



National Employment Report

ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 22,000 PRIVATE SECTOR JOBS IN JANUARY

ROSELAND, N.J. – February 3, 2010 – According to today’s [ADP National Employment Report](#)[®], private sector employment decreased by 22,000 in January. 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 – January Report:

- Total employment: -22,000
- Small businesses* -12,000
- Medium businesses** 9,000
- Large businesses*** -19,000

- Goods-producing sector: -60,000
- Service-providing sector: +38,000

Addendum:

- Manufacturing industry: -25,000

* *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 22,000 from December 2009 to January 2010 on a seasonally adjusted basis, according to the *ADP National Employment Report*. The January employment decline was the smallest since employment began falling in February of 2008. Growth of overall private employment is on the verge of turning positive.”

Prakken added, “January’s *ADP Report* estimates nonfarm private employment in the service-providing sector increased by 38,000, 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 60,000,

with employment in the manufacturing sector dropping 25,000. The employment decline in the manufacturing sector was the lowest since January of 2008.”

“Large businesses, defined as those with 500 or more workers, saw employment decline by 19,000 while small-size businesses with fewer than 50 workers, declined 12,000. Employment among medium-size businesses, defined as those with between 50 and 499 workers, increased by 9,000, the first increase in employment since January of 2008.” said Prakken.

Prakken went on to say, “In January, construction employment dropped 37,000. This drop marks the third straight year of consecutive monthly employment declines and brings the total decline in construction jobs since the peak in January 2007 to 1,804,000.”

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. 2009 - Jan. 2010p
	Aug. 2009	Sep. 2009	Oct. 2009	Nov. 2009	Dec. 2009p	Jan. 2010p	
Total nonfarm private.....	108,740	108,520	108,342	108,221	108,160	108,138	-22
Small (1-49).....	48,263	48,175	48,106	48,056	48,039	48,027	-12
Medium (50-499).....	42,473	42,395	42,330	42,293	42,277	42,286	9
Large (> 499).....	18,004	17,950	17,906	17,872	17,844	17,825	-19
Goods-producing.....	18,543	18,401	18,282	18,202	18,119	18,059	-60
Small (1-49).....	6,727	6,669	6,624	6,590	6,559	6,531	-28
Medium (50-499).....	8,164	8,113	8,068	8,045	8,017	8,004	-13
Large (> 499).....	3,652	3,619	3,590	3,567	3,543	3,524	-19
Service-providing.....	90,197	90,119	90,060	90,019	90,041	90,079	38
Small (1-49).....	41,536	41,506	41,482	41,466	41,480	41,496	16
Medium (50-499).....	34,309	34,282	34,262	34,248	34,260	34,282	22
Large (> 499).....	14,352	14,331	14,316	14,305	14,301	14,301	0
Addendum:							
Manufacturing.....	11,671	11,605	11,544	11,506	11,467	11,442	-25

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

On March 3, 2010, 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 2008 to March 2009.
- 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:

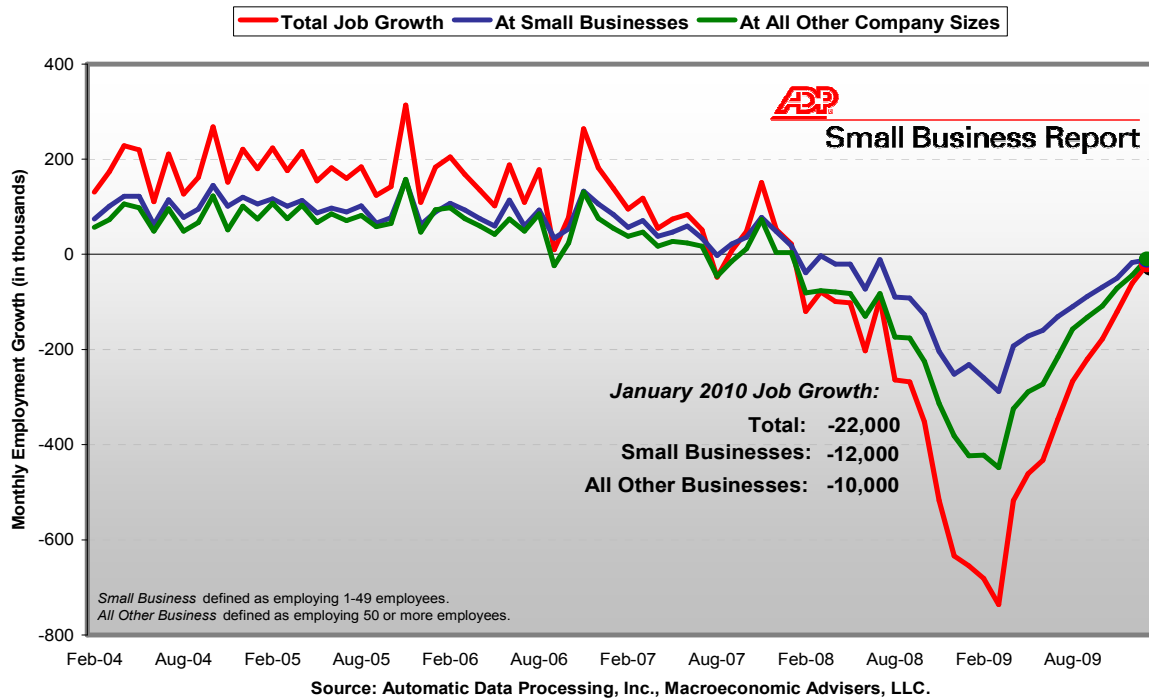
Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees will be reported in the *ADP Small Business Report*[®] each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.

- Total small business employment: -12,000
- Goods-producing sector: -28,000 small business jobs
- Service-providing sector: +16,000 small business jobs

Private employment among [small businesses](http://www.smallbusinessreport.adp.com) decreased by 12,000 in January, 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 12,000 in January. This decline was the smallest since July of 2008. Small business employment in the service-providing sector increased by 16,000, 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. The February 2010 *ADP National Employment Report* will be released March 3, 2010 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 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 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.

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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