Key Facts about Payroll Employment Data

Nonfarm Payroll data are an estimate of the number of workers that U.S. firms employ and send paychecks to every month.

The data include approximately 80 percent of the workers in the economy. They exclude farm workers, private household employees, and non-profit organization employees.

Nonfarm Payroll data are “seasonally adjusted,” which means that the normal increase and decrease pattern that occurs based on seasonal cycles has been controlled for.

The change in nonfarm payrolls is the estimated number of jobs added or lost over a month's time.

An increase in nonfarm payrolls means that more people have jobs than the previous month.

- This is a positive sign for the economy because spending on goods and services is likely to strengthen as more people are employed.

A decrease in nonfarm payrolls means that businesses are reducing the number of workers they employ.

- This is a negative sign for the economy because it means fewer people have jobs than the previous month and new spending on goods and services might soften.
- A few months of decreasing nonfarm payrolls might indicate a weakening economy and the potential for recession.