



National Employment Report

U.S. PRIVATE SECTOR EMPLOYMENT INCREASED BY 297,000 JOBS IN DECEMBER, ACCORDING TO ADP NATIONAL EMPLOYMENT REPORT

ROSELAND, N.J. – January 5, 2011 – Private-sector employment increased by 297,000 from November to December on a seasonally adjusted basis, according to the latest [ADP National Employment Report](#)[®] released today. The *ADP National Employment Report*, created by [Automatic Data Processing, Inc. \(ADP\)](#)[®], in partnership with [Macroeconomic Advisers, LLC](#), is derived from actual payroll data and measures the change in total nonfarm private employment each month.

Nonfarm Private Employment Highlights – December Report:

- Total employment: +297,000
- Small businesses* +117,000
- Medium businesses** +144,000
- Large businesses*** +36,000
- Goods-producing sector: +27,000
- Service-providing sector: +270,000

Addendum:

- Manufacturing industry: +23,000

* *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*

Note: 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.

According to the *ADP Report*, employment in the service-providing sector rose by 270,000 in December, the eleventh consecutive monthly gain and the largest monthly increase in the history of the report. Employment in the goods-producing sector rose 27,000, the second consecutive monthly gain and the largest since February 2006. Manufacturing employment rose 23,000, also the second consecutive monthly gain. Construction employment was unchanged in December, ending continuous monthly declines since June 2007.

“Today’s *ADP National Employment Report* shows a large increase in U.S. private sector employment, with significant gains in both the goods-producing and service-providing sectors, as well as across all size businesses,” said Gary C. Butler, President and Chief Executive Officer of ADP. “Employment growth has accelerated over the last few months. The recent decisions by our nation’s policymakers to extend and enact tax cuts for the short-term are positive, but more can be done. The new Congress has a great opportunity

to support ongoing job creation by enacting tax policies and creating business incentives that together will encourage businesses to invest and expand.”

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “This month’s *ADP National Employment Report* suggests nonfarm private employment grew very strongly in December, at a pace well above what is usually associated with a declining unemployment rate. After a mid-year pause, employment seems to have accelerated as indicated by September’s employment gain of 29,000, October’s gain of 79,000, November’s gain of 92,000 and December’s gain of 297,000. Strength was also evident within all major industries and every size business tracked in the *ADP Report*.”

“Employment among large businesses, defined as those with 500 or more workers, increased by 36,000 while employment among medium-size businesses, defined as those with between 50 and 499 workers, increased by 144,000. Employment among small-size businesses, defined as those with fewer than 50 workers, increased by 117,000,” said Prakken.

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.2010 - Dec.2010p
	Jul. 2010	Aug. 2010	Sep. 2010	Oct. 2010	Nov. 2010p	Dec. 2010p	
Total nonfarm private	106,978	107,015	107,044	107,123	107,215	107,512	297
Small (1-49).....	48,260	48,276	48,297	48,333	48,382	48,499	117
Medium (50-499).....	41,215	41,230	41,241	41,281	41,325	41,469	144
Large (> 499).....	17,503	17,509	17,506	17,509	17,508	17,544	36
Goods-producing	17,517	17,499	17,472	17,452	17,462	17,489	27
Small (1-49).....	6,394	6,383	6,373	6,362	6,363	6,360	-3
Medium (50-499).....	7,665	7,662	7,657	7,656	7,670	7,691	21
Large (> 499).....	3,458	3,454	3,442	3,434	3,429	3,438	9
Service-providing	89,461	89,516	89,572	89,671	89,753	90,023	270
Small (1-49).....	41,866	41,893	41,924	41,971	42,019	42,139	120
Medium (50-499).....	33,550	33,568	33,584	33,625	33,655	33,778	123
Large (> 499).....	14,045	14,055	14,064	14,075	14,079	14,106	27
Addendum:							
Manufacturing.....	11,492	11,497	11,491	11,487	11,502	11,525	23

p = preliminary

* 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.

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.

Small Business Highlights – December 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](#)® each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.*

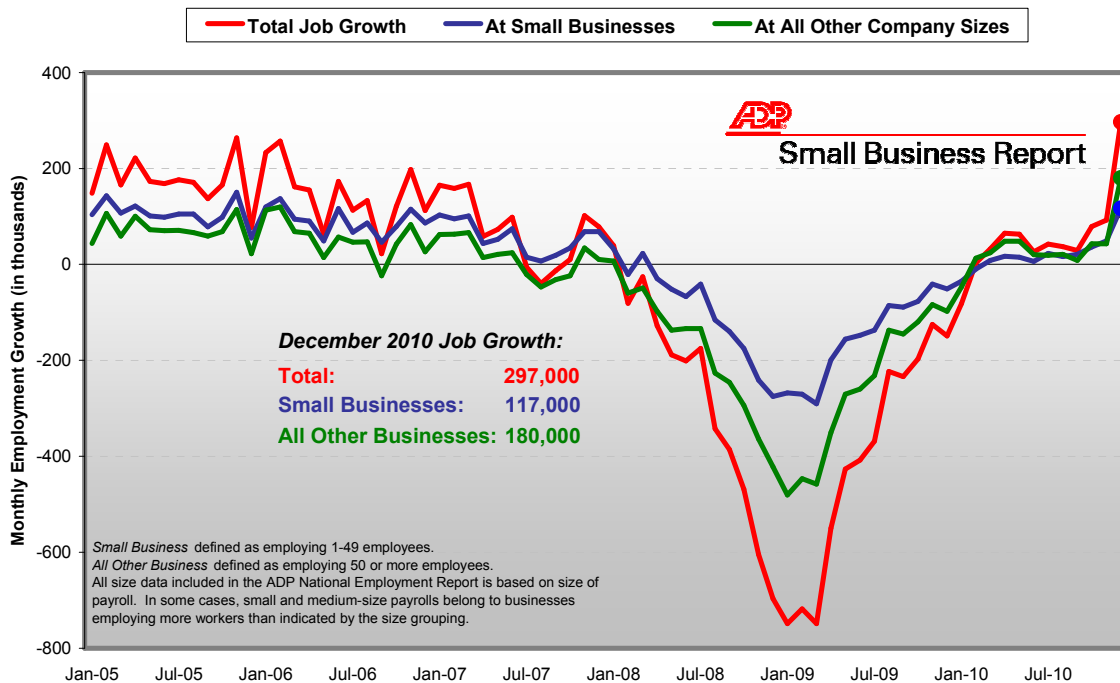
- Total small business employment: +117,000
- Goods-producing sector: -3,000 small business jobs
- Service-providing sector: +120,000 small business jobs

* 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.

Private employment among [small businesses](#) increased by 117,000 in December, 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 businesses, defined as those with fewer than 50 workers, increased by 117,000 during December. Employment growth among small businesses was positive for the tenth straight month and this month’s increase was the largest since February 2006,” said Joel Prakken.

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 email alerts and RSS feeds, please visit www.ADPemploymentreport.com. The January 2011 *ADP National Employment Report* will be released February 2, 2011, at 8:15 AM ET.

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 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* 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>.

About ADP

Automatic Data Processing, Inc. (NASDAQ: ADP), with nearly \$9 billion in revenues and about 550,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging over 60 years of experience, ADP offers a wide 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 website at 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 website, www.MacroAdvisers.com.

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