



Wednesday, January 7, 2009, 8:15 A.M. ET

**Revisions to the *ADP National Employment Report*<sup>®</sup>**

The December 2008 *ADP National Employment Report*, released on Wednesday January 7, 2009, is the first regularly released *ADP Report* to incorporate key methodological revisions. These revisions include improved modeling techniques and additional data sources to better accommodate inherent differences between the ADP and BLS data. Additional details on the revisions are available at [www.ADPemploymentreport.com](http://www.ADPemploymentreport.com).

Nonfarm private employment decreased 693,000 from November to December 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*<sup>®</sup>. This month's *ADP Report* incorporates methodological improvements intended to improve the correspondence between the nonfarm private employment estimates shown in the *ADP Report* and estimates published in the Bureau of Labor Statistics' Employment Situation Report.

December's *ADP Report* estimates nonfarm private employment in the service-providing sector fell by 473,000. Employment in the goods-producing sector declined 220,000, the twenty-third consecutive monthly decline. Employment in the manufacturing sector declined 120,000, marking its twenty seventh decline over the last twenty eight months.

Large businesses, defined as those with 500 or more workers, saw employment decline 91,000, while medium-size businesses with between 50 and 499 workers declined 321,000. Employment among small-size businesses, defined as those with fewer than 50 workers, declined 281,000. Sharply falling employment at medium- and small-size businesses clearly indicates that the recession has now spread well beyond manufacturing and housing-related activities.

In December, construction employment dropped 102,000. This was its twenty-first consecutive monthly decline, and brings the total decline in construction jobs since the peak in January 2007 to 809,000.

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://ADPemploymentreport.com/methodology.aspx>.

**DERIVED FROM ADP PAYROLL DATA**

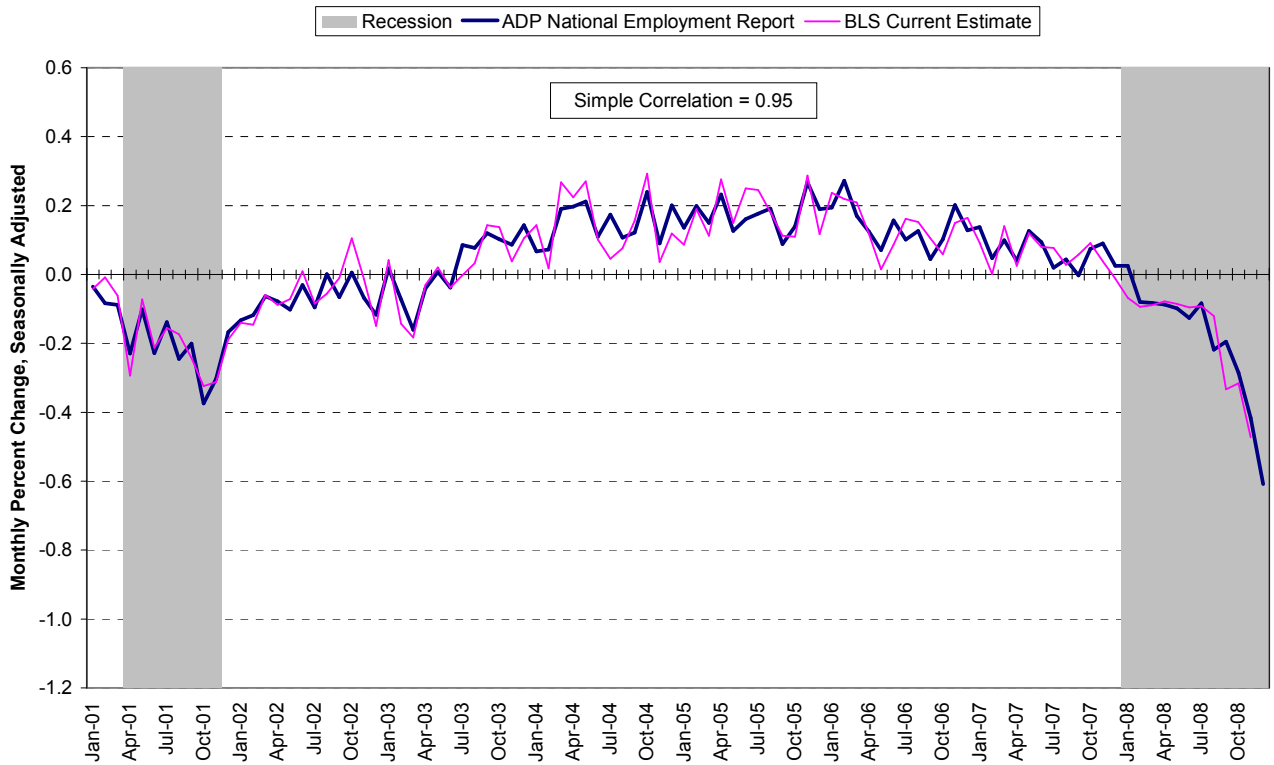
**Table 1. Employees on nonfarm private payrolls by selected industry sector and size**  
(In thousands)

Industry / Size of Payroll	Seasonally Adjusted						Change from: Nov. 2008 - Dec. 2008p
	Jul. 2008	Aug. 2008	Sep. 2008	Oct. 2008	Nov. 2008p	Dec. 2008p	
<b>Total nonfarm private</b> .....	115,133	114,881	114,657	114,329	113,853	113,160	-693
Small (1-49).....	50,767	50,673	50,592	50,471	50,274	49,993	-281
Medium (50-499).....	45,196	45,087	44,982	44,832	44,627	44,306	-321
Large (> 499).....	19,170	19,121	19,083	19,026	18,952	18,861	-91
<b>Goods-producing</b> .....	21,477	21,374	21,279	21,145	20,973	20,753	-220
Small (1-49).....	7,796	7,759	7,727	7,678	7,614	7,534	-80
Medium (50-499).....	9,499	9,458	9,413	9,351	9,274	9,168	-106
Large (> 499).....	4,182	4,157	4,139	4,116	4,085	4,051	-34
<b>Service-providing</b> .....	93,656	93,507	93,378	93,184	92,880	92,407	-473
Small (1-49).....	42,971	42,914	42,865	42,793	42,660	42,459	-201
Medium (50-499).....	35,697	35,629	35,569	35,481	35,353	35,138	-215
Large (> 499).....	14,988	14,964	14,944	14,910	14,867	14,810	-57
<b>Addendum:</b>							
Manufacturing.....	13,460	13,405	13,352	13,275	13,174	13,054	-120

p = preliminary

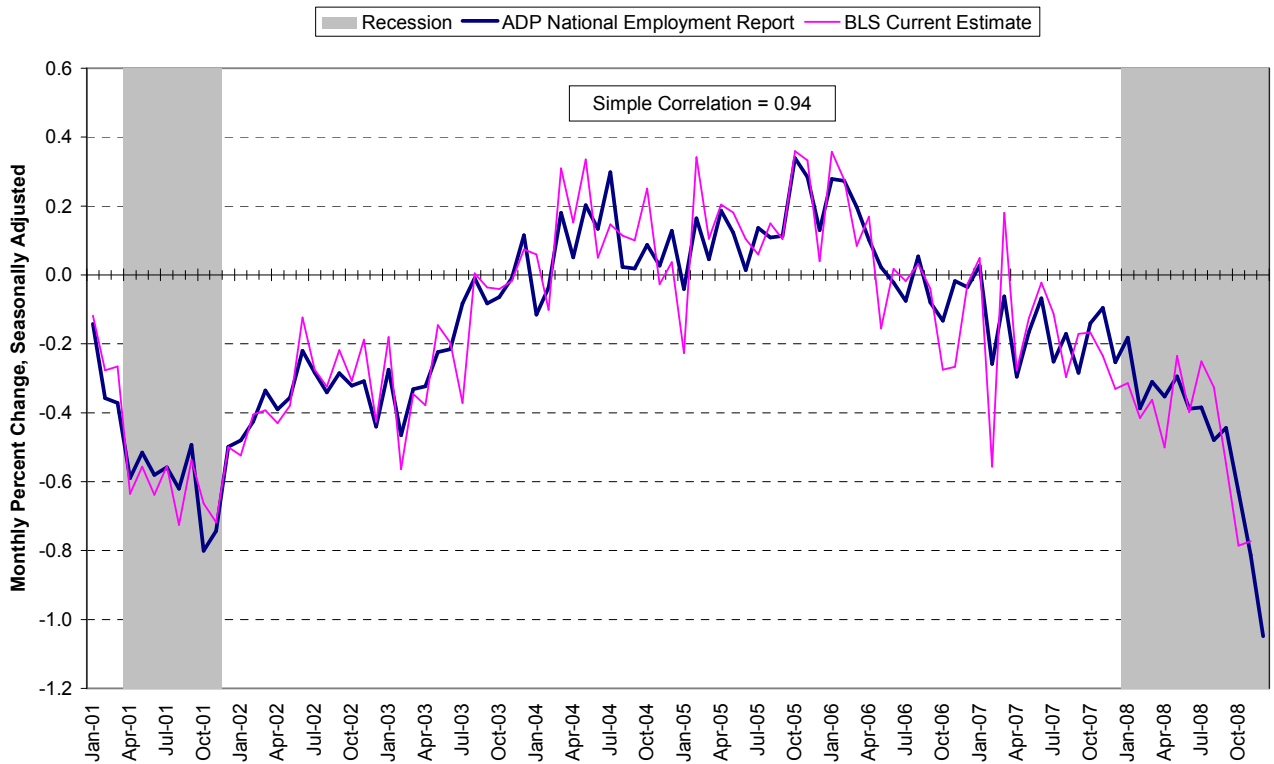
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data which, during the last six months of 2008, averaged approximately 400,000 payrolls representing nearly 24 million U.S. employees. This approximately represents the size of the matched sample used this month.

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



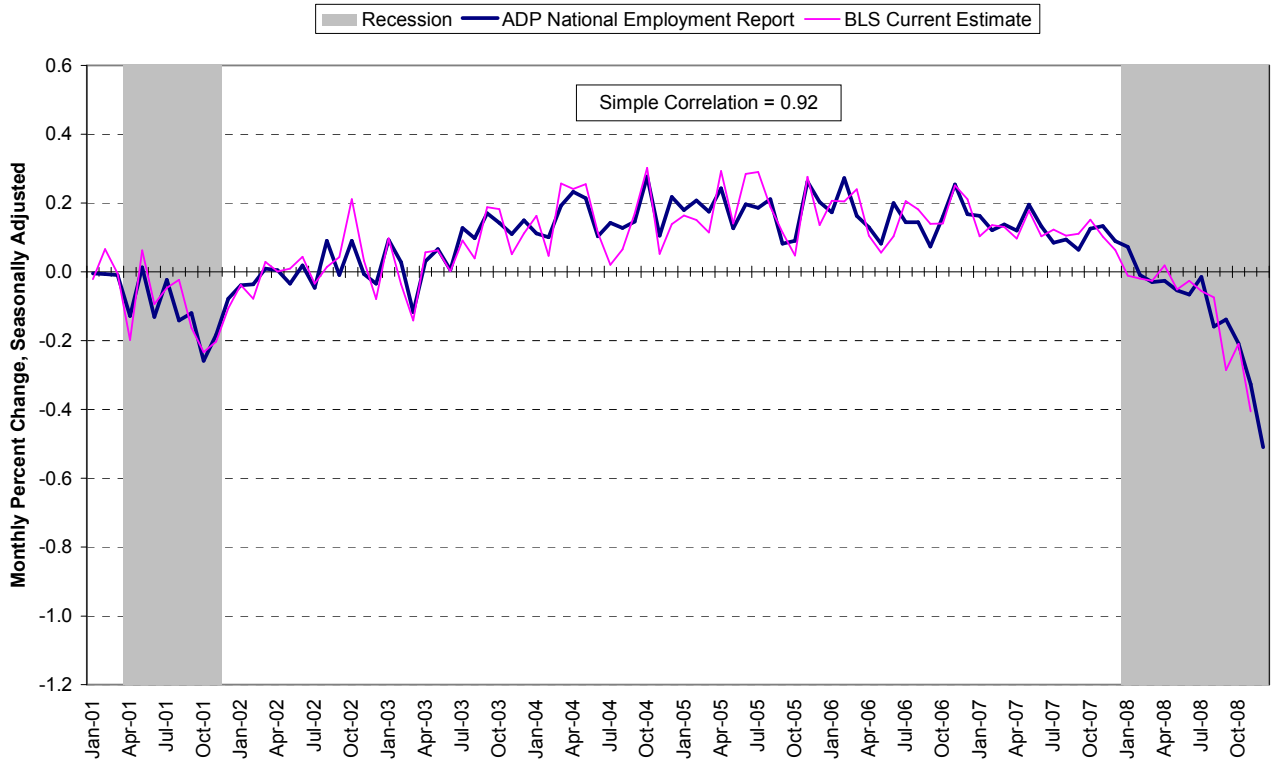
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



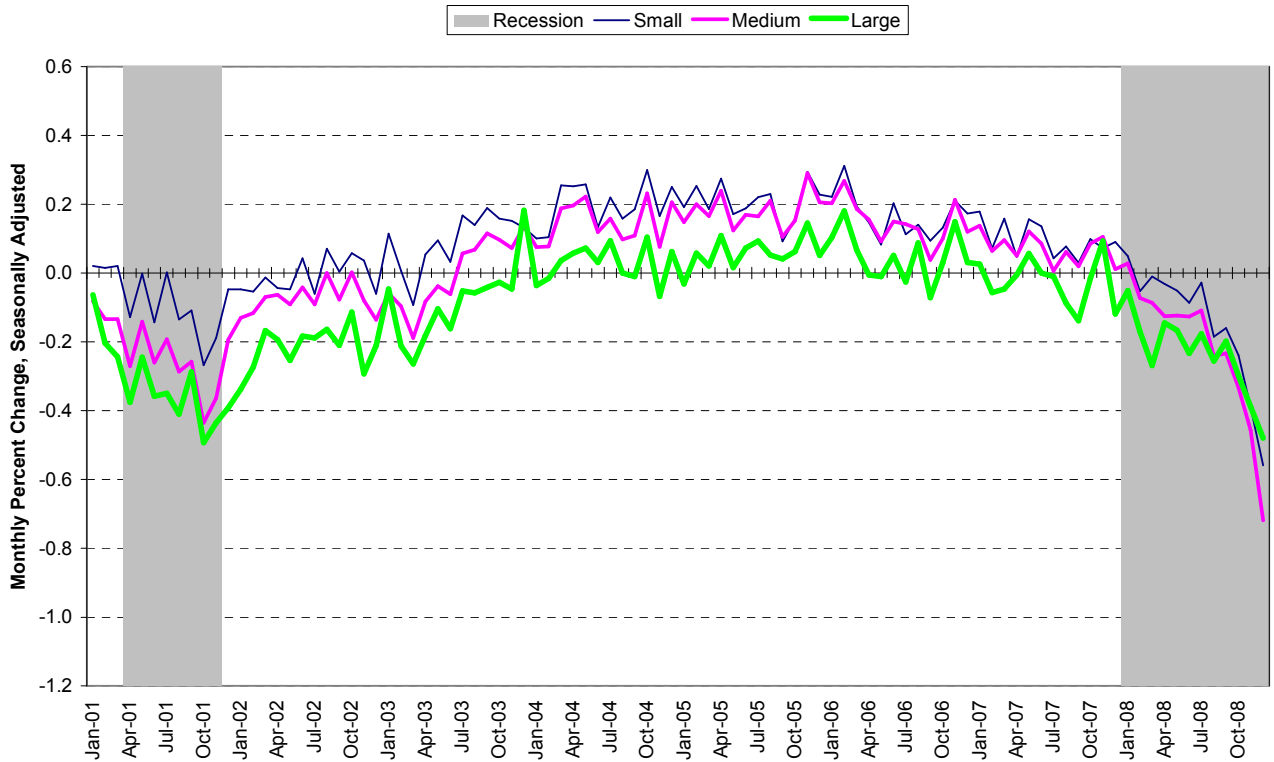
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



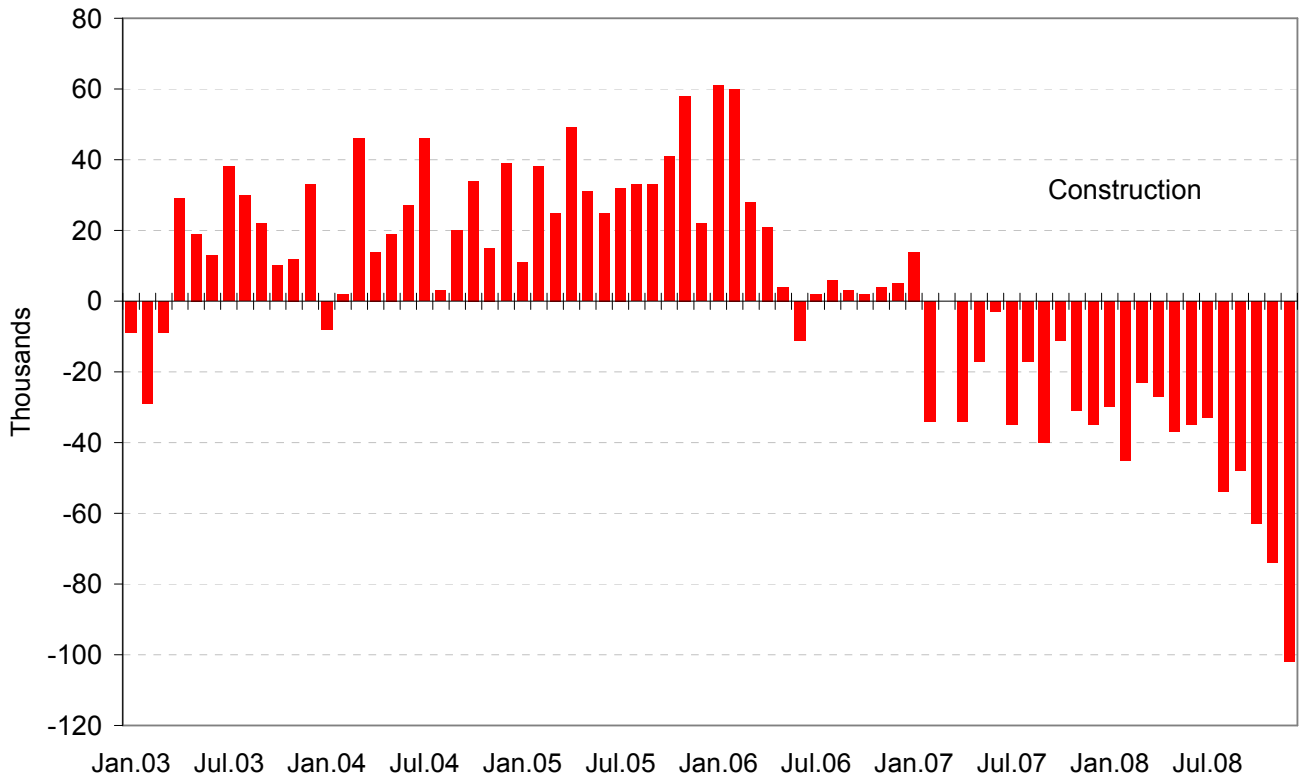
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



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

**Chart 5. Monthly Changes of Employment in Construction**



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 last six months of 2008, this subset represented approximately 400,000 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 12<sup>th</sup> 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>.

For a full schedule of future releases, please visit: [www.ADPEmploymentreport.com](http://www.ADPEmploymentreport.com)

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