

**UNDER EMBARGO UNTIL:
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National Employment Report

U.S. PRIVATE-SECTOR EMPLOYMENT INCREASED BY 170,000 JOBS IN JANUARY, ACCORDING TO ADP NATIONAL EMPLOYMENT REPORT

ROSELAND, N.J. – February 1, 2012 – Private-sector employment increased by 170,000 from December to January on a seasonally adjusted basis, according to the latest [*ADP National Employment Report*](#)[®] released today. The *ADP National Employment Report*, created by [Automatic Data Processing, Inc. \(ADP\)](#)[®], in partnership with [Macroeconomic Advisers, LLC](#), is derived from actual payroll data and measures the change in total nonfarm private employment each month. The estimated gain in employment from November to December was revised down to 292,000 from the initially reported 325,000.

U.S. Nonfarm Private Employment Highlights – January 2012 Report:

- Total employment: +170,000

- Small businesses:*
- Medium businesses:**
- Large businesses:***

- Goods-producing sector: + 18,000

- Service-providing sector: +152,000

Addendum:

- Manufacturing industry: + 10,000

* *Small businesses represent payrolls with 1-49 employees*

** *Medium businesses represent payrolls with 50-499 employees*

*** *Large businesses represent payrolls with more than 499 employees*

Note: All data included in the ADP National Employment Report is based on size of payroll. In some cases, small and medium-size payrolls belong to businesses employing more workers than indicated by the size grouping.

According to today's *ADP National Employment Report*, employment in the nonfarm private business sector rose 170,000 from December to January on a seasonally adjusted basis. Employment in the private, service-providing sector increased 152,000 in January, after rising a revised 241,000 in December. Employment in the private, goods-producing sector rose 18,000 in January. Manufacturing employment increased 10,000, while construction employment advanced 2,000 during that period.

“Over the last three months, the monthly gains in employment shown in *The ADP National Employment Report* have averaged 223,000, compared to 163,000 per month over all of 2011,” said Carlos Rodriguez, President and CEO of ADP. “This is a positive development that we hope will continue throughout the course of 2012.”

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “Labor market conditions continue to improve at a moderate pace. Today’s report marks the twenty-fourth consecutive monthly gain in private employment as measured in the *ADP National Employment Report*. This pick-up is consistent with the recent acceleration of the nation’s Gross Domestic Product which, in the fourth quarter, grew at 2.8 percent—the fastest pace since second quarter of 2010,” Prakken said.

Prakken continued: “Other indicators suggest some firming of labor market conditions as well, including the downward trend in unemployment claims, upturns in the components of consumer sentiment and confidence influenced by perceptions about the availability of jobs, and a rising trend in workers voluntary quitting their jobs.

“Employment grew in all the major sectors of the economy tracked in *The Report*, and across payrolls of almost all sizes. Employment on medium payrolls—those with 50 to 499 workers—rose 72,000 in January. Employment on large payrolls—those with 500 or more workers—increased 3,000 during that same period, but did decline slightly in the manufacturing sector,” Prakken noted.

DERIVED FROM ADP PAYROLL DATA							
Table 1. Employees on nonfarm private payrolls by selected industry sector and size* (In thousands)							
Industry / Size of Payroll	Seasonally Adjusted						Change from: Dec.2011 - Jan.2012p
	Aug. 2011	Sep. 2011	Oct. 2011	Nov. 2011	Dec. 2011p	Jan. 2012p	
Total nonfarm private	108,841	108,971	109,117	109,326	109,618	109,788	170
Small (1-49).....	49,320	49,391	49,461	49,572	49,708	49,803	95
Medium (50-499).....	42,060	42,111	42,179	42,264	42,390	42,462	72
Large (> 499).....	17,461	17,469	17,477	17,490	17,520	17,523	3
Goods-producing	17,833	17,827	17,834	17,862	17,913	17,931	18
Small (1-49).....	6,651	6,652	6,654	6,669	6,687	6,698	11
Medium (50-499).....	7,769	7,772	7,784	7,800	7,831	7,840	9
Large (> 499).....	3,413	3,403	3,396	3,393	3,395	3,393	-2
Service-providing	91,008	91,144	91,283	91,464	91,705	91,857	152
Small (1-49).....	42,669	42,739	42,807	42,903	43,021	43,105	84
Medium (50-499).....	34,291	34,339	34,395	34,464	34,559	34,622	63
Large (> 499).....	14,048	14,066	14,081	14,097	14,125	14,130	5
Addendum:							
Manufacturing.....	11,667	11,660	11,657	11,662	11,682	11,692	10
p = preliminary; subject to revision							
* All size data included in the ADP National Employment Report is based on size of payroll. In some cases, small and medium-size payrolls belong to businesses employing more workers than indicated by the size grouping.							

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which, during 2011, averaged about 344,000 U.S. business clients and

represented over 21 million U.S. employees. This approximately represents the size of the matched sample used this month.

Notice of Intent to Make Annual Revisions to the ADP National Employment Report[®]

On March 7, 2012, Automatic Data Processing, Inc., in conjunction with Macroeconomic Advisers, LLC, will publish annual revisions of the estimates of employment shown in the ADP National Employment Report. These revisions will reflect:

- Updated regression estimates used to adjust for historical differences in the variances of the monthly growth rates of employment reported by the Bureau of Labor Statistics and computed from ADP data;
- Updated estimates of the differences in the historical averages of the growth rates of employment reported by the Bureau of Labor Statistics and computed from ADP data;
- Updated estimates of historical seasonal factors;
- The reference month for establishing the levels of employment shown in the ADP National Employment Report will be advanced from March 2010 to March 2011; and
- There are no revisions to the methodology of computing the estimates of employment shown in the ADP National Employment Report.

Small Business Highlights – January Report:

Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees is reported in the [*ADP Small Business Report*](#)[®] each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.*

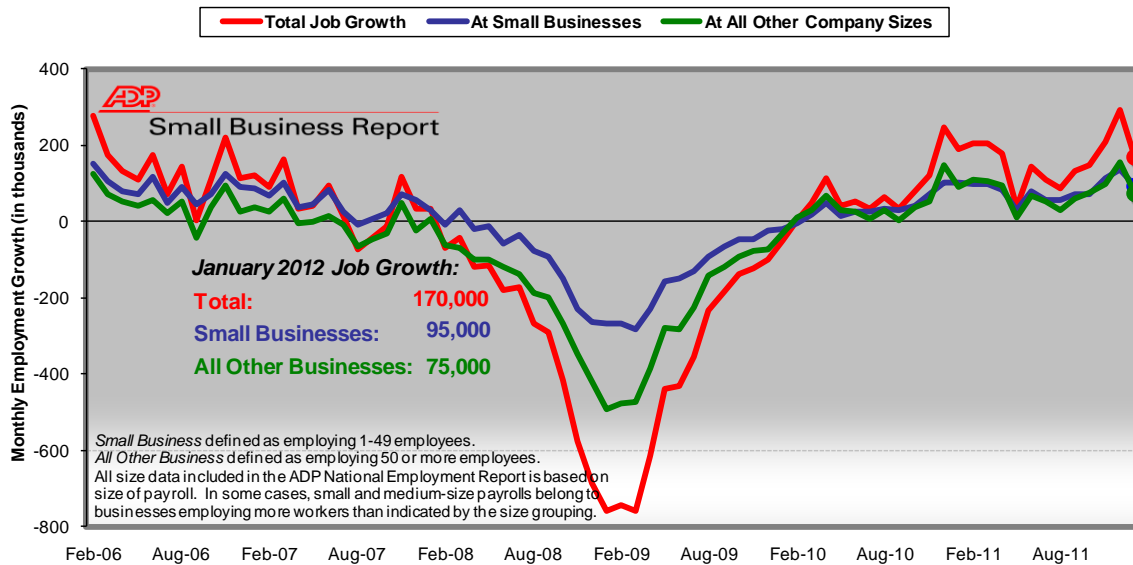
Prakken said: “Employment on small payrolls—those with up to 49 workers—rose 95,000 in January, with most jobs created by small, service-providing businesses.”

- Total nonfarm private small business employment: 95,000 jobs created
 - Goods-producing sector: 11,000 small business jobs created
 - Service-providing sector: 84,000 small business jobs created

**All size data included in the ADP National Employment Report is based on size of payroll. In some cases, small and medium-size payrolls belong to businesses employing more workers than indicated by the size grouping.*

Additional information about [small business](#) employment, including charts on monthly job growth and employment levels, along with historical data, is available at <http://www.smallbusinessreport.adp.com>.

US Nonfarm Private Employment - Monthly Job Growth by Company Size



Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC.

To obtain additional information about the *ADP National Employment Report*, including additional charts, supporting data and the schedule of future release dates, or to subscribe to the monthly email alerts and RSS feeds, please visit www.ADPemploymentreport.com.

The February 2012 *ADP National Employment Report* will be released March 7, 2012 at 8:15 AM ET.

About the *ADP National Employment Report*[®]

The *ADP National Employment Report*[®], sponsored by ADP[®], was developed and is maintained by Macroeconomic Advisers, LLC. It is a measure of employment derived from an anonymous subset of roughly 500,000 U.S. business clients. During 2011, this subset averaged about 344,000 U.S. business clients and represented over 21 million U.S. employees working in all private industrial sectors. The *ADP Small Business Report* is a monthly estimate of private nonfarm employment among companies in the United States with 1-49 employees and is a subset of the *ADP National Employment Report*. The data for both reports is collected for pay periods that can be interpolated to include the week of the 12th of each month, and processed with statistical methodologies similar to those used by the U.S. Bureau of Labor Statistics to compute employment from its monthly survey of establishments. Due to this processing, this subset is modified to make it indicative of national employment levels; therefore, the resulting employment changes computed for the *ADP National Employment Report* are not representative of changes in ADP's total base of U.S. business clients.

For a description of the underlying data and the statistical properties of the series, please see "*ADP National Employment Report: Development Methodology*" at <http://ADPemploymentreport.com/methodology.aspx>.

About ADP

[Automatic Data Processing](http://www.adp.com), Inc. (NASDAQ: ADP), with about \$10 billion in revenues and approximately 570,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging over 60 years of experience, ADP offers a wide range of [human resource](#), [payroll](#), [tax](#) and [benefits administration](#) solutions from a single source. ADP's easy-to-use solutions for employers provide superior value to companies of all types and sizes. ADP is also a leading provider of integrated computing solutions to auto, truck, motorcycle, marine, [recreational vehicle](#), and heavy equipment dealers throughout the world. For more

information about ADP or to contact a local ADP sales office, reach us at 1.800.225.5237 or visit the company's Web site at www.ADP.com.

About Macroeconomic Advisers, LLC

Macroeconomic Advisers, LLC (MA) has been the most trusted source for U.S. macroeconomic forecasts and commentary, monetary and fiscal policy analysis, and econometric modeling for 25 years. MA's clients include leading financial service firms, nonfinancial corporations, key policy making agencies of the U.S. government, as well as State and Foreign Government agencies. Additional information on Macroeconomic Advisers, LLC is available on the company's website, www.MacroAdvisers.com.

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