



National Employment Report

ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 693,000 PRIVATE SECTOR JOBS IN DECEMBER

ROSELAND, N.J. – January 7, 2009 – According to today’s [ADP National Employment Report](#)[®], private sector employment decreased by 693,000 in December. The *ADP National Employment Report*, created by ADP[®] Employer Services, a division of [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.

Beginning this month, the *ADP Report* incorporates methodological improvements intended to improve the correspondence between the nonfarm private employment estimates shown in the *ADP Report* and estimates published in the Bureau of Labor Statistics’ Employment Situation Report.

Nonfarm Private Employment Highlights – December Report:

- Total employment: -693,000
- Small businesses* -281,000
- Medium businesses** -321,000
- Large businesses*** -91,000

- Goods-producing sector: -220,000
- Service-providing sector: -473,000

Addendum:

- Manufacturing industry: -120,000

* *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*

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “Nonfarm private employment decreased 693,000 from November to December 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*. This month’s *ADP Report* incorporates methodological improvements intended to improve the correspondence between the nonfarm private employment estimates shown in the *ADP*

Report and estimates published in the Bureau of Labor Statistics' Employment Situation Report.”

Prakken added, “December’s *ADP Report* estimates nonfarm private employment in the service-providing sector fell by 473,000. Employment in the goods-producing sector declined 220,000, the twenty-third consecutive monthly decline. Employment in the manufacturing sector declined 120,000, marking its twenty seventh decline over the last twenty eight months.”

“Large businesses, defined as those with 500 or more workers, saw employment decline 91,000, while medium-size businesses with between 50 and 499 workers declined 321,000. Employment among small-size businesses, defined as those with fewer than 50 workers, declined 281,000. Sharply falling employment at medium- and small-size businesses clearly indicates that the recession has now spread well beyond manufacturing and housing-related activities,” said Prakken.

Prakken went on to say, “In December, construction employment dropped 102,000. This was its twenty-first consecutive monthly decline, and brings the total decline in construction jobs since the peak in January 2007 to 809,000.”

Revisions to the *ADP National Employment Report*[®]

The December 2008 *ADP National Employment Report*, released on Wednesday January 7, 2009, is the first regularly released *ADP Report* to incorporate key methodological revisions. These revisions include improved modeling techniques and additional data sources to better accommodate inherent differences between the ADP and BLS data. Additional details on the revisions are available at

www.ADPemploymentreport.com.

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: Nov. 2008 - Dec. 2008p
	Jul. 2008	Aug. 2008	Sep. 2008	Oct. 2008	Nov. 2008p	Dec. 2008p	
Total nonfarm private.....	115,133	114,881	114,657	114,329	113,853	113,160	-693
Small (1-49).....	50,767	50,673	50,592	50,471	50,274	49,993	-281
Medium (50-499).....	45,196	45,087	44,982	44,832	44,627	44,306	-321
Large (> 499).....	19,170	19,121	19,083	19,026	18,952	18,861	-91
Goods-producing.....	21,477	21,374	21,279	21,145	20,973	20,753	-220
Small (1-49).....	7,796	7,759	7,727	7,678	7,614	7,534	-80
Medium (50-499).....	9,499	9,458	9,413	9,351	9,274	9,168	-106
Large (> 499).....	4,182	4,157	4,139	4,116	4,085	4,051	-34
Service-providing.....	93,656	93,507	93,378	93,184	92,880	92,407	-473
Small (1-49).....	42,971	42,914	42,865	42,793	42,660	42,459	-201
Medium (50-499).....	35,697	35,629	35,569	35,481	35,353	35,138	-215
Large (> 499).....	14,988	14,964	14,944	14,910	14,867	14,810	-57
Addendum:							
Manufacturing.....	13,460	13,405	13,352	13,275	13,174	13,054	-120

p = preliminary

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data which, during the last six months of 2008, averaged approximately 400,000 payrolls representing nearly 24 million U.S. employees. This approximately represents the size of the matched sample used this month.

Small Business Highlights – December Report:

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

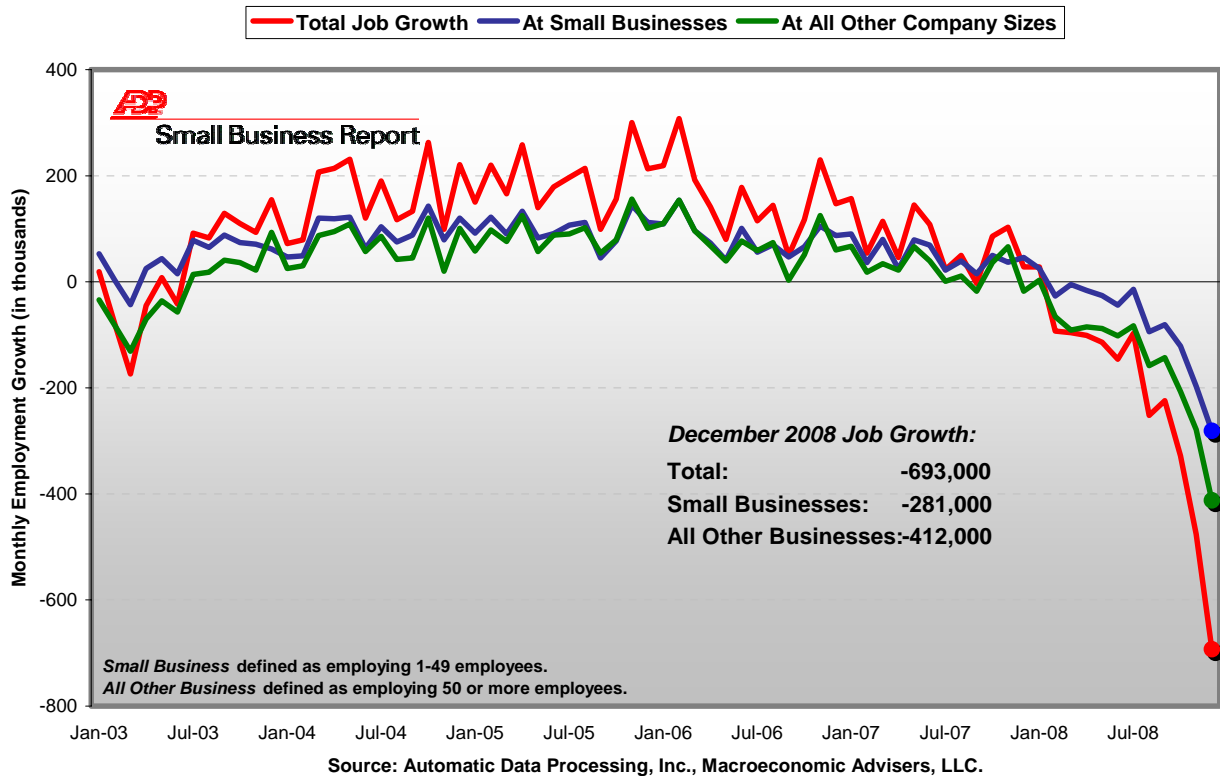
- Total small business employment: -281,000
- Goods-producing sector: -80,000 small business jobs
- Service-providing sector: -201,000 small business jobs

Private employment among [small businesses](#) decreased by 281,000 in December, according to the *ADP Small Business Report* released today. 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>.

“Employment among small-size businesses, defined as those with fewer than 50 workers, declined 281,000. Though the severity of job losses in recent months among small-size

businesses has been less than that at larger-size ones, today's employment declines clearly indicate that the recession has widened to include businesses of all sizes," said Joel Prakken.

Chart 1. US Nonfarm Private Employment - Monthly Job Growth by Company Size



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 e-mail alerts and RSS feeds, please visit www.ADPemploymentreport.com. The January 2009 *ADP National Employment Report* will be released on Wednesday, February 4, 2009 at 8:15 a.m. 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 the last six months of 2008, this subset represented approximately 400,000 U.S. business clients and nearly 24 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, Inc. (Nasdaq: ADP), with nearly \$9 billion in revenues and over 585,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging nearly 60 years of experience, ADP offers the widest range of HR, 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 and recreational vehicle 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 policymaking 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 Web site, www.MacroAdvisers.com.

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