



National Employment Report

ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT INCREASED BY 55,000 PRIVATE SECTOR JOBS IN MAY

Service-providing sector adds jobs for fifth straight month

ROSELAND, N.J. – June 3, 2010 – According to today’s [ADP National Employment Report](#)[®], private sector employment increased by 55,000 from April to May on a seasonally adjusted basis. 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.

Nonfarm Private Employment Highlights – May Report:

- Total employment: +55,000
- Small businesses* +13,000
- Medium businesses** +39,000
- Large businesses*** +3,000
- Goods-producing sector: -23,000
- Service-providing sector: +78,000

Addendum:

- Manufacturing industry: +15,000

* *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 increased 55,000 from April to May 2010 on a seasonally adjusted basis, according to the *ADP National Employment Report*. May’s rise in private employment was the fourth consecutive monthly gain. However, over these four months the increases have averaged a modest 39,000. The slow pace of improvement from February through May is consistent with the pause in the decline of initial unemployment claims that occurred during the winter months.”

Prakken added, “Unlike the estimate of total establishment employment to be released on Friday by the Bureau of Labor Statistics (BLS), today’s *ADP Report* does not include any

federal hiring in May for the 2010 Census. For this reason it is reasonable to expect that Friday's figure for nonfarm total employment reported by the BLS will be considerably stronger than today's estimate for nonfarm private employment in the *ADP Report*."

"May's *ADP Report* estimates nonfarm private employment in the service-providing sector rose by 78,000, the fifth consecutive monthly increase. Employment in the goods-producing sector declined 23,000 during May. However, while construction employment dropped 41,000, manufacturing employment rose 15,000, the fourth consecutive monthly increase," said Prakken.

Prakken went on to say, "Large businesses, defined as those with 500 or more workers, saw employment increase by 3,000 and employment among medium-size businesses, defined as those with between 50 and 499 workers increased by 39,000. Employment among small-size businesses, defined as those with fewer than 50 workers, increased by 13,000 in May."

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: Apr. 2010 - May 2010p
	Dec. 2009	Jan. 2010	Feb. 2010	Mar. 2010	Apr. 2010p	May 2010p	
Total nonfarm private	106,829	106,747	106,750	106,782	106,847	106,902	55
Small (1-49).....	48,236	48,201	48,191	48,199	48,217	48,230	13
Medium (50-499).....	41,081	41,061	41,078	41,097	41,128	41,167	39
Large (> 499).....	17,512	17,485	17,481	17,486	17,502	17,505	3
Goods-producing	17,730	17,653	17,618	17,590	17,580	17,557	-23
Small (1-49).....	6,549	6,511	6,485	6,465	6,445	6,421	-24
Medium (50-499).....	7,697	7,677	7,672	7,666	7,667	7,669	2
Large (> 499).....	3,484	3,465	3,461	3,459	3,468	3,467	-1
Service-providing	89,099	89,094	89,132	89,192	89,267	89,345	78
Small (1-49).....	41,687	41,690	41,706	41,734	41,772	41,809	37
Medium (50-499).....	33,384	33,384	33,406	33,431	33,461	33,498	37
Large (> 499).....	14,028	14,020	14,020	14,027	14,034	14,038	4
Addendum:							
Manufacturing.....	11,449	11,429	11,434	11,441	11,472	11,487	15

p = preliminary

* 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 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.

Small Business Highlights – May 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*.*

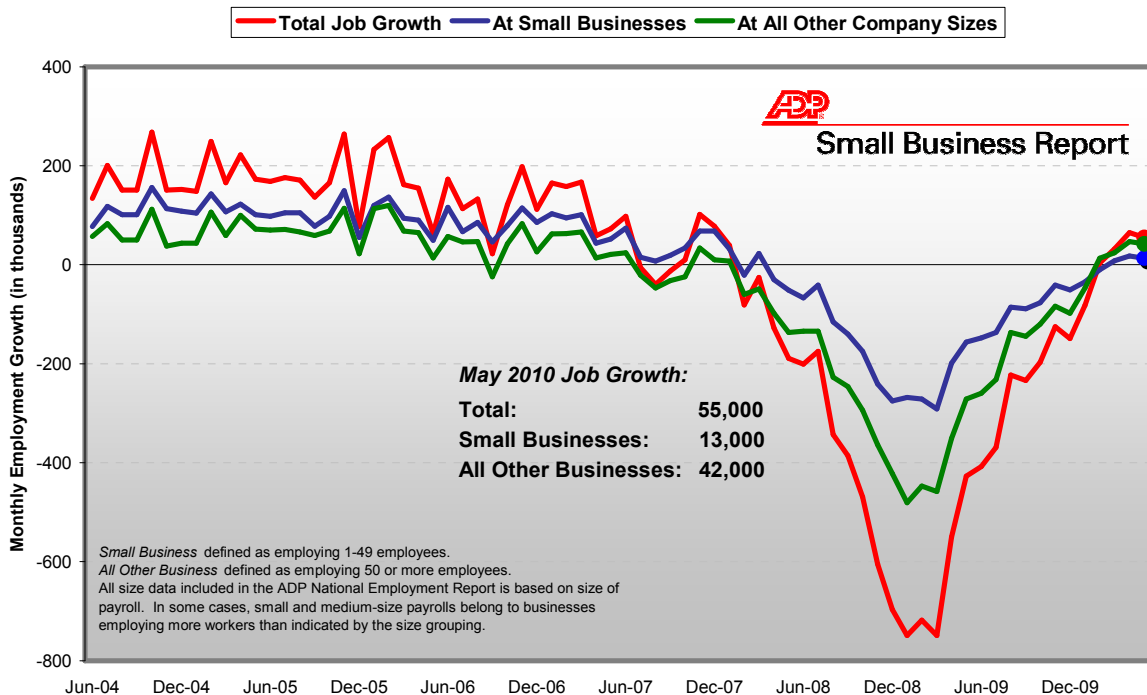
- Total small business employment: +13,000
- Goods-producing sector: -24,000 small business jobs
- Service-providing sector: +37,000 small business jobs

*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](#) increased by 13,000 in May, 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>.

“Small businesses, defined as those with fewer than 50 workers, saw employment increase by 13,000 during May. Small business employment in the service-providing sector increased by 37,000, the fifth 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. The June 2010 *ADP National Employment Report* will be released June 30, 2010 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 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*[®] 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 560,000 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.

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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