



## National Employment Report

### ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 20,000 PRIVATE SECTOR JOBS IN FEBRUARY

ROSELAND, N.J. – March 3, 2010 – According to today’s [ADP National Employment Report](#)<sup>®</sup>, private sector employment decreased by 20,000 in February. The *ADP National Employment Report*, created by [Automatic Data Processing, Inc. \(ADP\)](#)<sup>®</sup>, in partnership with [Macroeconomic Advisers, LLC](#), is derived from actual payroll data and measures the change in total nonfarm private employment each month.

#### Nonfarm Private Employment Highlights – February Report:

- Total employment: -20,000
- Small businesses\* -18,000
- Medium businesses\*\* +8,000
- Large businesses\*\*\* -10,000
- Goods-producing sector: -37,000
- Service-providing sector: +17,000

#### Addendum:

- Manufacturing industry: +3,000

\* *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 Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “Nonfarm private employment decreased 20,000 from January to February 2010 on a seasonally adjusted basis, according to the *ADP National Employment Report*. The February employment decline was the smallest since employment began falling in February of 2008. If the recent trend continues, and given first-quarter GDP growth of 5.9%, private employment could rise next month for the first time in two years.”

Prakken added, “In February, two large blizzards smothered parts of the east coast during the reference period for the BLS establishment survey. The adverse weather had only a very small effect on today’s *ADP Report* due to the methodology used to construct it.

However, the adverse weather is widely expected to depress the BLS estimate of the monthly change in employment for February, but boost it for March.”

“February’s *ADP Report* estimates nonfarm private employment in the service-providing sector increased by 17,000, the second consecutive monthly increase. However, this employment growth was not enough to offset continued losses in the goods-producing sector. Employment in the goods-producing sector declined 37,000, with employment in the manufacturing sector increasing by 3,000. The employment increase in the manufacturing sector was the first since January 2008,” said Prakken.

Prakken went on to say, “Large businesses, defined as those with 500 or more workers, saw employment decline by 10,000 while small-size businesses with fewer than 50 workers, declined 18,000. Employment among medium-size businesses, defined as those with between 50 and 499 workers, increased by 8,000, the first increase in employment since January of 2008.”

**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: Jan.2010 - Feb.2010p
	Sep. 2009	Oct. 2009	Nov. 2009	Dec. 2009	Jan. 2010p	Feb. 2010p	
<b>Total nonfarm private.....</b>	107,300	107,103	106,978	106,829	106,769	106,749	-20
Small (1-49).....	48,405	48,328	48,287	48,236	48,210	48,192	-18
Medium (50-499).....	41,255	41,179	41,137	41,081	41,071	41,079	8
Large (> 499).....	17,640	17,596	17,554	17,512	17,488	17,478	-10
<b>Goods-producing.....</b>	18,032	17,911	17,818	17,730	17,660	17,623	-37
Small (1-49).....	6,668	6,621	6,583	6,549	6,516	6,491	-25
Medium (50-499).....	7,803	7,758	7,728	7,697	7,679	7,674	-5
Large (> 499).....	3,561	3,532	3,507	3,484	3,465	3,458	-7
<b>Service-providing.....</b>	89,268	89,192	89,160	89,099	89,109	89,126	17
Small (1-49).....	41,737	41,707	41,704	41,687	41,694	41,701	7
Medium (50-499).....	33,452	33,421	33,409	33,384	33,392	33,405	13
Large (> 499).....	14,079	14,064	14,047	14,028	14,023	14,020	-3
<b>Addendum:</b>							
Manufacturing.....	11,584	11,529	11,486	11,449	11,427	11,430	3

p = preliminary

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through December 2009, averaged over 360,000 U.S. business clients and represented over 22 million U.S. employees. This approximately represents the size of the matched sample used this month.

### Notice of Annual Revisions to the *ADP National Employment Report*<sup>®</sup>

*Automatic Data Processing, Inc.*, in conjunction with *Macroeconomic Advisers, LLC*, has published the scheduled annual revisions to the estimates of employment shown in the *ADP National Employment Report*. This month's *ADP Report* incorporates revised historical estimates based on the 2010 benchmark revisions to establishment employment published by the Bureau of Labor Statistics on February 6, 2010. The main sources of revision to the *ADP National Employment Report* are:

- 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 2008 to March 2009.
- There are no revisions to the methodology of computing the estimates of employment shown in the *ADP National Employment Report*.

Visit [www.adpemploymentreport.com](http://www.adpemploymentreport.com) for details.

### Small Business Highlights – February 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*<sup>®</sup> each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.\*

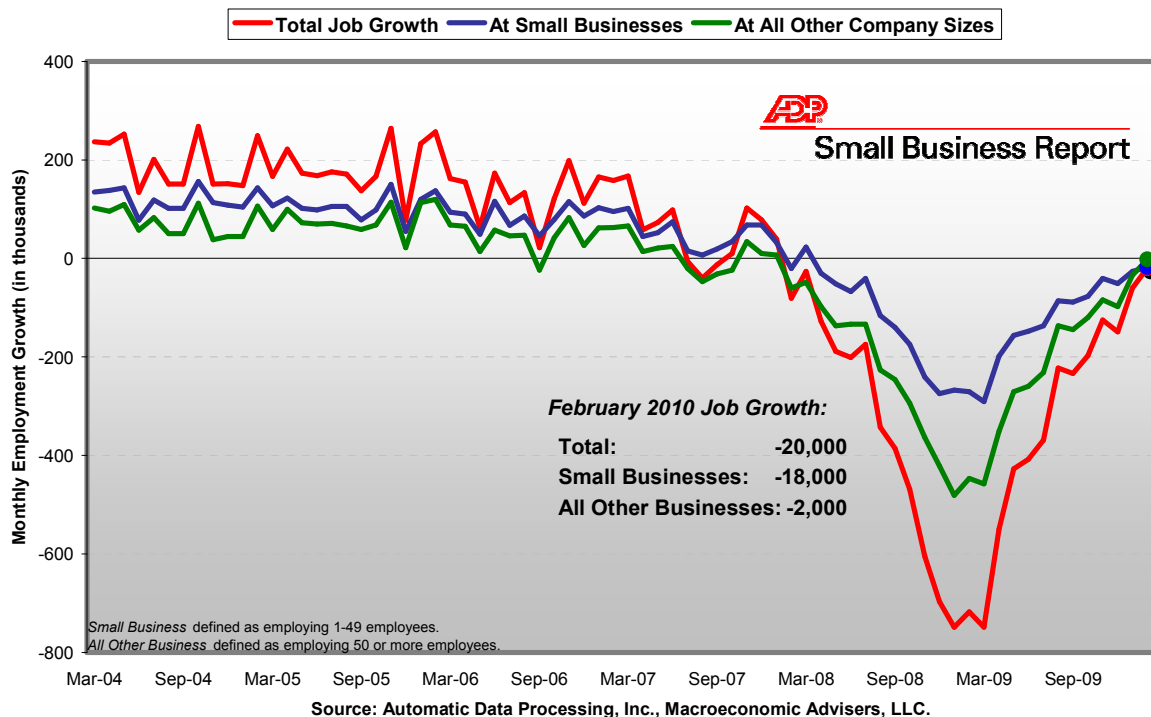
- Total small business employment: -18,000
- Goods-producing sector: -25,000 small business jobs
- Service-providing sector: +7,000 small business jobs

\*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.

Private employment among [small businesses](http://www.smallbusinessreport.adp.com) decreased by 18,000 in February, 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 18,000 in February. This decline was the smallest since April of 2008. Small business employment in the service-providing sector increased by 7,000, the second consecutive monthly increase,” said Joel Prakken.

## 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](http://www.ADPemploymentreport.com). The March 2010 *ADP National Employment Report* will be released March 31, 2010 at 8:15 A.M. ET.

### About the *ADP National Employment Report*<sup>®</sup>

The *ADP National Employment Report*, sponsored by ADP<sup>®</sup>, 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 twelve month period through December 2009, this subset averaged over 360,000 U.S. business clients and over 22 million U.S. employees working in all private industrial sectors. The *ADP Small Business Report*<sup>®</sup> 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 about 570,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging 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](http://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](http://www.MacroAdvisers.com).

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