



## National Employment Report

### ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 371,000 PRIVATE SECTOR JOBS IN JULY

ROSELAND, N.J. – August 5, 2009 – According to today’s [ADP National Employment Report](#)<sup>®</sup>, private sector employment decreased by 371,000 in July. 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 – July Report:

- Total employment: -371,000
- Small businesses\* -138,000
- Medium businesses\*\* -159,000
- Large businesses\*\*\* -74,000
  
- Goods-producing sector: -169,000
- Service-providing sector: -202,000

#### Addendum:

- Manufacturing industry: -99,000

\* *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 371,000 from June to July 2009 on a seasonally adjusted basis, according to the *ADP National Employment Report*. July’s employment decline was the smallest since October of 2008 and continues the notable improvement between the first and second quarters of 2009. Nevertheless, despite recent indications that overall economic activity is stabilizing, employment, which usually trails overall economic activity, is likely to decline for at least several more months, albeit at a diminishing rate.”

Prakken added, “July’s *ADP Report* estimates nonfarm private employment in the service-providing sector fell by 202,000. Employment in the goods-producing sector

declined 169,000, with employment in the manufacturing sector dropping 99,000, its smallest monthly decline since September of 2008.”

“Large businesses, defined as those with 500 or more workers, saw employment decline by 74,000, while medium-size businesses with between 50 and 499 workers declined 159,000. Employment among small-size businesses, defined as those with fewer than 50 workers, declined 138,000,” said Prakken.

Prakken went on to say, “In July, construction employment dropped 64,000. This was its thirtieth consecutive monthly decline, and brings the total decline in construction jobs since the peak in January 2007 to 1,483,000. Employment in the financial services sector dropped 26,000, the twentieth consecutive monthly decline.”

#### 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: Jun. 2009 - Jul. 2009p
	Feb. 2009	Mar. 2009	Apr. 2009	May. 2009	Jun. 2009p	Jul. 2009p	
<b>Total nonfarm private</b> .....	111,502	110,766	110,248	109,787	109,324	108,953	-371
Small (1-49).....	49,317	49,029	48,836	48,664	48,495	48,357	-138
Medium (50-499).....	43,666	43,342	43,104	42,906	42,703	42,544	-159
Large (> 499).....	18,519	18,395	18,308	18,217	18,126	18,052	-74
<b>Goods-producing</b> .....	19,937	19,609	19,343	19,090	18,845	18,676	-169
Small (1-49).....	7,230	7,114	7,020	6,931	6,845	6,787	-58
Medium (50-499).....	8,776	8,625	8,500	8,390	8,283	8,210	-73
Large (> 499).....	3,931	3,870	3,823	3,769	3,717	3,679	-38
<b>Service-providing</b> .....	91,565	91,157	90,905	90,697	90,479	90,277	-202
Small (1-49).....	42,087	41,915	41,816	41,733	41,650	41,570	-80
Medium (50-499).....	34,890	34,717	34,604	34,516	34,420	34,334	-86
Large (> 499).....	14,588	14,525	14,485	14,448	14,409	14,373	-36
<b>Addendum:</b>							
Manufacturing.....	12,473	12,278	12,119	11,970	11,829	11,730	-99

p = preliminary

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through June 2009, averaged approximately 400,000 U.S. business clients and represented over 23 million U.S. employees. This approximately represents the size of the matched sample used this month.

### Small Business Highlights – July Report:

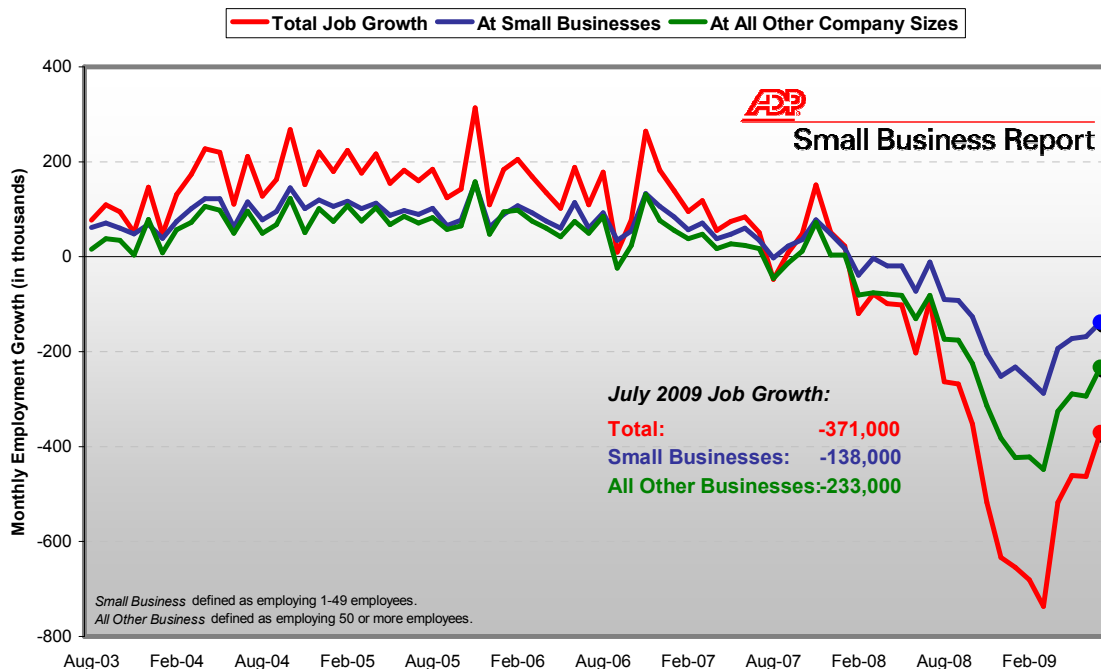
Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees will be reported in the [ADP Small Business Report](#)® each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.

- Total small business employment: -138,000
- Goods-producing sector: -58,000 small business jobs
- Service-providing sector: -80,000 small business jobs

Private employment among [small businesses](#) decreased by 138,000 in July, 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 138,000 in July. This month’s employment decline was the smallest in eight months continuing the notable improvement between the first and second quarters of 2009. Employment among small-size businesses is likely to decline for at least several more months, albeit at a diminishing rate. Since reaching peak employment in January 2008, small-size businesses have shed nearly 2.4 million jobs,” said Joel Prakken.

US Nonfarm Private Employment - Monthly Job Growth by Company Size



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

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 August 2009 *ADP National Employment Report* will be released on Wednesday, September 2, 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 twelve month period through June 2009, this subset averaged approximately 400,000 U.S. business clients and over 23 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 about 570,000 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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