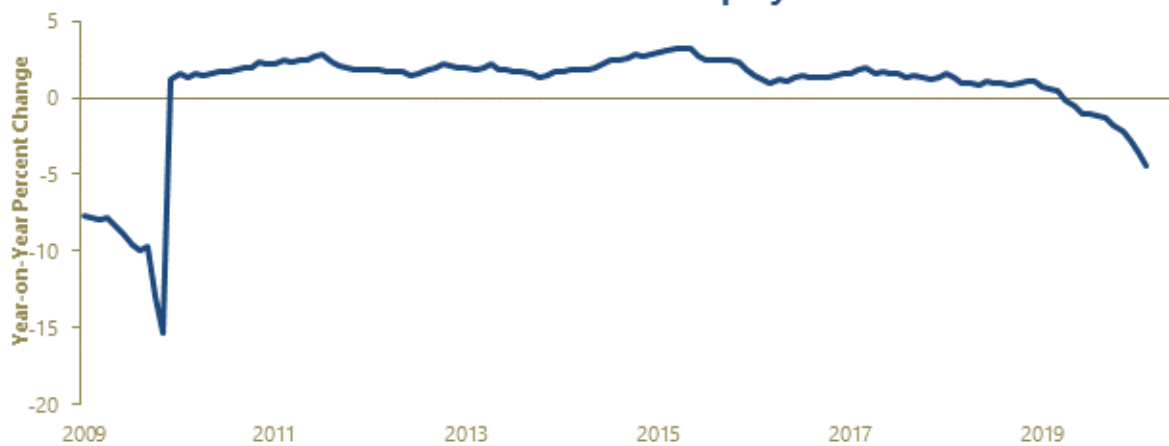
**Service Producing Employment**



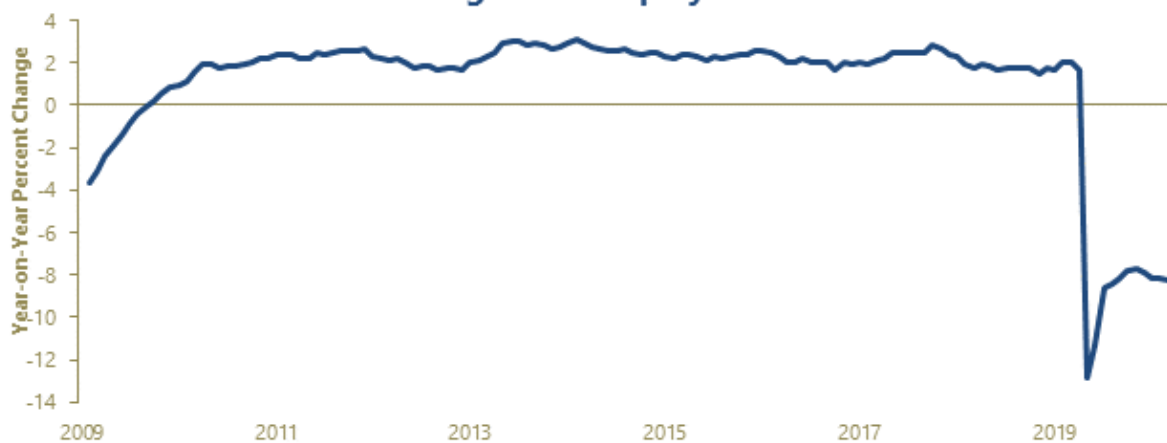
**Large Firm Employment**



**Medium-Sized Firm Employment**



## Large Firm Employment



	Feb-21	Jan-21	Dec-20	Nov-20	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
	Thousands										
	Monthly Change				Average Monthly Change						
<b>ADP National Employment</b>	<b>117</b>	<b>195</b>	<b>-76</b>	<b>302</b>	<b>79</b>	<b>297</b>	<b>-800</b>	<b>149</b>	<b>176</b>	<b>182</b>	<b>180</b>
<i>Previous Report</i>		<i>174</i>	<i>-78</i>	<i>299</i>							
Goods Producing Industries	-14	17	-5	27	-1	43	-73	13	44	27	27
Construction	-3	8	9	19	5	17	-18	12	21	21	15
Manufacturing	-14	8	-14	7	-7	23	-49	2	21	9	11
Other	3	0	0	1	1	2	-6	0	3	-2	0
Service Producing Industries	131	178	-71	275	79	254	-727	136	131	155	153
Professional/Business Ser	22	43	24	61	30	52	-107	32	35	36	42
Financial Activities	0	3	3	8	2	9	-13	12	13	13	9
Trade/Transport/Utilities	48	14	-28	38	11	56	-118	14	13	22	27
Other	61	118	-70	168	36	137	-489	78	71	84	75
<b>Addendum:</b>											
Small Firms	32	55	-8	110	27	95	-151	4	3	24	35
Medium Firms	57	89	49	135	65	125	-195	36	52	45	39
Large Firms	28	51	-117	56	-13	77	-453	110	120	113	106

Source: ADP & Moody's Analytics via Bloomberg. Our calculations.

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March 3, 2021

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