



## National Employment Report

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### ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 8,000 PRIVATE SECTOR JOBS IN SEPTEMBER

*ADP Report continues to offer evidence of a weak labor market*

ROSELAND, N.J. – October 1, 2008 – According to today’s [ADP National Employment Report](#)<sup>®</sup>, private sector employment decreased by 8,000 in September. The *ADP National Employment Report*, created by ADP<sup>®</sup> Employer Services, a division of [Automatic Data Processing, Inc. \(ADP\)](#), in partnership with [Macroeconomic Advisers, LLC](#), is based on actual payroll data and measures the change in total nonfarm private employment each month.

### Nonfarm Private Employment Highlights – September Report:

- Total employment: -8,000
- Small businesses\* +28,000
- Medium businesses\*\* -30,000
- Large businesses\*\*\* -6,000
  
- Goods-producing sector: -72,000
- Service-providing sector: +64,000

#### Addendum:

- Manufacturing industry: -48,000

\* 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 8,000 from August to September 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*<sup>®</sup>. The estimated

change in employment from July to August was revised down from a decrease of 33,000 to a decrease of 37,000. September's *ADP National Employment Report* continues to offer evidence of a weak labor market. Note that this month, the *ADP Report* does not reflect two special factors that might have further depressed employment in September. These are the strike of some 27,000 machinists against Boeing, and job losses related to hurricanes that struck the Gulf Coast."

Prakken added, "This month's employment loss was driven by the goods-producing sector which declined 72,000 during September, its twenty-second consecutive monthly decline. The manufacturing sector marked its twenty-fifth consecutive monthly decline, losing 48,000 jobs. These losses were somewhat offset by employment gains in the service-providing sector of the economy which advanced by 64,000."

"Large businesses, defined as those with 500 or more workers, saw employment decline 6,000, while medium-size companies with between 50 and 499 workers declined 30,000. Employment among small-size businesses, defined as those with fewer than 50 workers, advanced a moderate 28,000 during the month, after posting an even weaker gain of 17,000 in August," said Prakken.

Prakken went on to say, "Two sectors of the economy hit hardest by recent problems in mortgage markets have been residential construction and financial activities related to home sales and mortgage lending. Today's report suggests no lessening of the recent strain on employment in these industries. In September, construction employment dropped 29,000. This was its twenty-second consecutive monthly decline, and brings the total decline in construction jobs since the peak in August of 2006 to 409,000. Employment in financial activities advanced just 4,000 during the month."

**DERIVED FROM ADP PAYROLL DATA**

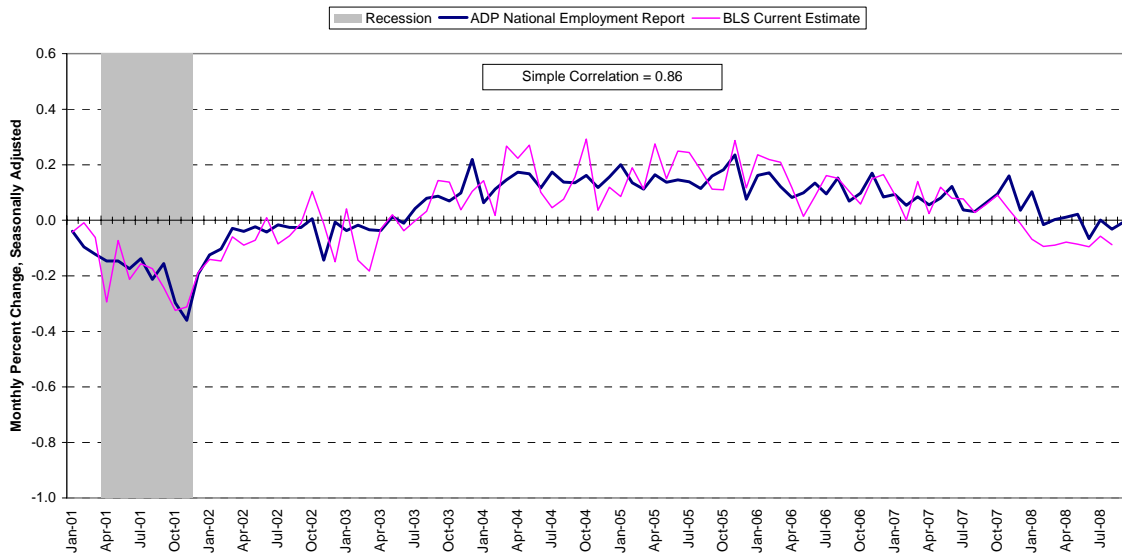
**Table 1. Employees on nonfarm private payrolls by selected industry sector and size**  
(In thousands)

Industry / Size of Payroll	Seasonally Adjusted						Change from: Aug. 2008 - Sep. 2008p
	Apr. 2008	May. 2008	Jun. 2008	Jul. 2008	Aug. 2008	Sep. 2008p	
<b>Total nonfarm private.....</b>	116,069	116,094	116,017	116,018	115,981	115,973	-8
Small (1-49).....	51,199	51,249	51,256	51,302	51,319	51,347	28
Medium (50-499).....	45,591	45,585	45,552	45,542	45,512	45,482	-30
Large (> 499).....	19,279	19,260	19,209	19,174	19,150	19,144	-6
<b>Goods-producing.....</b>	21,864	21,825	21,748	21,679	21,598	21,526	-72
Small (1-49).....	7,978	7,975	7,949	7,942	7,923	7,907	-16
Medium (50-499).....	9,635	9,613	9,586	9,556	9,521	9,481	-40
Large (> 499).....	4,251	4,237	4,213	4,181	4,154	4,138	-16
<b>Service-providing.....</b>	94,205	94,269	94,269	94,339	94,383	94,447	64
Small (1-49).....	43,221	43,274	43,307	43,360	43,396	43,440	44
Medium (50-499).....	35,956	35,972	35,966	35,986	35,991	36,001	10
Large (> 499).....	15,028	15,023	14,996	14,993	14,996	15,006	10
<b>Addendum:</b>							
Manufacturing.....	13,663	13,636	13,591	13,540	13,484	13,436	-48

p = preliminary

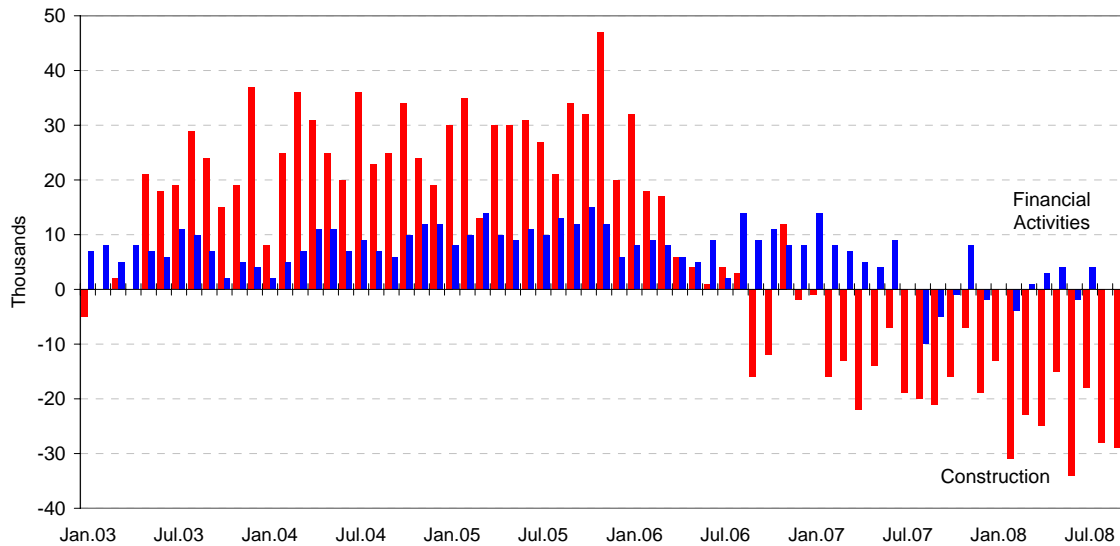
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data which, during the first six months of 2008, averaged approximately 399,000 payrolls representing nearly 24 million U.S. employees. This approximately represents the size of the matched sample used this month.

**Chart 1. Growth of Nonfarm Private Employment, All Industries**



Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

Chart 2. Monthly Changes of Employment in Construction and Financial Activities



Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC

### Small Business Highlights – September Report:

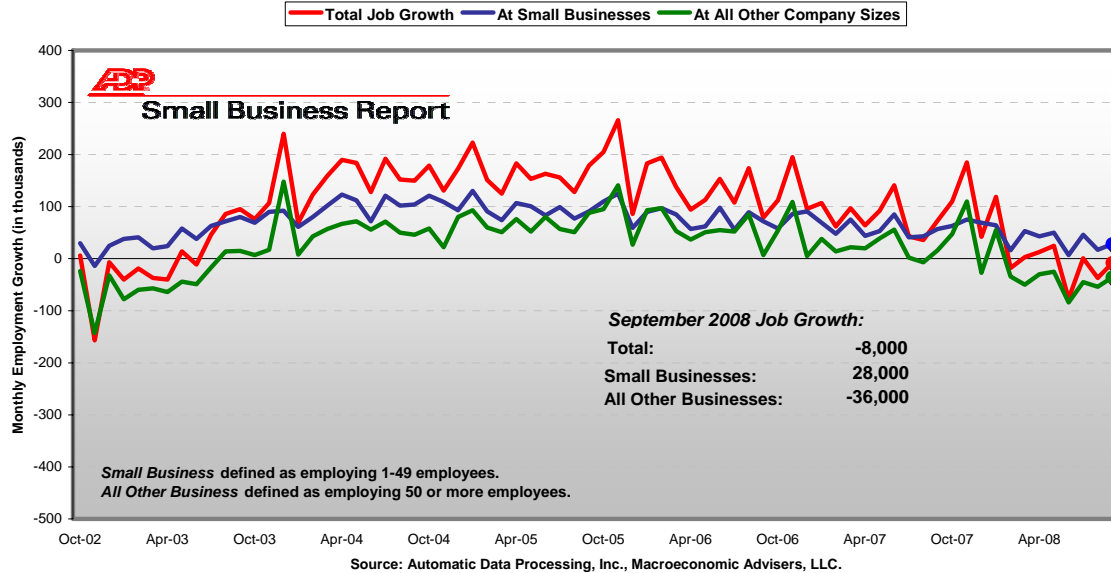
Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees will be reported in the [ADP Small Business Report](#)<sup>SM</sup> each month. The *ADP Small Business Report* is a subset of the *ADP National Employment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

- Total small business employment: +28,000
- Goods-producing sector: -16,000 small business jobs
- Service-providing sector: +44,000 small business jobs

Private employment among [small businesses](#) increased by 28,000 in September, 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, advanced 28,000 during September. This month’s growth was up from August’s revised increase of 17,000, and offers a continued sign of resiliency among small-size businesses when compared to the job losses experienced at larger firms,” said Joel Prakken.

Chart 3. 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 October 2008 *ADP National Employment Report* will be released on Wednesday, November 5, 2008 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 first six months of 2008, this subset represented approximately 399,000 U.S. business clients and nearly 24 million U.S. employees working in all private industrial sectors. The *ADP Small Business Report*<sup>SM</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.

Empirical analysis performed by Macroeconomic Advisers suggests that the *ADP National Employment Report* can be used to develop a forecast of "true" employment that is superior to those resulting from consensus estimates, survey data, or other models of employment that do not incorporate the results of the *ADP Report*.

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. (NYSE: 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 more than 55 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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