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## August 2010 National Employment Report

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 estimated change of employment from June to July was revised down slightly, from the previously reported increase of 42,000 to an increase of 37,000.

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.

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*.

August's *ADP Report* estimates nonfarm private employment in the service-providing sector rose by 30,000, the seventh consecutive monthly gain. This increase was not enough to offset an employment decline in the goods-producing sector of 40,000. Employment in the manufacturing sector decreased 6,000, the second consecutive monthly decline.

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.\*

In August, construction employment dropped 33,000. Construction employment has declined for over three years and the total decline in construction jobs since the peak in January 2007 is 2,275,000. Employment in the financial services sector dropped 5,000. Financial Services employment has declined for over 3 years.

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

\*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.

**DERIVED FROM ADP PAYROLL DATA**

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

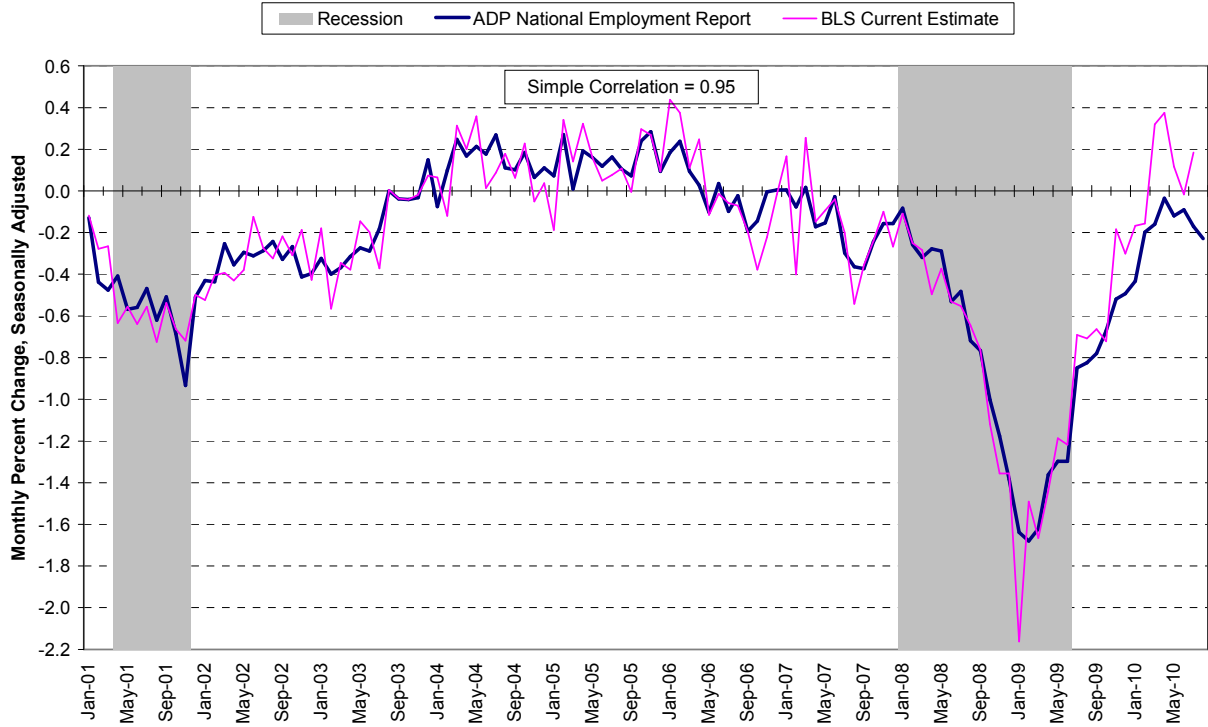
Industry / Size of Payroll	Seasonally Adjusted						Change from: Jul.2010 - Aug.2010p
	Mar. 2010	Apr. 2010	May 2010	Jun. 2010	Jul. 2010p	Aug. 2010p	
<b>Total nonfarm private</b> .....	106,782	106,847	106,910	106,929	106,966	106,956	-10
Small (1-49).....	48,199	48,216	48,231	48,233	48,253	48,247	-6
Medium (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

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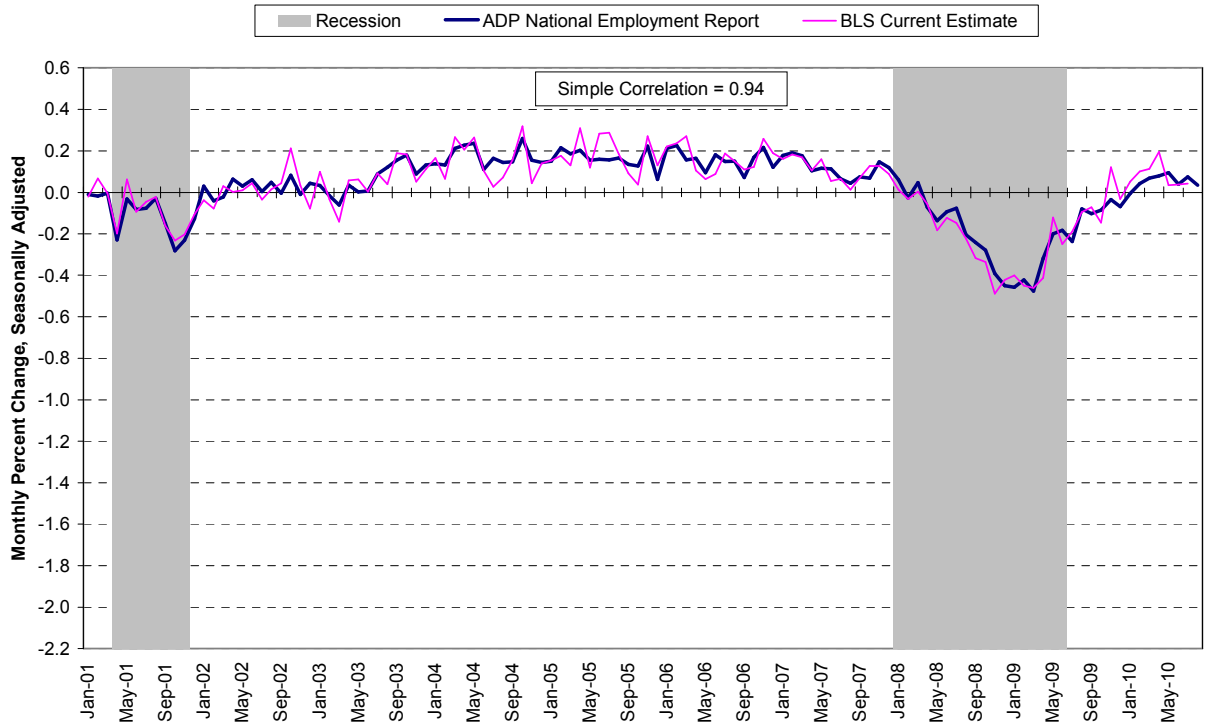
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through June 2010, averaged over 340,000 U.S. business clients and represented over 21 million U.S. employees. This approximately represents the size of the matched sample used this month.

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



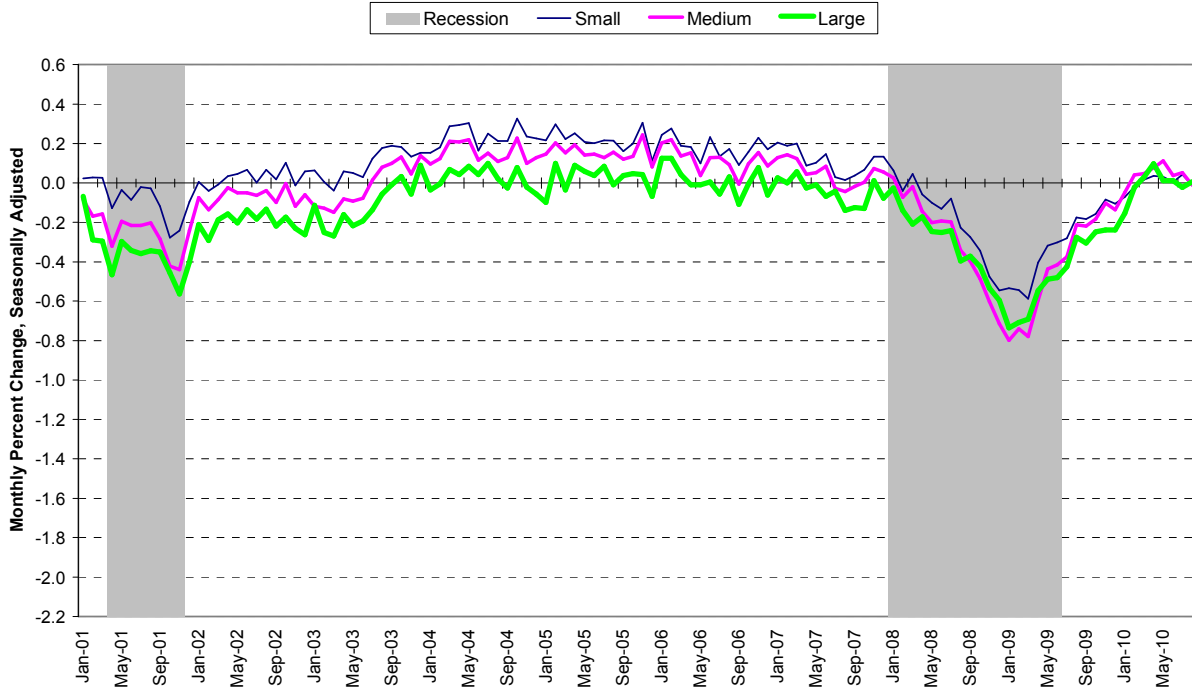
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



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

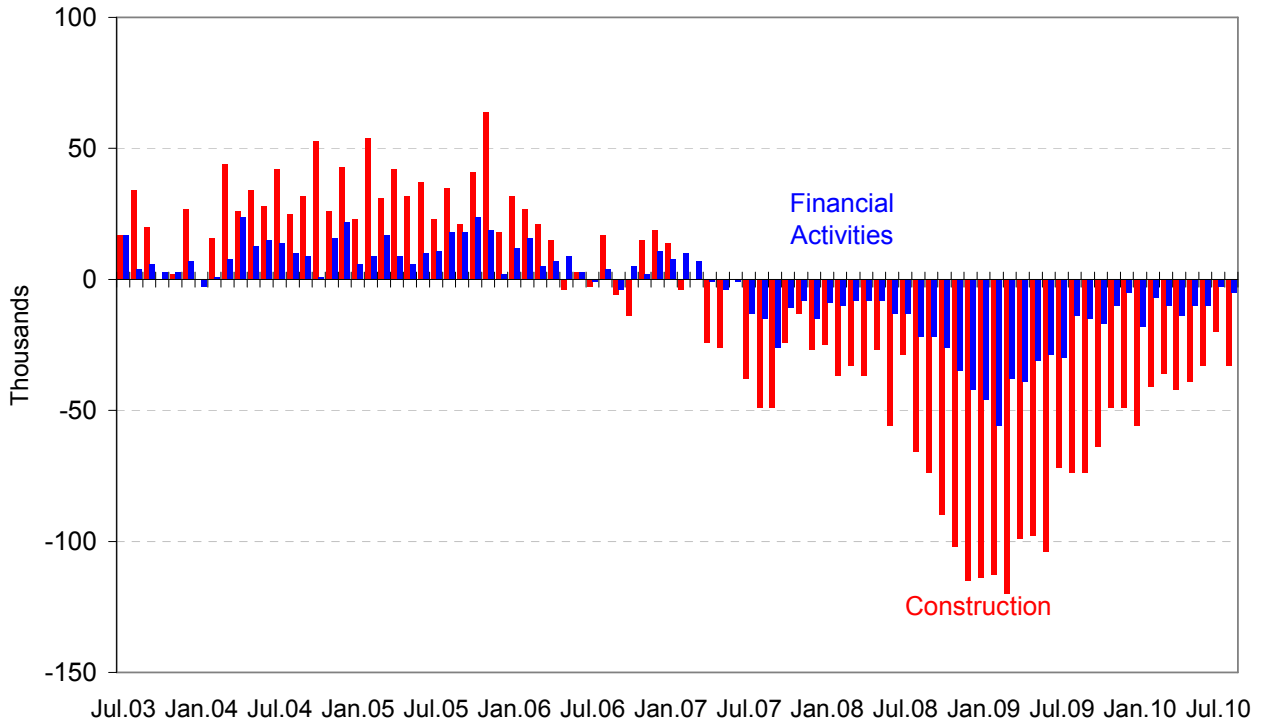
**Chart 4. Growth of Private Nonfarm Employment, by Size of Payroll\***



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

\* 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.

**Monthly Changes of Employment in Construction and Financial Activities**



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

### **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>.

The September 2010 *ADP National Employment Report* will be released October 6, 2010 at 8:15 AM ET. For a full schedule of future releases, please visit: [www.ADPEmploymentreport.com](http://www.ADPEmploymentreport.com)

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