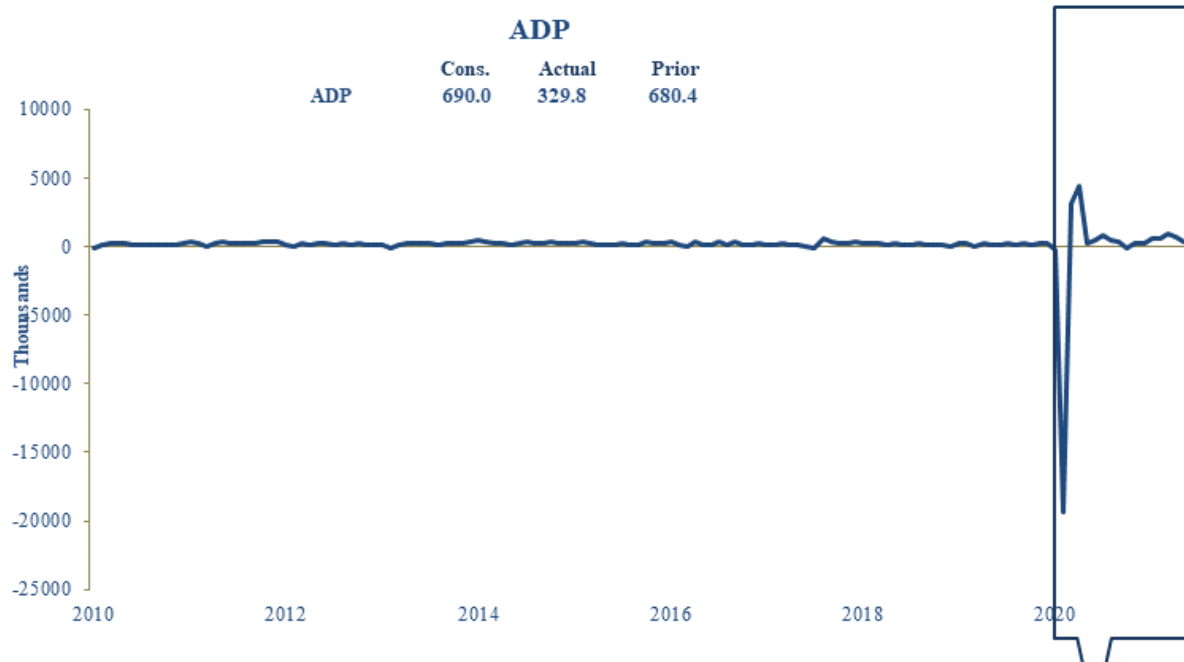
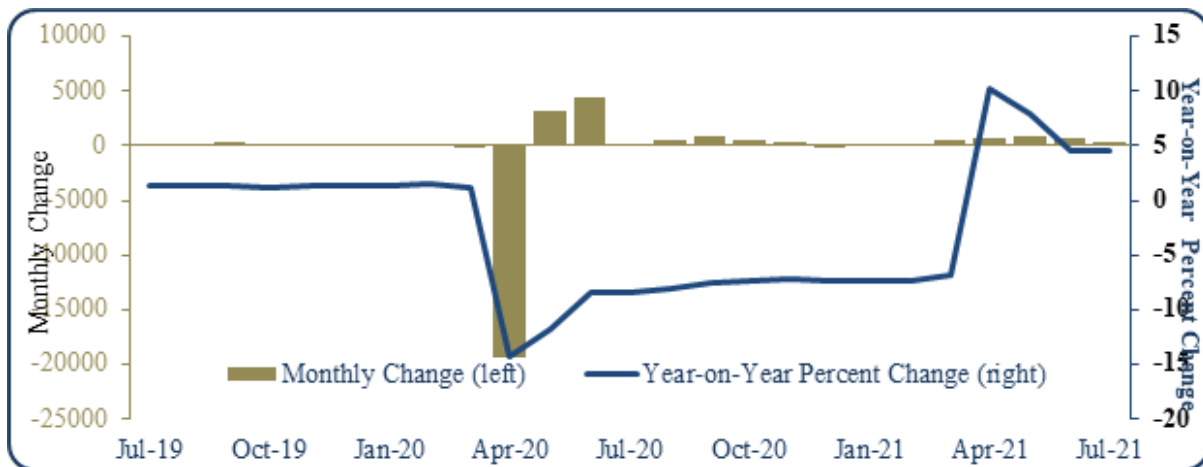


04.Aug.2021

ADP Employment: Slower Growth Amid Delta Variant

Bottom Line: ADP reported July job growth of less than half June's gains as service sector hiring slowed with the delta variant starting to hamper continued summer reopenings. The leisure and hospitality sector hired just 139k people in July, well below the 332k hired in June and 330k average of the prior three months. The education and healthcare sectors were also notably weaker relative to their recent trends. Moreover, the trade, transportation, and utility sector saw hiring of just 36k, well below that sector's three-month average of 92k. Overall, this was a disappointing report and likely showed the early impact of the upswing in Covid cases due to the delta variant. There is scope for a negative surprise relative to expectations of 875k new nonfarm payroll jobs in the national employment report due Friday.



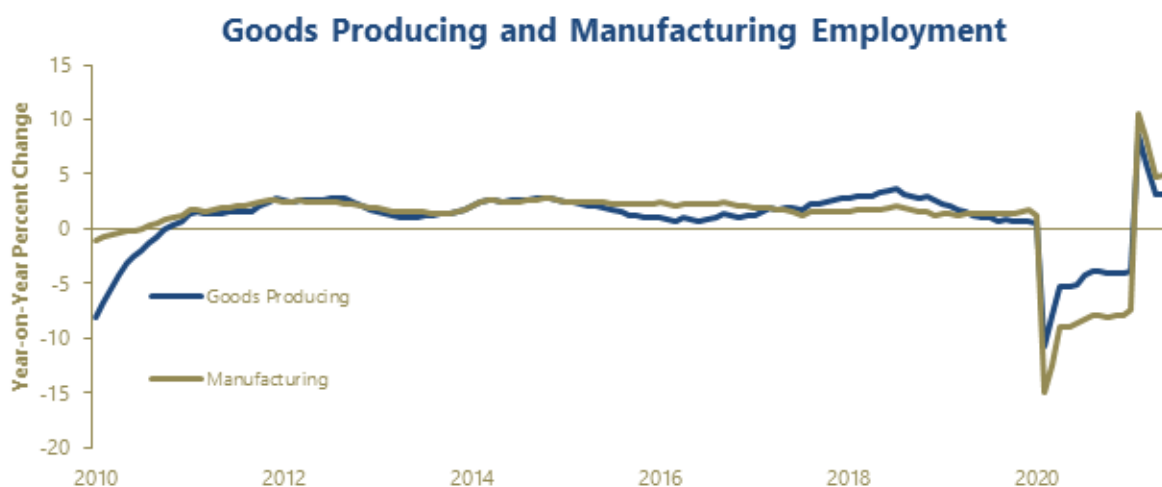


ADP National Employment ROSE by 330k in July, compared with the consensus estimate for a gain of 690k. Meanwhile, the revisions to the prior 3 months subtracted an additional 15k to the previous estimate. Over the past 12 months, private payrolls have increased by an average of 445k per month, lifting employment to 4.5% ABOVE its year-ago level.

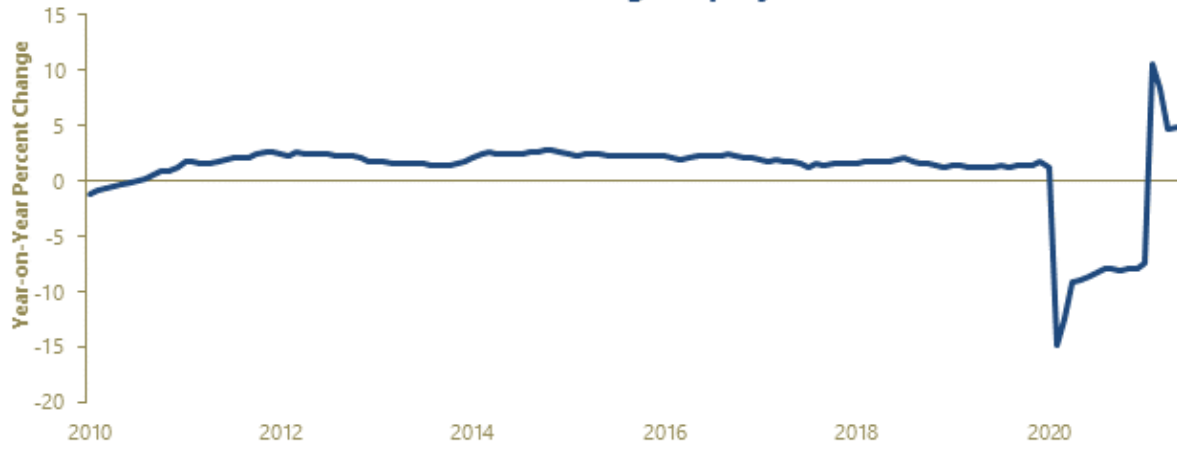
Jobs in Goods-Producing Industries ROSE by 12k jobs as **Manufacturing** gained 8k workers. Moreover, **Construction** gained 1k jobs.

Service-Producing Industries ROSE by 318k jobs with **Professional/Business Services** hiring 54k workers, **Trade/Transport/Utilities** adding 37k, and **Financial Activities** increasing by 9k workers.

Small Firms hired 91k workers, Medium-Sized Firms grew by 132k employees while Large Firms added 106k positions.



Service Producing Employment



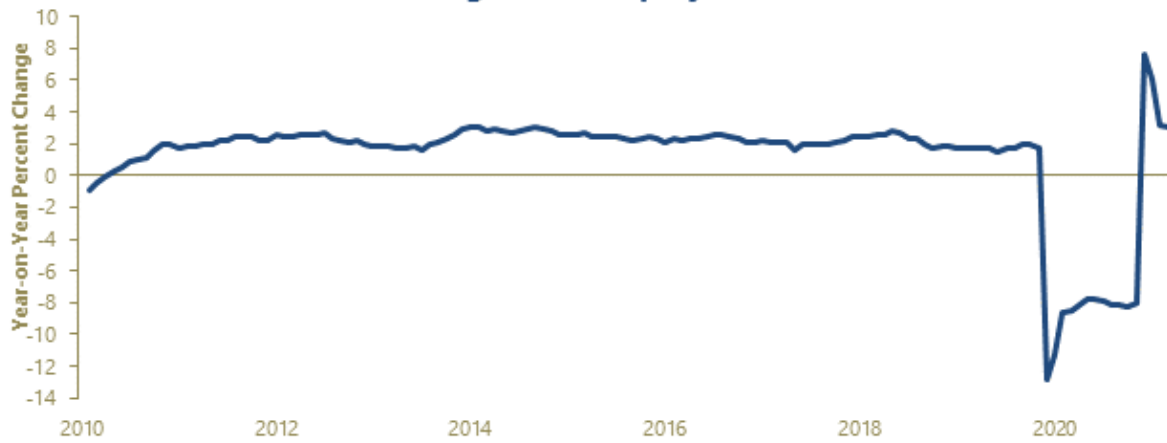
Small Firm Employment



Medium-Sized Firm Employment



Large Firm Employment



	Jul-21	Jun-21	May-21	Apr-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
	Thousands										
	Monthly Change				Average Monthly Change						
ADP National Employment	330	680	882	622	631	535	445	149	176	182	180
<i>Previous Report</i>		692	886	622							
Goods Producing Industries	12	56	97	81	55	53	53	13	44	27	27
Construction	1	36	43	29	27	23	23	12	21	21	15
Manufacturing	8	16	44	44	23	24	26	2	21	9	11
Other	3	4	10	8	6	5	4	0	3	-2	0
Service Producing Industries	318	624	785	540	576	482	393	136	131	155	153
Professional/Business Ser	54	55	59	80	56	57	60	32	35	36	42
Financial Activities	9	7	15	10	10	9	10	12	13	13	9
Trade/Transport/Utilities	37	70	110	97	72	75	68	14	13	22	27
Other	218	492	601	354	437	341	254	78	71	84	75
Addendum:											
Small Firms	91	203	294	198	196	170	136	4	3	24	35
Medium Firms	132	229	303	194	221	188	160	36	52	45	39
Large Firms	106	249	285	230	213	177	150	110	120	113	106

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

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August 4, 2021

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