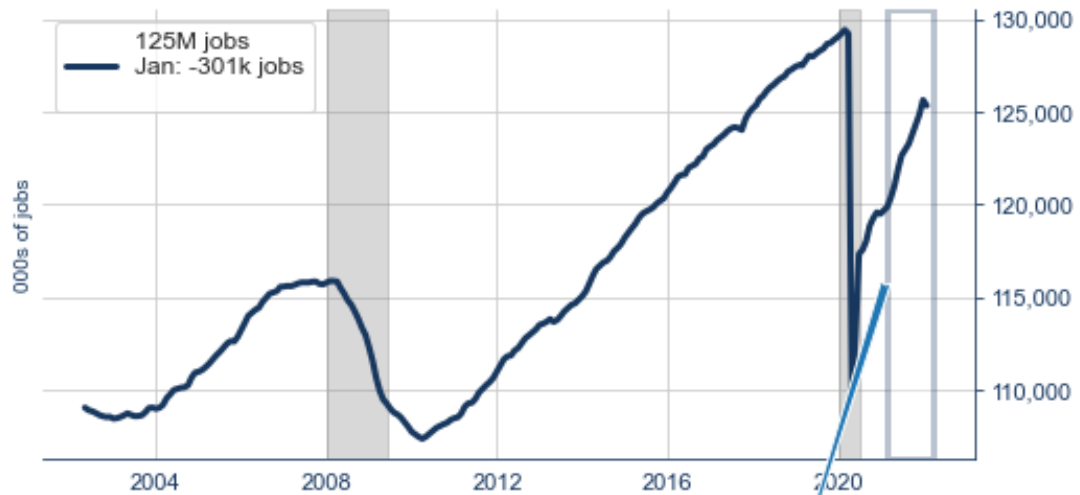


02.Feb.2022

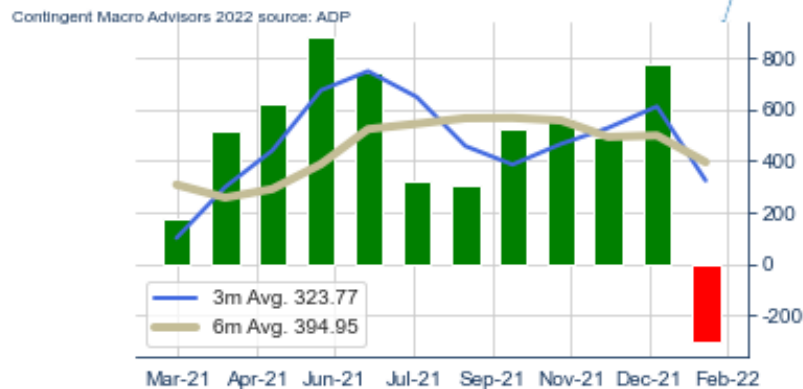
## ADP Employment: Surprise Decline

**Bottom Line:** ADP reported a sharp decline in employment in January, well below expectations after a strong December. Leisure and hospitality jobs led the decline but job losses were widespread with nearly every industry seeing a decline. While the report is concerning for the trend rate of job creation and the potential that the recovery is stalling, it is too early to draw firm conclusions. Two major factors skewed January lower - 1. the omicron variant caused many workers to stay home -- and those who didn't get a paycheck in January were considered a job loss; and, 2. seasonal adjustments have proven difficult since the pandemic as typical calendar-based behaviors shifted. These same forces will be at work in the government's payroll report due Friday, suggesting downside risk to the consensus of 150k.

## ADP - Total private jobs January: -301, consensus: +184



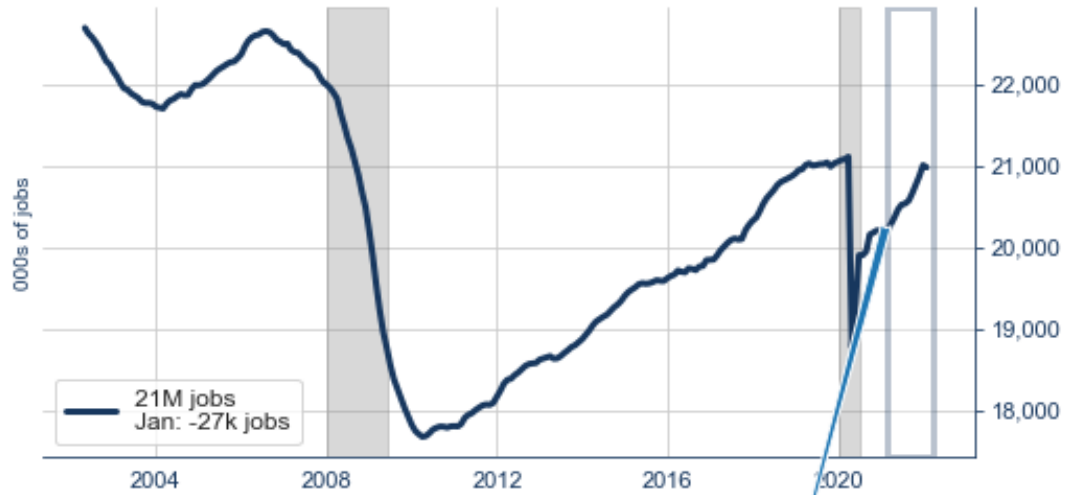
### monthly change



**ADP National Employment** FELL by -301k in January, compared with the consensus estimate for a gain of 180k. Meanwhile, the revisions to the prior 3 months subtracted an additional 40k to the previous estimate. Over the past 12 months, private payrolls have increased by an average of 470k per month, lifting employment to 4.7% ABOVE its year-ago level.

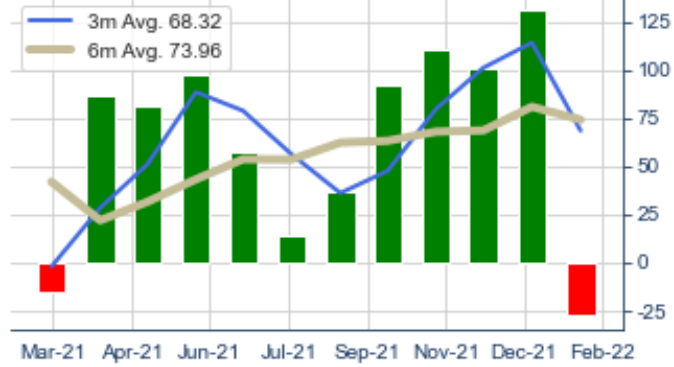
**Jobs in Goods-Producing Industries** FELL by 27k jobs but **Manufacturing** lost 21k workers. Moreover, **Construction** lost 10k jobs. Meanwhile, **Service-Producing Industries** FELL by -274k jobs with **Professional/Business Services** firing -3k workers, **Trade/Transport/Utilities** subtracting -62k, and **Financial Activities** declining by -9k workers. Small Firms fired 144k workers, Medium-Sized Firms fell by 59k employees while Large Firms subtracted 98k positions.

# ADP - Goods producing jobs

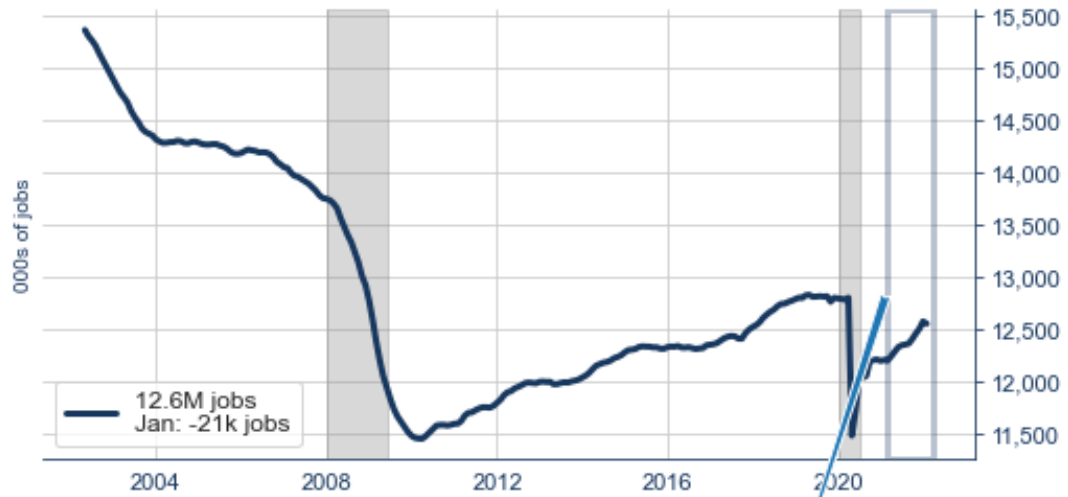


## monthly change

Contingent Macro Advisors 2022 source: ADP

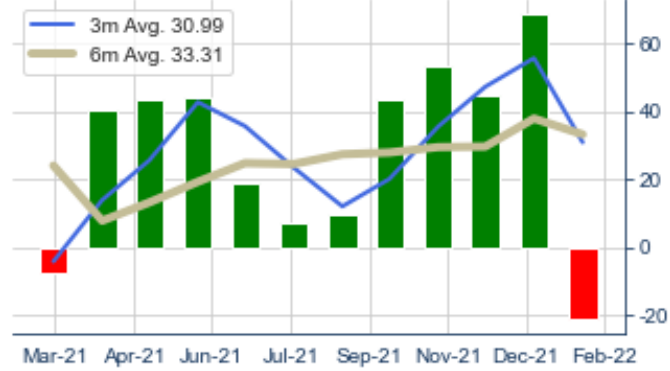


# ADP - Manufacturing jobs

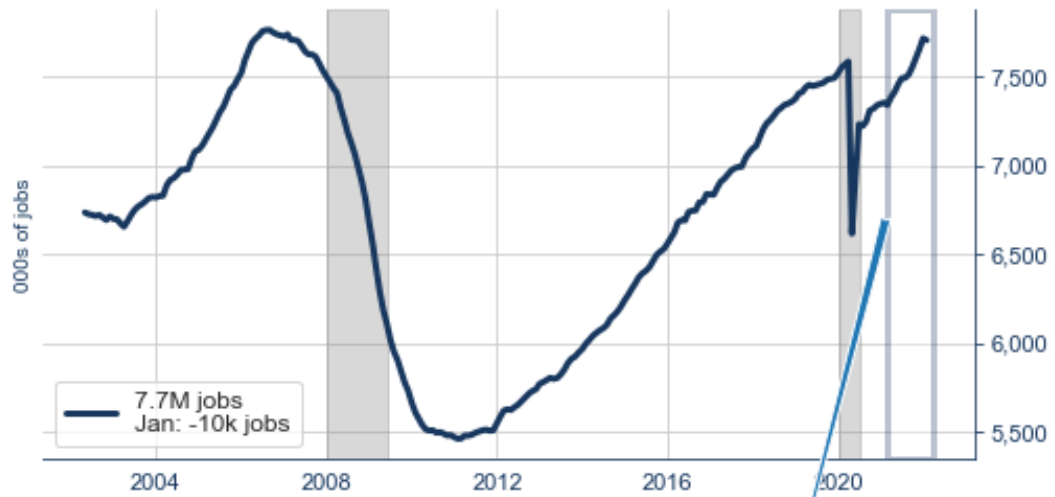


## monthly change

Contingent Macro Advisors 2022 source: ADP

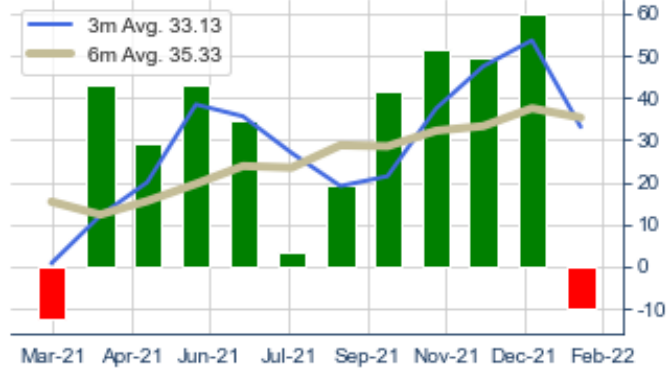


# ADP - Construction jobs

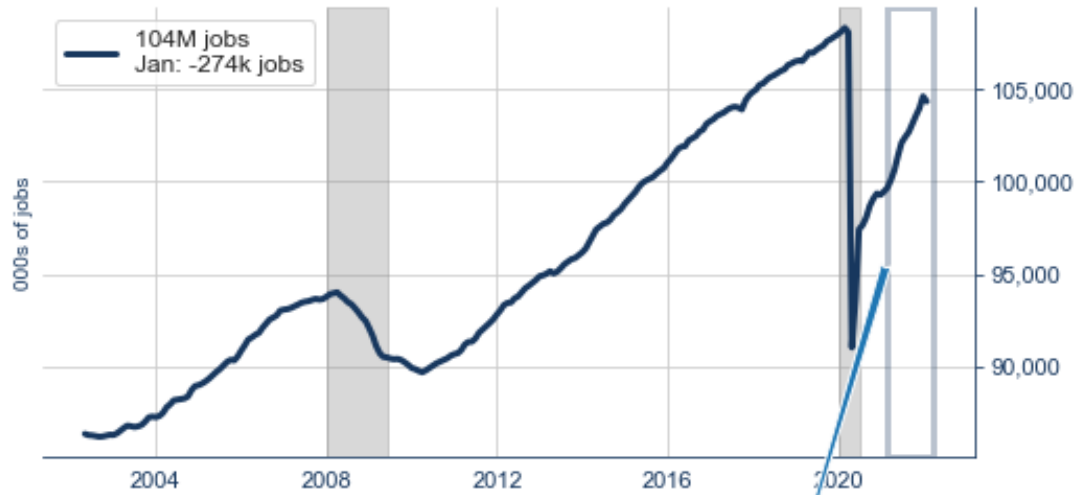


## monthly change

Contingent Macro Advisors 2022 source: ADP

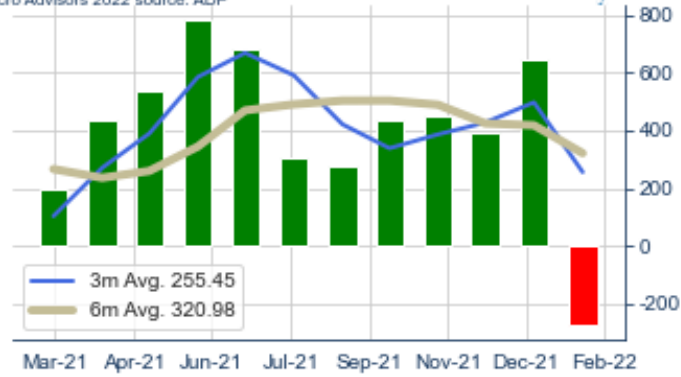


## ADP - Service providing jobs

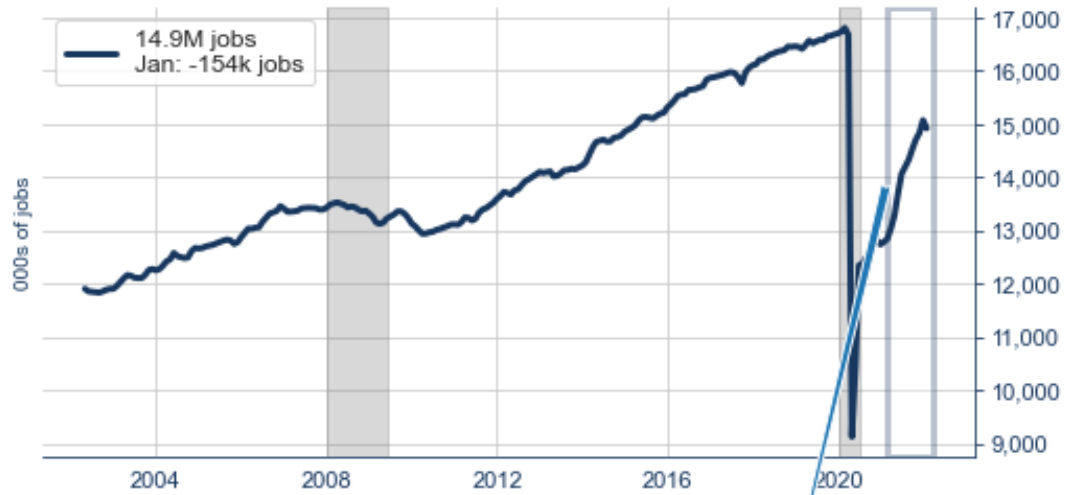


### monthly change

Contingent Macro Advisors 2022 source: ADP

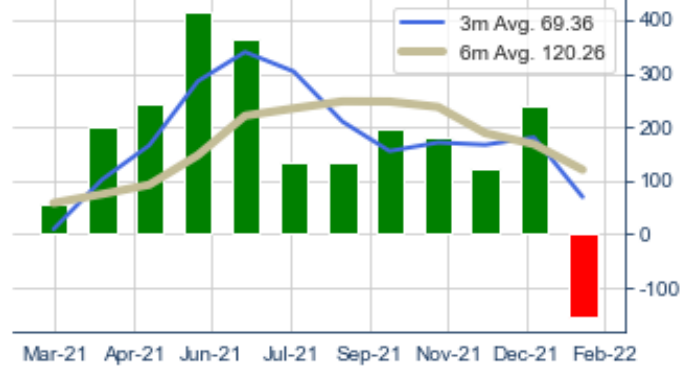


## ADP - Leisure & hospitality jobs

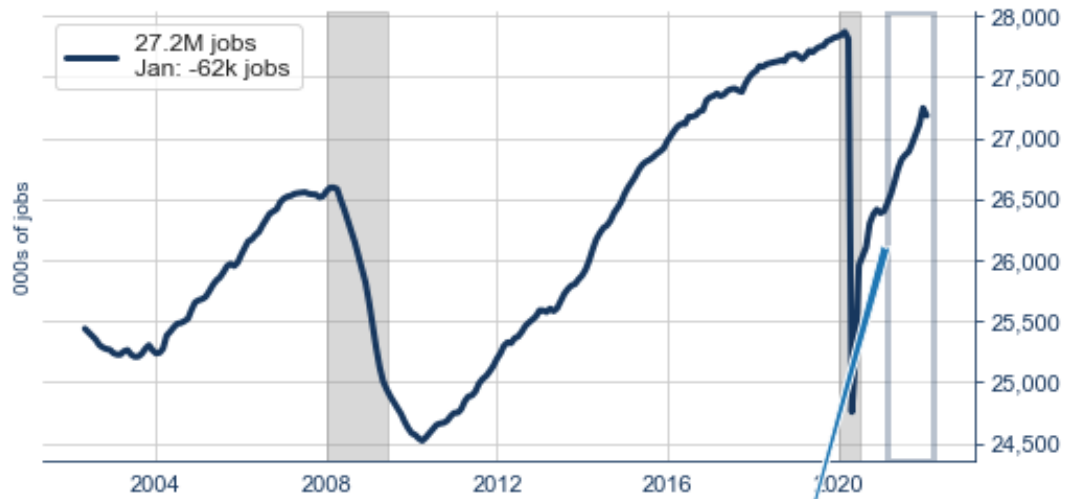


### monthly change

Contingent Macro Advisors 2022 source: ADP

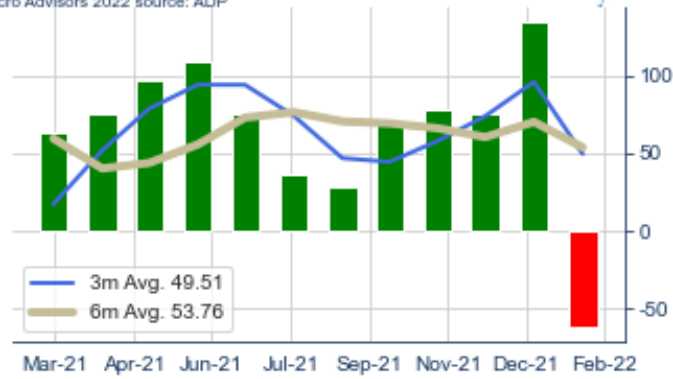


## ADP - Trade/transp./utilities jobs



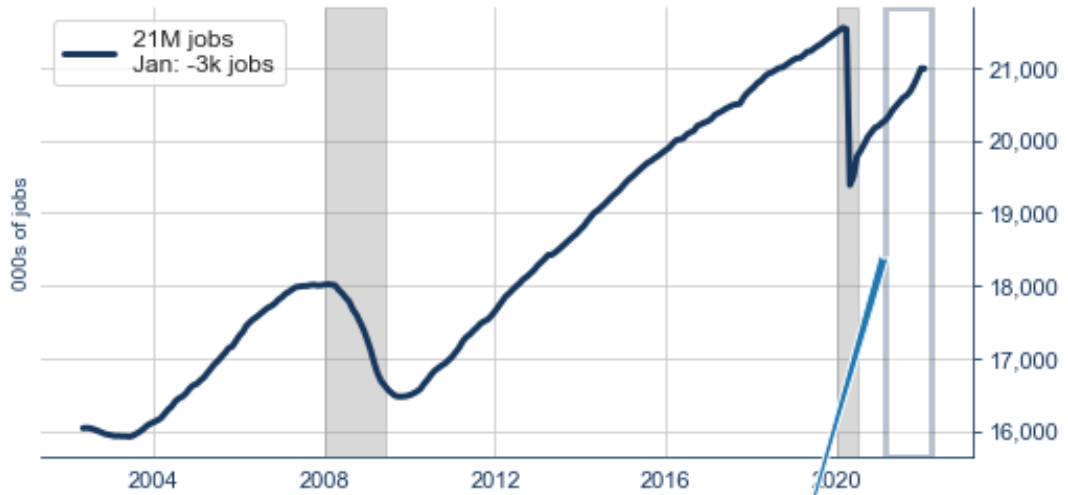
### monthly change

Contingent Macro Advisors 2022 source: ADP



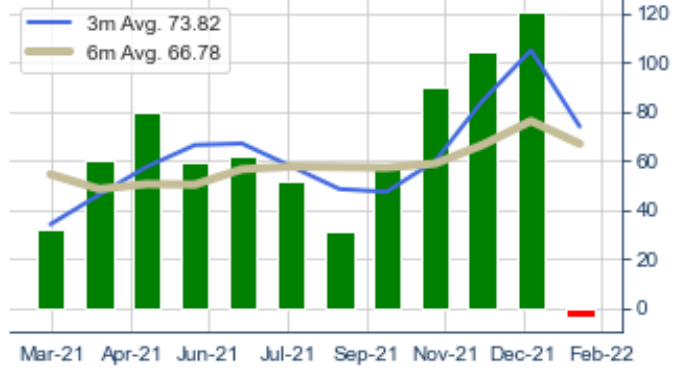


# ADP - Prof./business services jobs

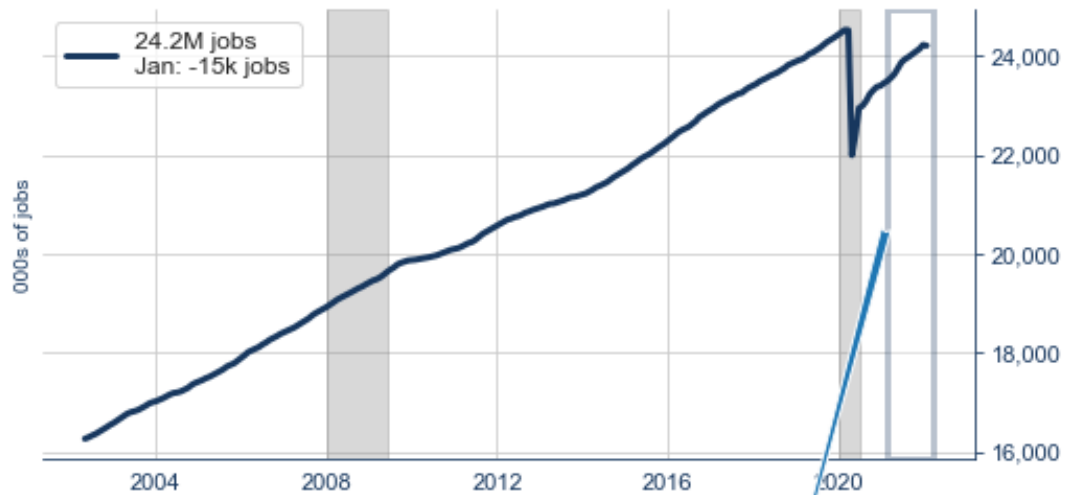


## monthly change

Contingent Macro Advisors 2022 source: ADP

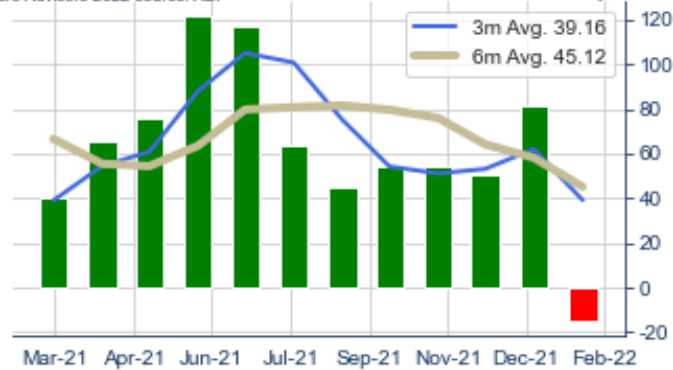


## ADP - Education & health services jobs



### monthly change

Contingent Macro Advisors 2022 source: ADP



ADP Private Payrolls monthly change in k	Jan-22	Dec-21	Nov-21	3m Avg	6m Avg	12m Avg	2021	5y Avg
<b>Total private</b>	<b>-300.97</b>	<b>775.90</b>	<b>496.37</b>	<b>323.77</b>	<b>394.95</b>	<b>469.61</b>	<b>511.05</b>	<b>34.70</b>
<b>Goods producing</b>	<b>-26.77</b>	<b>130.91</b>	<b>100.81</b>	<b>68.32</b>	<b>73.96</b>	<b>63.69</b>	<b>67.10</b>	<b>18.83</b>
<b>Service providing</b>	<b>-274.20</b>	<b>644.98</b>	<b>395.56</b>	<b>255.45</b>	<b>320.98</b>	<b>405.92</b>	<b>443.95</b>	<b>15.87</b>
Construction	-10.09	59.94	49.54	33.13	35.33	29.40	30.69	14.51
Natural resources & mining	4.24	2.09	6.26	4.20	5.33	5.35	4.98	1.06
Manufacturing	-20.92	68.88	45.01	30.99	33.31	28.95	31.42	3.27
Prof./business services	-3.42	120.45	104.42	73.82	66.78	62.14	66.23	11.48
Professional services	4.40	47.19	50.52	34.03	36.99	30.07	31.05	12.56
Management of companies	-1.58	6.46	5.07	3.32	2.82	2.17	2.37	1.20

Administrative & support services	-6.23	66.80	48.83	36.47	26.97	29.90	32.81	-2.28
Education & health services	-14.69	81.20	50.96	39.16	45.12	62.96	68.94	20.99
Healthcare	-10.06	71.86	42.08	34.63	35.44	50.18	55.20	19.86
Education	-4.63	9.34	8.88	4.53	9.68	12.78	13.74	1.13
Leisure & hospitality	-153.54	239.42	122.20	69.36	120.26	177.57	194.61	-15.99
Trade/transp./utilities	-61.62	134.70	75.44	49.51	53.76	65.11	71.54	-2.69
Information	-8.28	11.22	8.79	3.91	7.46	3.56	4.11	-3.70
Financial activities	-9.23	22.93	12.83	8.84	12.01	10.63	11.62	6.77
Other services	-23.43	35.07	20.93	10.86	15.60	23.94	26.89	-0.98