



## National Employment Report

### ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 697,000 PRIVATE SECTOR JOBS IN FEBRUARY

ROSELAND, N.J. – March 4, 2009 – According to today’s [ADP National Employment Report](#)<sup>®</sup>, private sector employment decreased by 697,000 in February. The *ADP National Employment Report*, created by ADP<sup>®</sup> Employer Services, a division of [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 – February Report:

- Total employment: -697,000
- Small businesses\* -262,000
- Medium businesses\*\* -314,000
- Large businesses\*\*\* -121,000
- Goods-producing sector: -338,000
- Service-providing sector: -359,000

#### Addendum:

- Manufacturing industry: -219,000

\* *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*

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “Nonfarm private employment decreased 697,000 from January to February on a seasonally adjusted basis, according to the *ADP National Employment Report*.”

Prakken added, “February’s *ADP Report* estimates nonfarm private employment in the service-providing sector fell by 359,000. Employment in the goods-producing sector declined 338,000, the twenty-sixth consecutive monthly decline. Employment in the manufacturing sector declined 219,000, marking three full years of consecutive monthly declines.”

“Large businesses, defined as those with 500 or more workers, saw employment decline 121,000, while medium-size businesses with between 50 and 499 workers declined 314,000. Employment among small-size businesses, defined as those with fewer than 50 workers, declined 262,000. Sharply falling employment at medium- and small-size businesses clearly indicates that the recession is spreading aggressively beyond manufacturing and housing-related activities,” said Prakken.

Prakken went on to say, “In February, construction employment dropped 114,000. This was its twenty-fifth consecutive monthly decline, and marks a total loss of over one-million construction jobs since the peak in January 2007.”

**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:<br>Jan. 2009 -<br>Feb. 2009p |
|-----------------------------------|---------------------|-----------|-----------|-----------|------------|------------|---|
|                                   | Sep. 2008           | Oct. 2008 | Nov. 2008 | Dec. 2008 | Jan. 2009p | Feb. 2009p |   |
| <b>Total nonfarm private.....</b> | 114,342             | 113,990   | 113,472   | 112,838   | 112,224    | 111,527    | -697                                      |
| Small (1-49).....                 | 50,391              | 50,264    | 50,060    | 49,808    | 49,597     | 49,335     | -262                                      |
| Medium (50-499).....              | 44,934              | 44,775    | 44,549    | 44,267    | 43,982     | 43,668     | -314                                      |
| Large (> 499).....                | 19,017              | 18,951    | 18,863    | 18,763    | 18,645     | 18,524     | -121                                      |
| <b>Goods-producing.....</b>       | 21,232              | 21,053    | 20,822    | 20,562    | 20,275     | 19,937     | -338                                      |
| Small (1-49).....                 | 7,669               | 7,607     | 7,527     | 7,436     | 7,350      | 7,234      | -116                                      |
| Medium (50-499).....              | 9,388               | 9,305     | 9,198     | 9,071     | 8,927      | 8,772      | -155                                      |
| Large (> 499).....                | 4,175               | 4,141     | 4,097     | 4,055     | 3,998      | 3,931      | -67                                       |
| <b>Service-providing.....</b>     | 93,110              | 92,937    | 92,650    | 92,276    | 91,949     | 91,590     | -359                                      |
| Small (1-49).....                 | 42,722              | 42,657    | 42,533    | 42,372    | 42,247     | 42,101     | -146                                      |
| Medium (50-499).....              | 35,546              | 35,470    | 35,351    | 35,196    | 35,055     | 34,896     | -159                                      |
| Large (> 499).....                | 14,842              | 14,810    | 14,766    | 14,708    | 14,647     | 14,593     | -54                                       |
| <b>Addendum:</b>                  |                     |           |           |           |            |            |   |
| Manufacturing.....                | 13,290              | 13,178    | 13,031    | 12,878    | 12,687     | 12,468     | -219                                      |

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.

### Notice of Annual Revisions to the *ADP National Employment Report*<sup>®</sup>

*Automatic Data Processing, Inc.*, in conjunction with *Macroeconomic Advisers, LLC*, has published the scheduled annual revisions to the estimates of employment shown in the *ADP National Employment Report*. This month's *ADP Report* incorporates revised historical estimates based on the 2009 benchmark revisions to establishment employment published by the Bureau of Labor Statistics on February 6. The main sources of revision to the *ADP National Employment Report* are:

- The re-specification and re-estimation of industry regressions based on the revised seasonally adjusted data from the BLS
- The re-statement of historical seasonal factors applied to the ADP data
- The inclusion in industry regressions of contemporaneous ADP data from other industries

Visit [www.adpemploymentreport.com](http://www.adpemploymentreport.com) for details.

### Small Business Highlights – February Report:

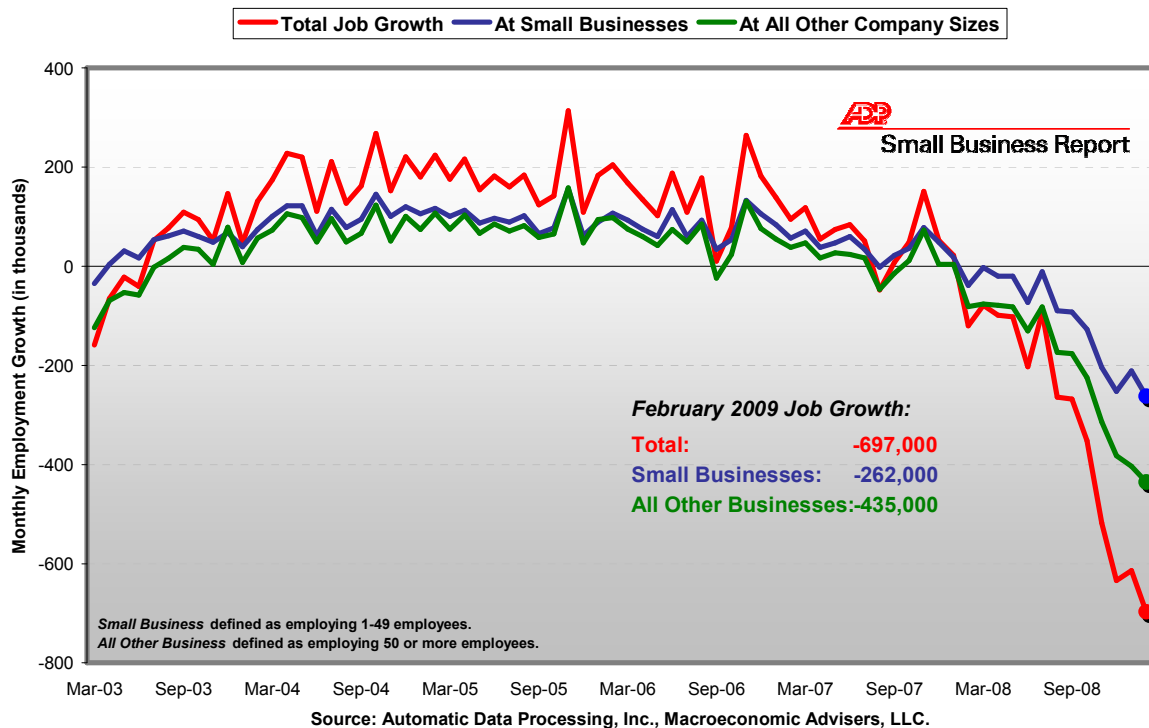
Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees will be reported in the *ADP Small Business Report*<sup>®</sup> each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.

- Total small business employment: -262,000
- Goods-producing sector: -116,000 small business jobs
- Service-providing sector: -146,000 small business jobs

Private employment among [small businesses](http://www.smallbusinessreport.adp.com) decreased by 262,000 in February, 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-size businesses, defined as those with fewer than 50 workers, declined 262,000. The magnitude of this month’s job loss indicates that the recession has spread aggressively to small-size businesses. Earlier in the recession these businesses had demonstrated more resiliency than medium- and large-size ones, but that is no longer the case,” 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 e-mail alerts and RSS feeds, please visit [www.ADPemploymentreport.com](http://www.ADPemploymentreport.com). The March 2009 *ADP National Employment Report* will be released on Wednesday, April 1, 2009 at 8:15 a.m. ET.

### 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 and nearly 24 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>.

#### **About ADP**

Automatic Data Processing, Inc. (Nasdaq: ADP), with nearly \$9 billion in revenues and over 585,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging nearly 60 years of experience, ADP offers the widest 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 Web site at [www.ADP.com](http://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 Web site, [www.MacroAdvisers.com](http://www.MacroAdvisers.com).

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