



Thursday, September 4, 2008, 8:15 A.M. ET

Nonfarm private employment decreased 33,000 from July to August 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*[®]. The estimated change in employment from June to July was revised down from an increase of 9,000 to an increase of 1,000.

The decline in August continues the recent trend in employment that is consistent with an economy that is growing slowly but has not fallen into recession.

This month's employment loss was driven by the goods-producing sector which declined 78,000 during August, its twenty-first consecutive monthly decline. The manufacturing sector marked its twenty-fourth consecutive monthly decline, losing 56,000 jobs. These losses were somewhat offset by employment gains in the service-providing sector of the economy which advanced by 45,000.

Large businesses, defined as those with 500 or more workers, saw employment decline 28,000, while medium-size companies with between 50 and 499 workers declined by 25,000. Employment among small-size businesses, defined as those with fewer than 50 workers, advanced 20,000 during the month, after posting a stronger gain of 46,000 in July.

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 little lessening of the recent strain on employment in these industries. In August, construction employment dropped 25,000. This was its twenty-first consecutive monthly decline, and brings the total decline in construction jobs since the peak in August of 2006 to 377,000. Employment in financial activities declined 2,000 during the month.

For information on the construction and use of the *ADP Report*, please visit the methodology section of the *ADP National Employment Report* website at <http://www.adpemploymentreport.com/methodology.aspx>.

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. 2008 - Aug. 2008p
	Mar. 2008	Apr. 2008	May. 2008	Jun. 2008	Jul. 2008	Aug. 2008p	
Total nonfarm private	116,056	116,069	116,094	116,017	116,018	115,985	-33
Small (1-49).....	51,156	51,199	51,249	51,256	51,302	51,322	20
Medium (50-499).....	45,606	45,591	45,585	45,552	45,542	45,517	-25
Large (> 499).....	19,294	19,279	19,260	19,209	19,174	19,146	-28
Goods-producing	21,915	21,864	21,825	21,748	21,679	21,601	-78
Small (1-49).....	7,990	7,978	7,975	7,949	7,942	7,926	-16
Medium (50-499).....	9,663	9,635	9,613	9,586	9,556	9,523	-33
Large (> 499).....	4,262	4,251	4,237	4,213	4,181	4,152	-29
Service-providing	94,141	94,205	94,269	94,269	94,339	94,384	45
Small (1-49).....	43,166	43,221	43,274	43,307	43,360	43,396	36
Medium (50-499).....	35,943	35,956	35,972	35,966	35,986	35,994	8
Large (> 499).....	15,032	15,028	15,023	14,996	14,993	14,994	1
Addendum:							
Manufacturing.....	13,690	13,663	13,636	13,591	13,540	13,484	-56

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.

For information on the construction and use of the *ADP Report*, please visit the methodology section of the *ADP National Employment Report* website at <http://www.adpemploymentreport.com/methodology.aspx>

Chart 1. Growth of Nonfarm Private Employment, All Industries

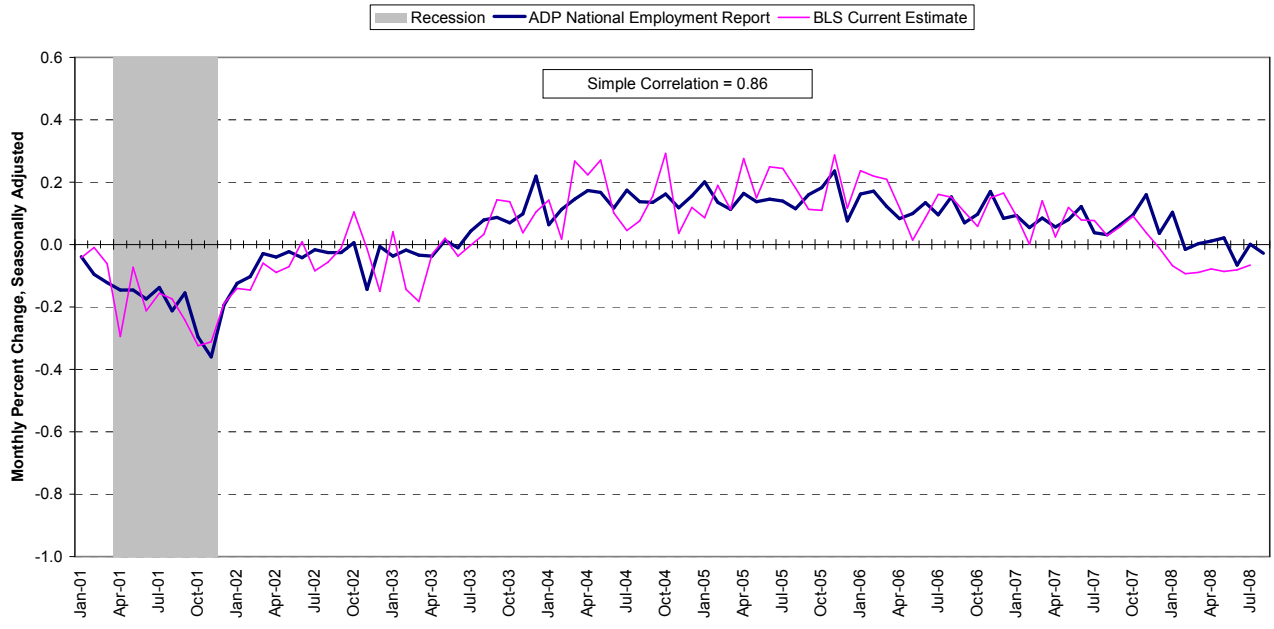


Chart 2. Growth of Nonfarm Private Employment, Goods-Producing Industries

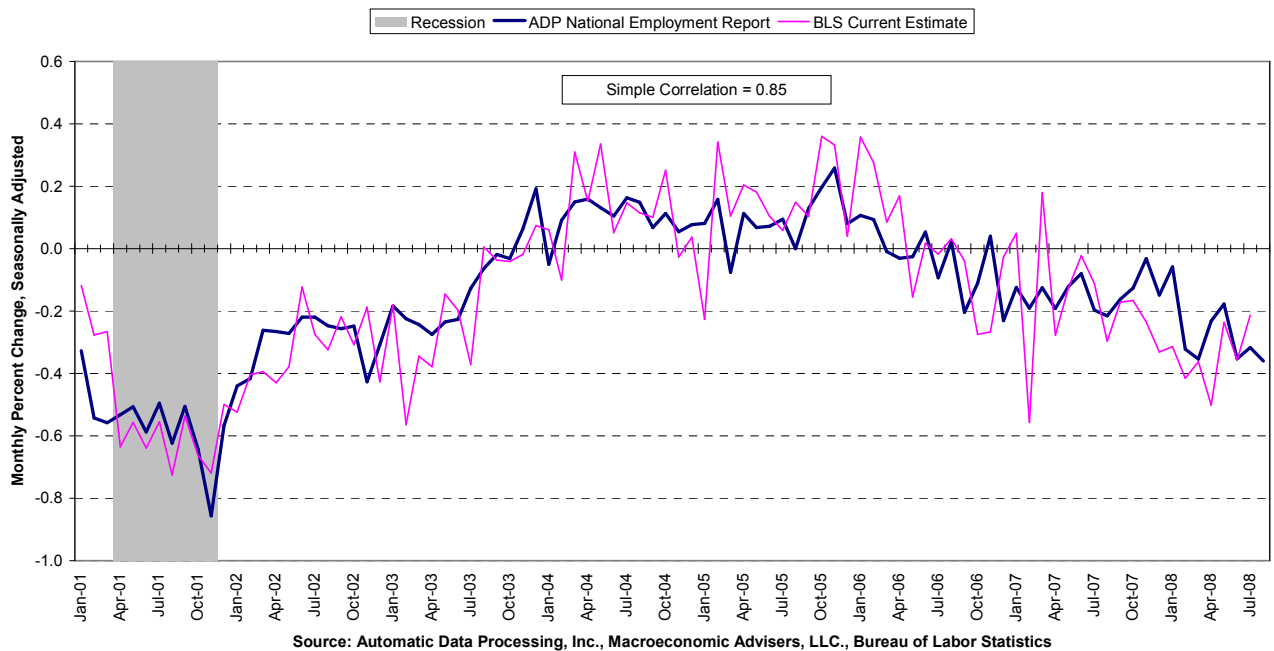


Chart 3. Growth of Nonfarm Private Employment, Service-Providing Industries

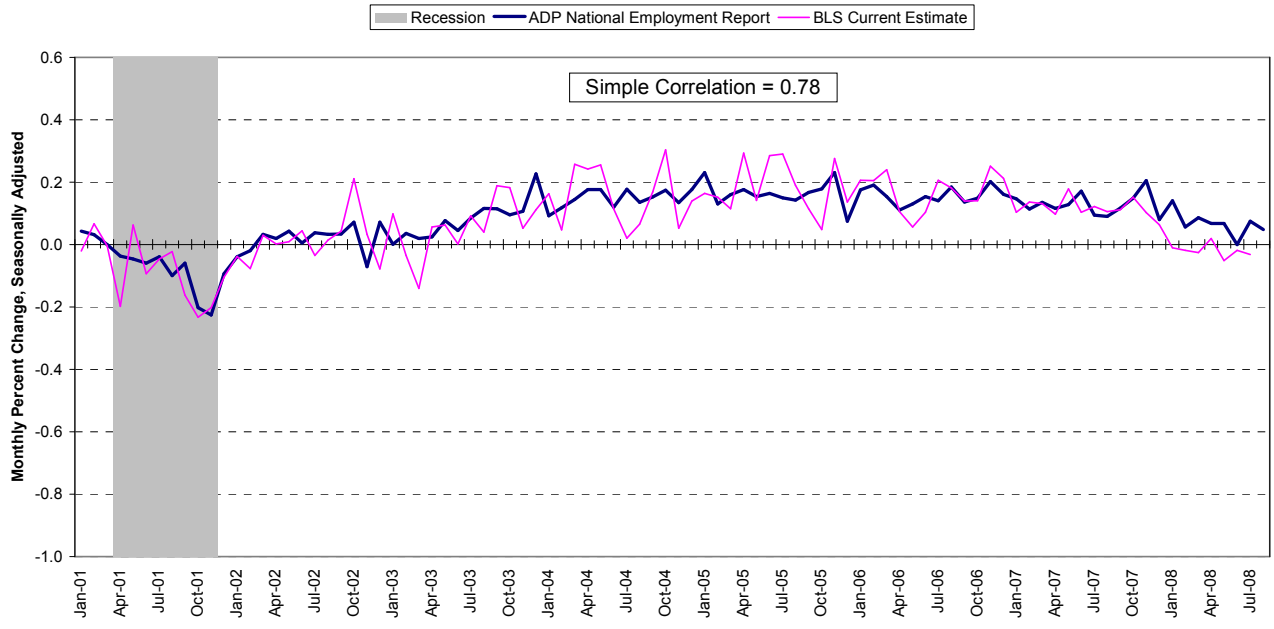


Chart 4. Growth of Nonfarm Private Employment, by Size of Payroll

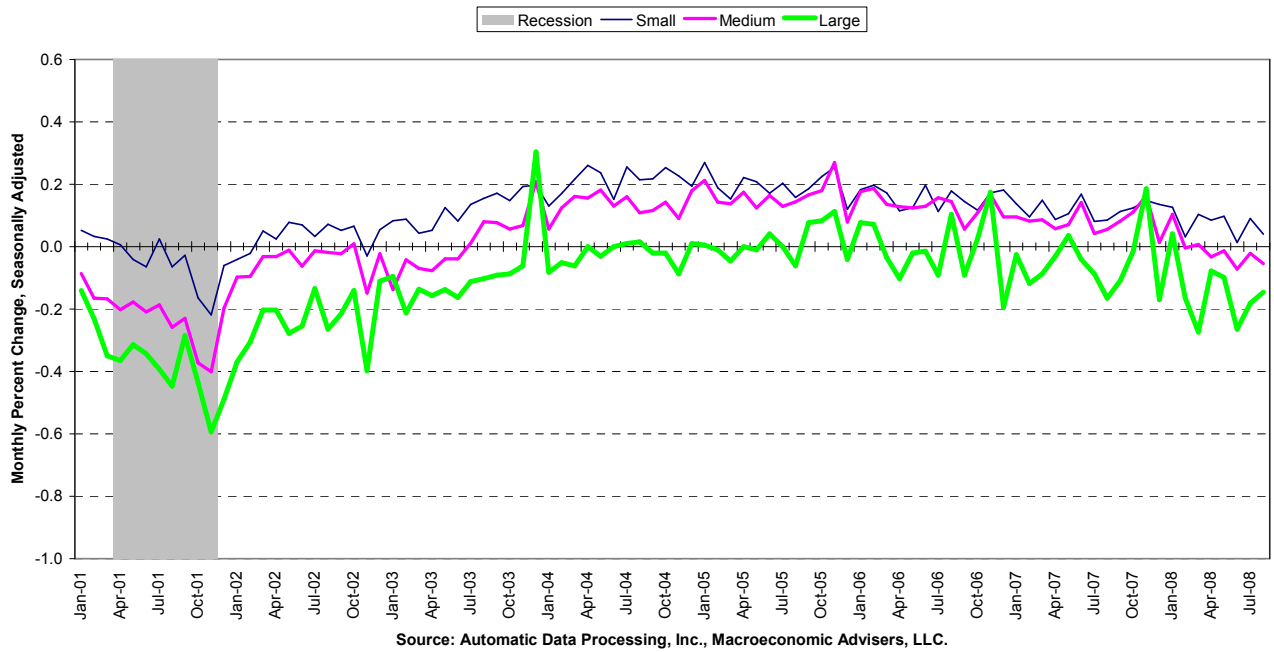
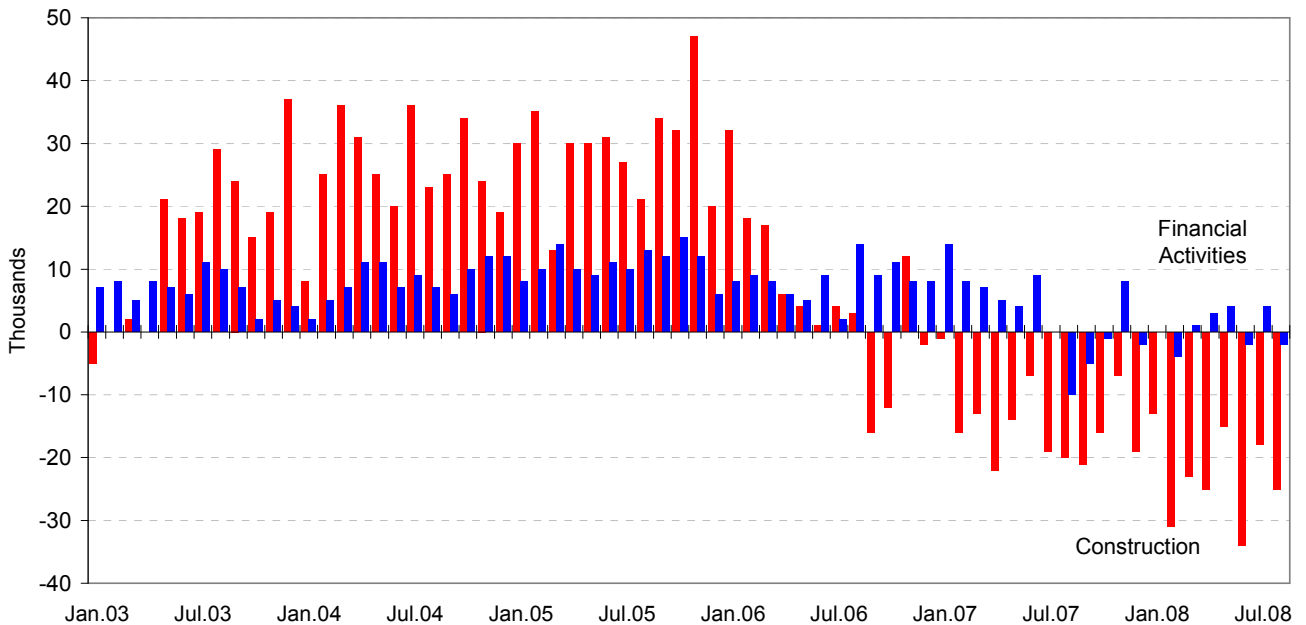


Chart 5. Monthly Changes of Employment in Construction and Financial Activities



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

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 first six months of 2008, this subset represented approximately 399,000 U.S. business clients representing nearly 24 million U.S. employees working in all private industrial sectors. The data 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://www.adpemploymentreport.com/methodology.aspx>.

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