



## National Employment Report

### U.S. PRIVATE SECTOR EMPLOYMENT DECREASED BY 10,000 JOBS IN AUGUST, ACCORDING TO ADP NATIONAL EMPLOYMENT REPORT

Small businesses continue to drive service-providing sector employment growth

**ROSELAND, N.J. – September 1, 2010** – Private sector employment decreased by 10,000 from July to August on a seasonally adjusted basis, according to the latest [ADP National Employment Report](#)<sup>®</sup> released today. 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 – August Report:

- Total employment: -10,000
- Small businesses\* -6,000
- Medium businesses\*\* -5,000
- Large businesses\*\*\* 1,000
- Goods-producing sector: -40,000
- Service-providing sector: +30,000

#### Addendum:

- Manufacturing industry: -6,000

\* *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 the *ADP Report*, employment in the service-providing sector rose by 30,000 in August, the seventh consecutive monthly gain. This increase was not enough to offset an employment decline in the goods-producing sector of 40,000. Construction employment dropped by 33,000 during August and manufacturing employment declined 6,000, the second consecutive monthly decline.

“Today’s ADP National Employment Report shows that U.S. private sector employment remains essentially flat,” said Gary C. Butler, President and Chief Executive Officer of ADP. “Employers require economic certainty and a favorable environment in order to expand their businesses and create jobs. To achieve job growth, our nation’s policymakers should take stronger actions to incentivize businesses to innovate, invest and expand.”

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “The decline in private employment in August confirms a pause in the recovery already evident in other economic data. The deceleration in employment was evident in the major sectors and by size of business. This month’s decline in employment followed six monthly increases from February through July. Over those six months the average monthly gain in employment was 37,000 with no evidence of acceleration.”

Prakken added, “Unlike the estimate of total establishment employment to be released on Friday by the Bureau of Labor Statistics (BLS), today’s figure does not include the effects of federal hiring — and now firing — for the 2010 Census. Hiring for the census peaked in May. For this reason, Friday’s figure for the change in nonfarm total employment reported by the BLS might be weaker than today’s estimate for nonfarm private employment in the *ADP National Employment Report*.”

“Large businesses, defined as those with 500 or more workers, saw employment remain essentially flat while employment among medium-size businesses, defined as those with between 50 and 499 workers decreased by 5,000. Employment among small-size businesses, defined as those with fewer than 50 workers, decreased by 6,000,” said Prakken.

**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: Jul.2010 - Aug.2010p
	Mar. 2010	Apr. 2010	May 2010	Jun. 2010	Jul. 2010p	Aug. 2010p	
<b>Total nonfarm private</b> .....	106,782	106,847	106,910	106,929	106,966	106,956	-10
Small (1-49).....	48,199	48,216	48,231	48,233	48,253	48,247	-6
Medium (50-499).....	41,097	41,128	41,174	41,189	41,210	41,205	-5
Large (> 499).....	17,486	17,503	17,505	17,507	17,503	17,504	1
<b>Goods-producing</b> .....	17,590	17,584	17,563	17,547	17,517	17,477	-40
Small (1-49).....	6,465	6,446	6,423	6,403	6,392	6,371	-21
Medium (50-499).....	7,666	7,668	7,673	7,672	7,665	7,653	-12
Large (> 499).....	3,459	3,470	3,467	3,472	3,460	3,453	-7
<b>Service-providing</b> .....	89,192	89,263	89,347	89,382	89,449	89,479	30
Small (1-49).....	41,734	41,770	41,808	41,830	41,861	41,876	15
Medium (50-499).....	33,431	33,460	33,501	33,517	33,545	33,552	7
Large (> 499).....	14,027	14,033	14,038	14,035	14,043	14,051	8
<b>Addendum:</b>							
Manufacturing.....	11,441	11,475	11,491	11,506	11,495	11,489	-6

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 June 2010, averaged over

340,000 U.S. business clients and represented over 21 million U.S. employees. This approximately represents the size of the matched sample used this month.

### Small Business Highlights – August 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*.\*

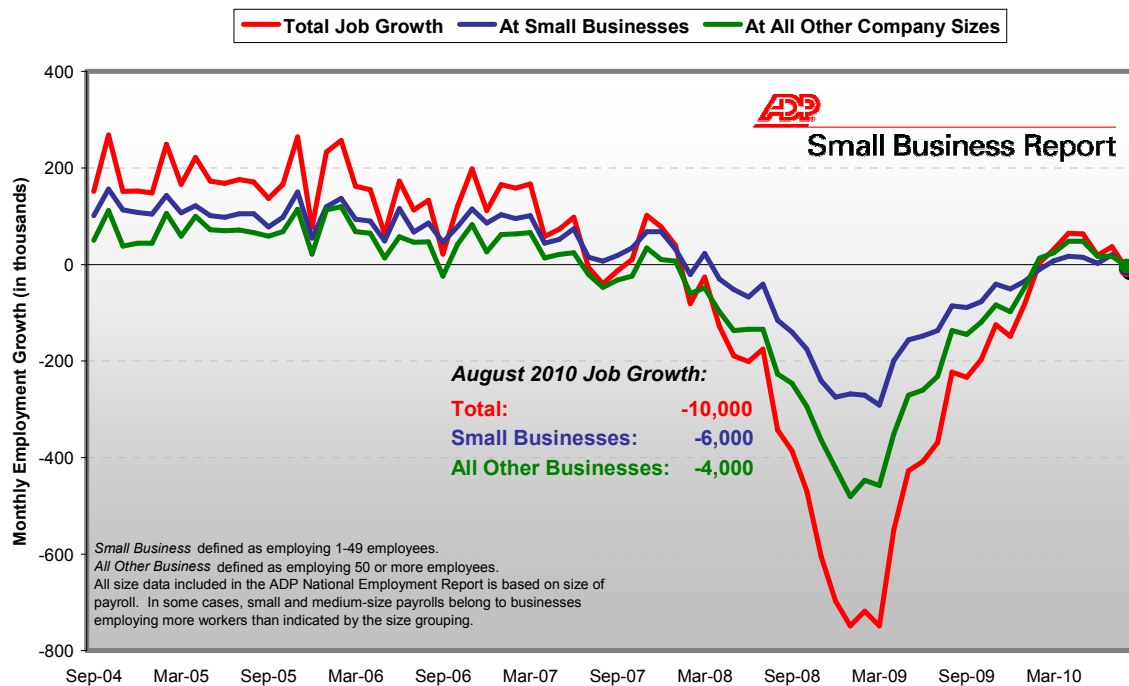
- Total small business employment: -6,000
- Goods-producing sector: -21,000 small business jobs
- Service-providing sector: +15,000 small business jobs

\*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](#) decreased by 6,000 in August, 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 decrease by 6,000 during August. Although small business employment declined for the first time in six months, small business employment in the service-providing sector increased by 15,000, the eighth 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 September 2010 *ADP National Employment Report* will be released October 6, 2010 at 8:15 AM 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 June 2010, this subset averaged over 340,000 U.S. business clients and over 21 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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