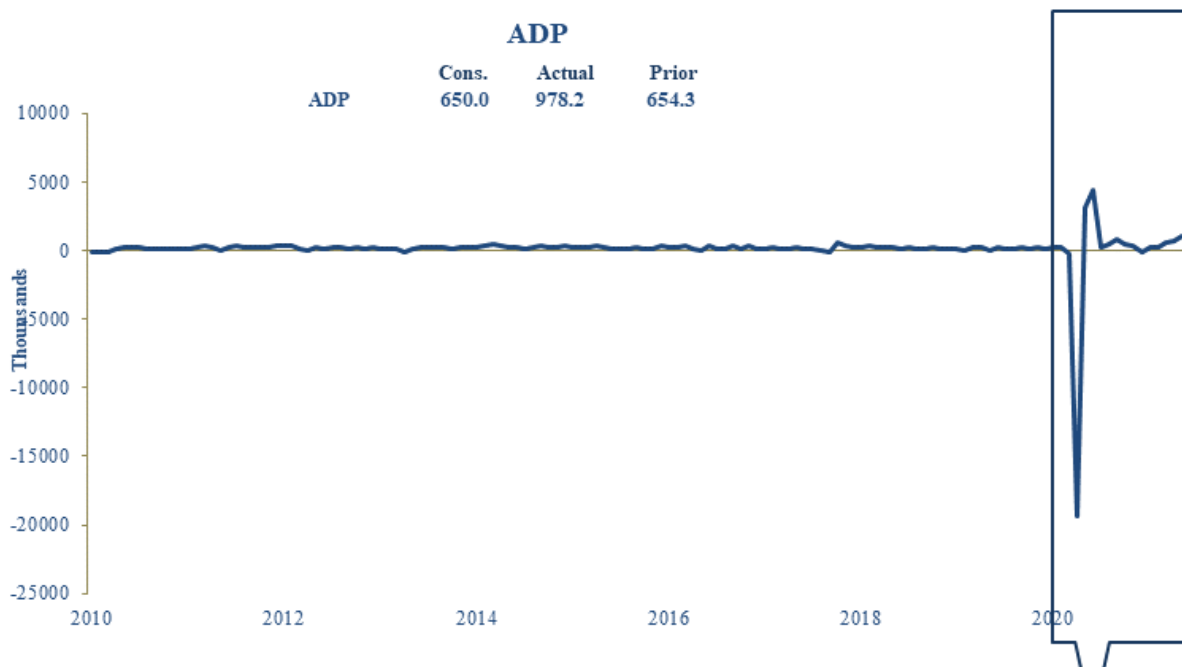
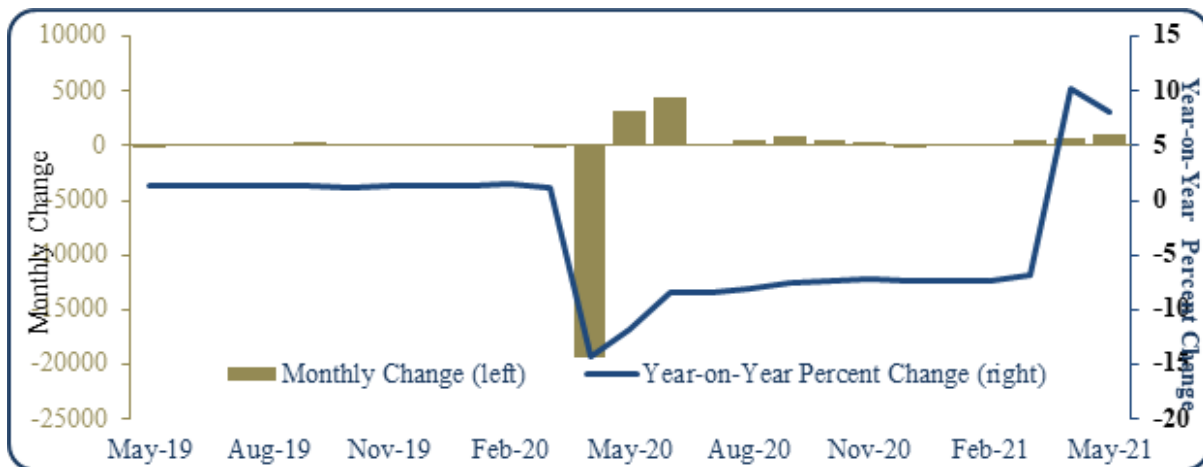


03.Jun.2021

ADP Employment: Continued Strong Gains

Bottom Line: ADP reported jobs in leisure and hospitality accounted for nearly half of the 978k jobs added in May. While there were negative revisions to prior months' data, the report was still better than expected. Education and healthcare jobs grew notably, as did those in the trade and transportation sector. Manufacturing and construction jobs were also robust. Overall, the report was solid, leaving the potential for strong gains in the national employment report due Friday. With the caveat that volatility will remain and the confidence interval associated with any predictive models is wide, this ADP report suggested an upside risk to the current 655k consensus forecast for nonfarm payroll gains in May.



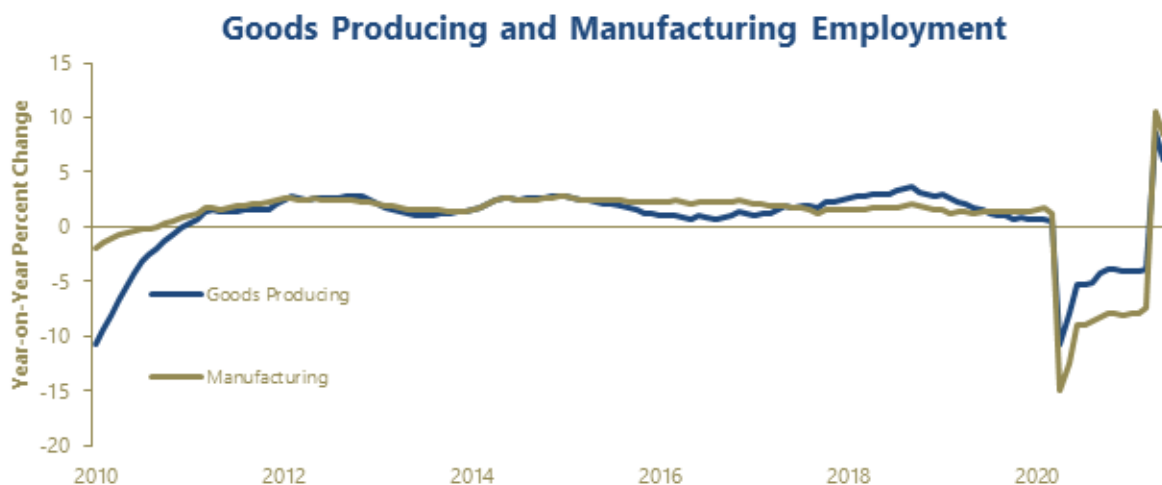


ADP National Employment ROSE by 978k in May, compared with the consensus estimate for a gain of 650k. Meanwhile, the revisions to the prior 3 months subtracted an additional 134k to the previous estimate. Over the past 12 months, private payrolls have increased by an average of 754k per month, lifting employment to 8.0% ABOVE its year-ago level.

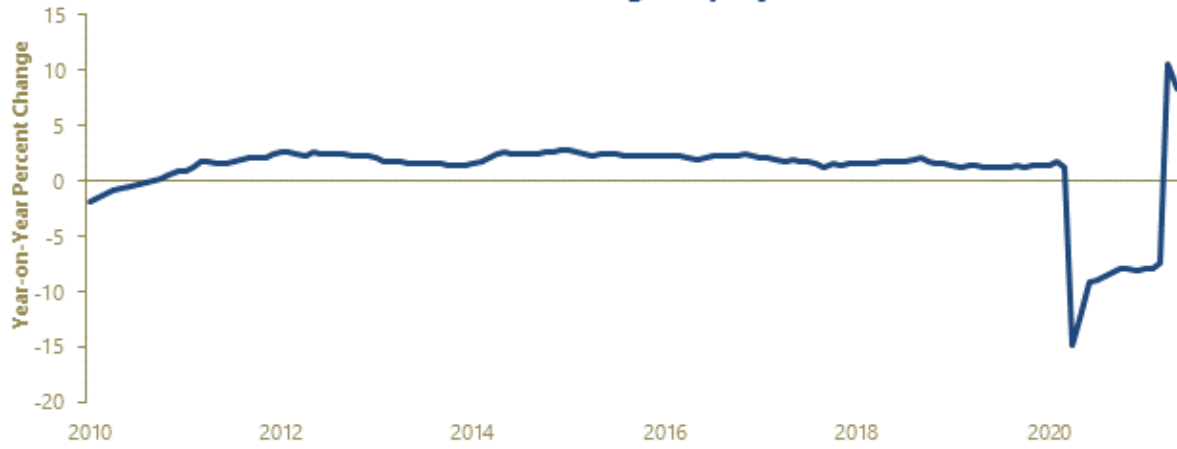
Jobs in Goods-Producing Industries ROSE by 128k jobs as **Manufacturing** gained 52k workers. Moreover, **Construction** gained 65k jobs.

Service-Producing Industries ROSE by 850k jobs with **Professional/Business Services** hiring 68k workers, **Trade/Transport/Utilities** adding 118k, and **Financial Activities** increasing by 20k workers.

Small Firms hired 333k workers, Medium-Sized Firms grew by 338k employees while Large Firms added 308k positions.



Service Producing Employment



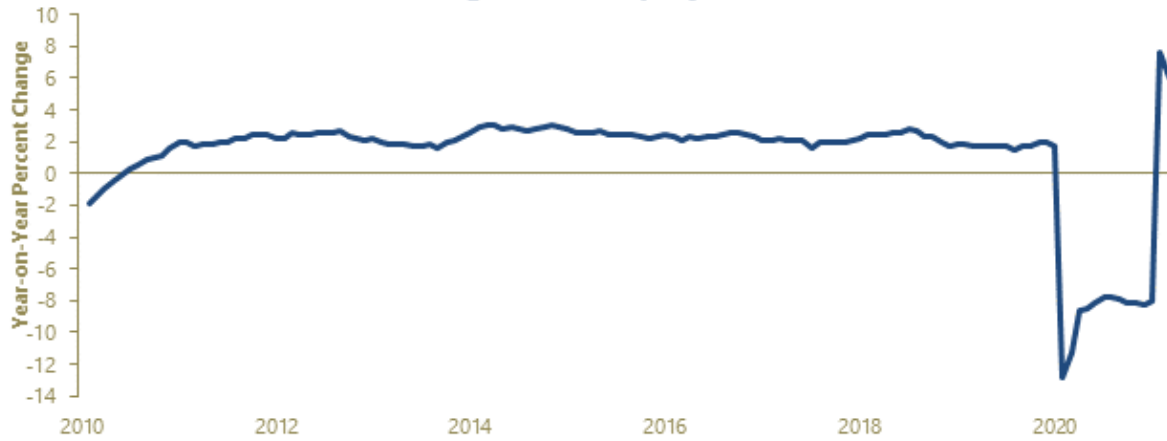
Small Firm Employment



Medium-Sized Firm Employment



Large Firm Employment



	May-21	Apr-21	Mar-21	Feb-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
	Thousands										
	Monthly Change				Average Monthly Change						
ADP National Employment	978	654	519	180	717	409	754	149	176	182	180
<i>Previous Report</i>		742	565	180							
Goods Producing Industries	128	91	86	-15	102	50	98	13	44	27	27
Construction	65	37	43	-12	48	25	45	12	21	21	15
Manufacturing	52	45	40	-7	46	21	52	2	21	9	11
Other	11	9	3	4	8	4	2	0	3	-2	0
Service Producing Industries	850	563	433	195	615	359	655	136	131	155	153
Professional/Business Ser	68	81	60	32	70	52	82	32	35	36	42
Financial Activities	20	12	10	2	14	8	11	12	13	13	9
Trade/Transport/Utilities	118	103	76	64	99	58	129	14	13	22	27
Other	644	368	287	97	433	241	433	78	71	84	75
Addendum:											
Small Firms	333	214	186	51	244	139	245	4	3	24	35
Medium Firms	338	211	194	78	247	159	217	36	52	45	39
Large Firms	308	229	140	50	226	111	291	110	120	113	106

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

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June 3, 2021

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