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May 2010 National Employment Report

Nonfarm private employment increased 55,000 from April to May 2010 on a seasonally adjusted basis, according to the *ADP National Employment Report*. The estimated change in employment from March to April 2010 was revised, from an increase of 32,000 to an increase of 65,000.

May's rise in private employment was the fourth consecutive monthly gain. However, over these four months the increases have averaged a modest 39,000. The slow pace of improvement from February through May is consistent with the pause in the decline of initial unemployment claims that occurred during the winter months.

Unlike the estimate of total establishment employment to be released on Friday by the Bureau of Labor Statistics (BLS), today's *ADP Report* does not include any federal hiring in May for the 2010 Census. For this reason it is reasonable to expect that Friday's figure for nonfarm total employment reported by the BLS will be considerably stronger than today's estimate for nonfarm private employment in the *ADP Report*.

May's *ADP Report* estimates nonfarm private employment in the service-providing sector rose by 78,000, the fifth consecutive monthly increase. Employment in the goods-producing sector declined 23,000 with employment in the manufacturing sector increasing 15,000, the fourth consecutive monthly increase.

Large businesses, defined as those with 500 or more workers, saw employment increase by 3,000 and employment among medium-size businesses, defined as those with between 50 and 499 workers increased by 39,000. Employment among small-size businesses, defined as those with fewer than 50 workers, increased by 13,000 in May.*

In May, construction employment dropped 41,000. This was slightly less than last month's decline of 42,000. This was its thirty-fifth consecutive monthly decline, and brings the total decline in construction jobs since the peak in January 2007 to 2,191,000. Employment in the financial services sector dropped 8,000, resulting in over three years of consecutive monthly decline.

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)

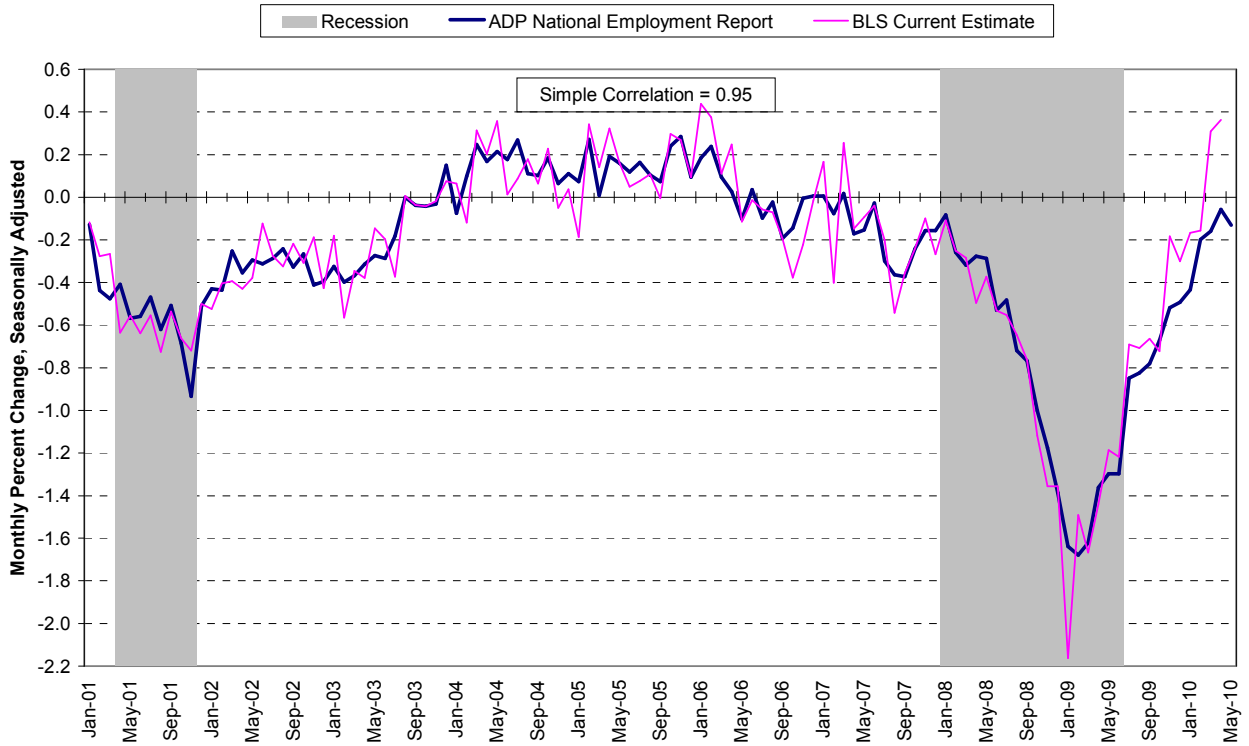
Industry / Size of Payroll	Seasonally Adjusted						Change from: Apr.2010 - May 2010p
	Dec. 2009	Jan. 2010	Feb. 2010	Mar. 2010	Apr. 2010p	May 2010p	
Total nonfarm private	106,829	106,747	106,750	106,782	106,847	106,902	55
Small (1-49).....	48,236	48,201	48,191	48,199	48,217	48,230	13
Medium (50-499).....	41,081	41,061	41,078	41,097	41,128	41,167	39
Large (> 499).....	17,512	17,485	17,481	17,486	17,502	17,505	3
Goods-producing	17,730	17,653	17,618	17,590	17,580	17,557	-23
Small (1-49).....	6,549	6,511	6,485	6,465	6,445	6,421	-24
Medium (50-499).....	7,697	7,677	7,672	7,666	7,667	7,669	2
Large (> 499).....	3,484	3,465	3,461	3,459	3,468	3,467	-1
Service-providing	89,099	89,094	89,132	89,192	89,267	89,345	78
Small (1-49).....	41,687	41,690	41,706	41,734	41,772	41,809	37
Medium (50-499).....	33,384	33,384	33,406	33,431	33,461	33,498	37
Large (> 499).....	14,028	14,020	14,020	14,027	14,034	14,038	4
Addendum:							
Manufacturing.....	11,449	11,429	11,434	11,441	11,472	11,487	15

p = preliminary

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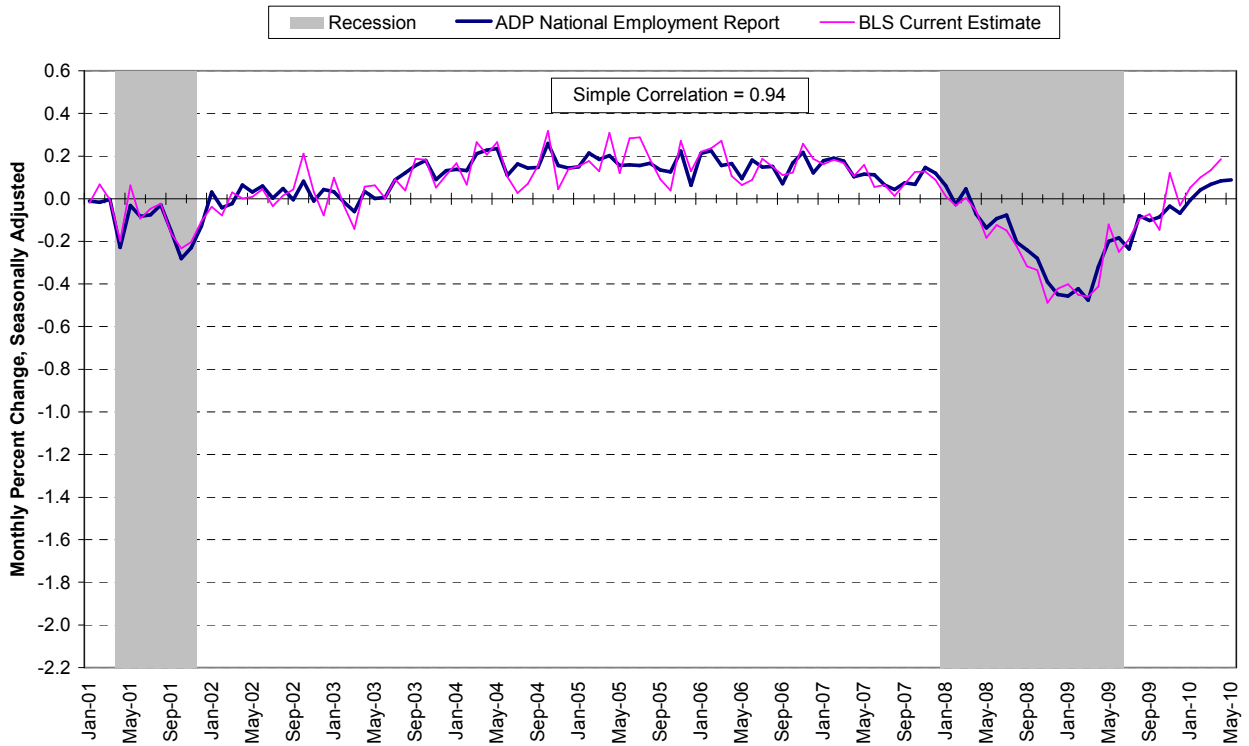
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through December 2009, averaged over 360,000 U.S. business clients and represented over 22 million U.S. employees. This approximately represents the size of the matched sample used this month.

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



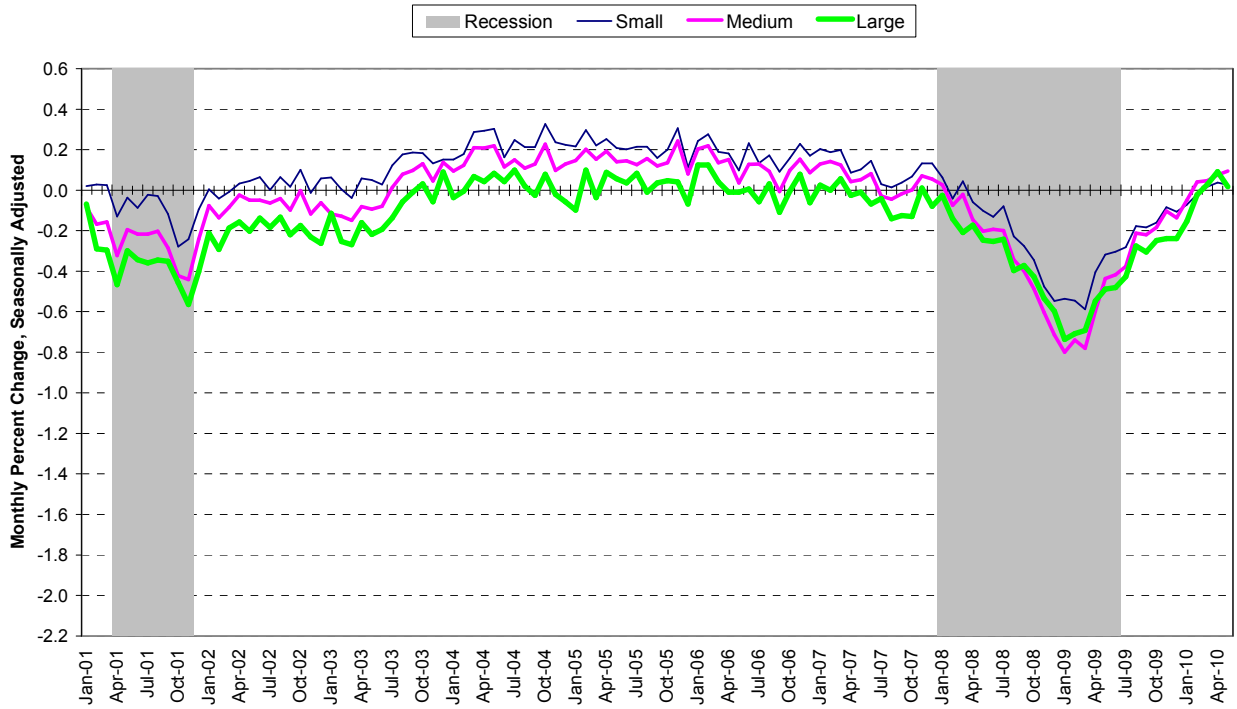
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



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

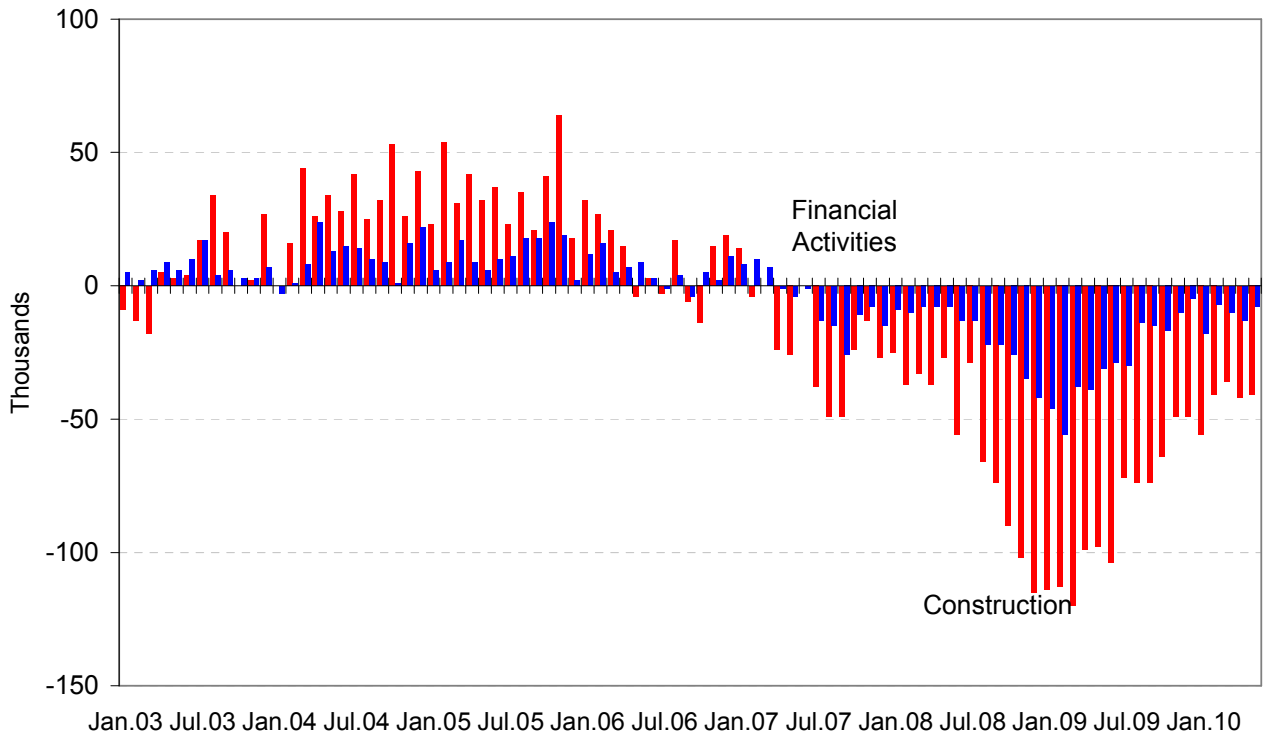
Chart 4. Growth of Private Nonfarm Employment, by Size of Payroll*



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*[®]

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>.

The June 2010 *ADP National Employment Report* will be released June 30, 2010 at 8:15 AM ET.

For a full schedule of future releases, please visit: www.ADPEmploymentreport.com

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