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## February 2011 ADP National Employment Report®

Private-sector employment increased by 217,000 from January to February on a seasonally adjusted basis, according to the latest [ADP National Employment Report](#)® released today. The estimated change of employment from December 2010 to January 2011 was revised up to 189,000 from the previously reported increase of 187,000.

This month's *ADP National Employment Report* suggests continued solid growth of nonfarm private employment early in 2011. The recent pattern of rising employment gains since the middle of last year was reinforced by today's report, as the average gain from December through February (217,000) is well above the average gain over the prior six months (63,000).

According to the *ADP Report*, employment in the service-providing sector rose by 202,000 in February, marking thirteen consecutive months of employment gains. Employment in the goods-producing sector rose 15,000, the fourth consecutive monthly gain. Manufacturing employment rose 20,000, the fifth consecutive monthly gain.

Employment among large businesses, defined as those with 500 or more workers, increased by 13,000 while employment among medium-size businesses, defined as those with between 50 and 499 workers, increased by 104,000. Employment among small-size businesses, defined as those with fewer than 50 workers, increased by 100,000.

In February, construction employment dropped 9,000. The total decline in construction employment since its peak in January 2007 is 2,130,000. Employment in the financial services sector remained flat in February.

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 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.

**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: Jan.2011 - Feb.2011p
	Sep. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Jan. 2011p	Feb. 2011p	
<b>Total nonfarm private</b> .....	107,246	107,325	107,447	107,693	107,882	108,099	217
Small (1-49).....	48,509	48,550	48,621	48,722	48,823	48,923	100
Medium (50-499).....	41,327	41,368	41,425	41,552	41,637	41,741	104
Large (> 499).....	17,410	17,407	17,401	17,419	17,422	17,435	13
<b>Goods-producing</b> .....	17,652	17,641	17,662	17,688	17,711	17,726	15
Small (1-49).....	6,596	6,589	6,596	6,594	6,601	6,604	3
Medium (50-499).....	7,622	7,626	7,643	7,666	7,681	7,698	17
Large (> 499).....	3,434	3,426	3,423	3,428	3,429	3,424	-5
<b>Service-providing</b> .....	89,594	89,684	89,785	90,005	90,171	90,373	202
Small (1-49).....	41,913	41,961	42,025	42,128	42,222	42,319	97
Medium (50-499).....	33,705	33,742	33,782	33,886	33,956	34,043	87
Large (> 499).....	13,976	13,981	13,978	13,991	13,993	14,011	18
<b>Addendum:</b>							
Manufacturing.....	11,511	11,513	11,532	11,561	11,585	11,605	20

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 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.

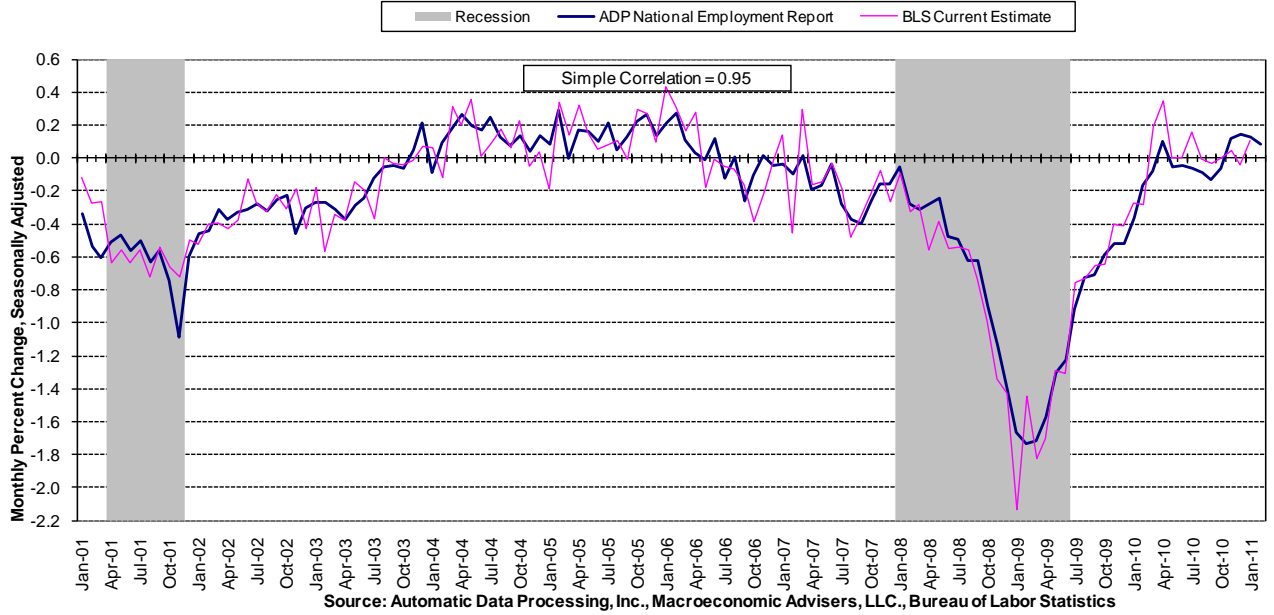
**Notice of Annual Revisions to the *ADP National Employment Report*®**

*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 2010 benchmark revisions to establishment employment published by the Bureau of Labor Statistics on February 4, 2011. The main sources of revision to the *ADP National Employment Report* are:

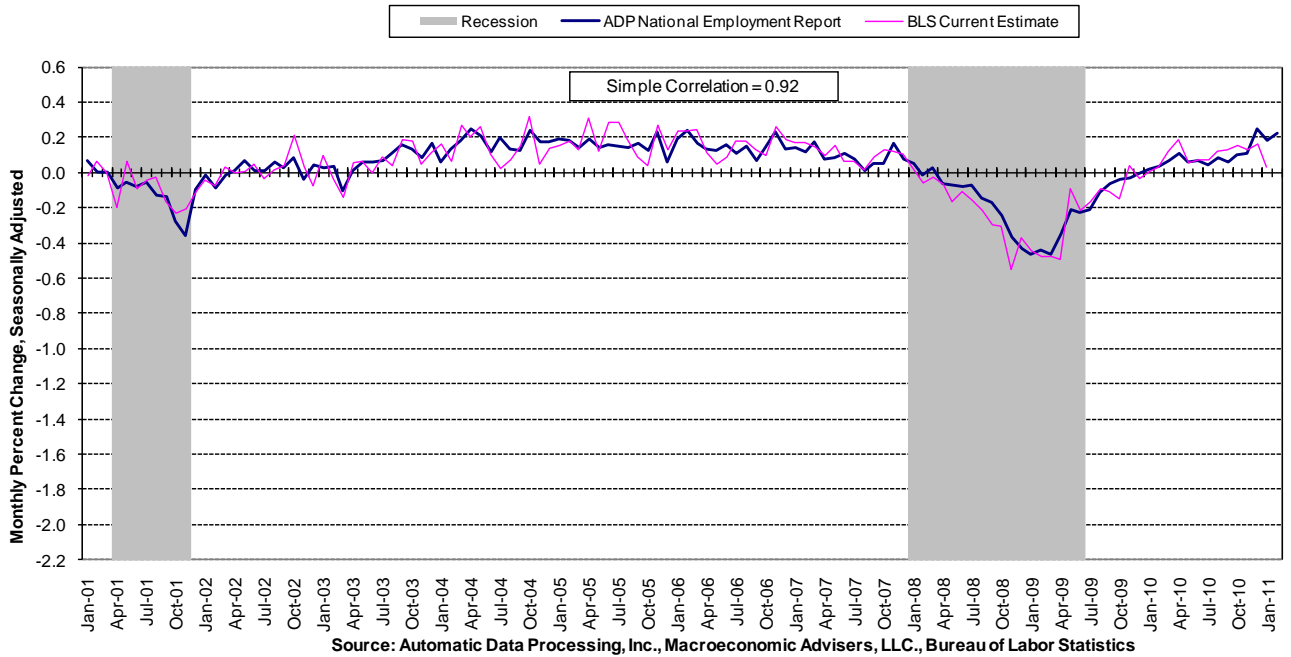
- Updated regression estimates used to adjust for historical differences in the variances of the monthly growth rates of employment reported by the Bureau of Labor Statistics and computed from ADP data.
- Updated estimates of the differences in the historical averages of the growth rates of employment reported by the Bureau of Labor Statistics and computed from ADP data.
- Updated estimates of historical seasonal factors.
- The reference month for establishing the levels of employment shown in the *ADP National Employment Report* will be advanced from March 2009 to March 2010.
- There are no revisions to the methodology of computing the estimates of employment shown in the *ADP National Employment Report*.

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

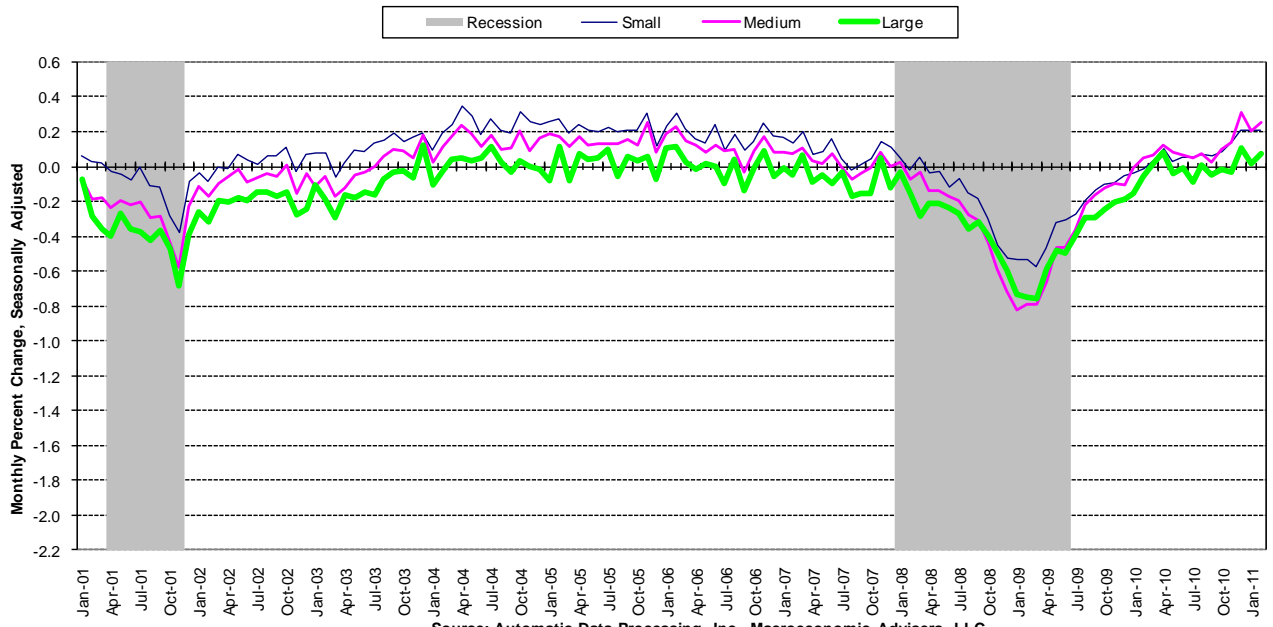
**Chart 2. Growth of Private Nonfarm Employment, Goods-Producing Industries**



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



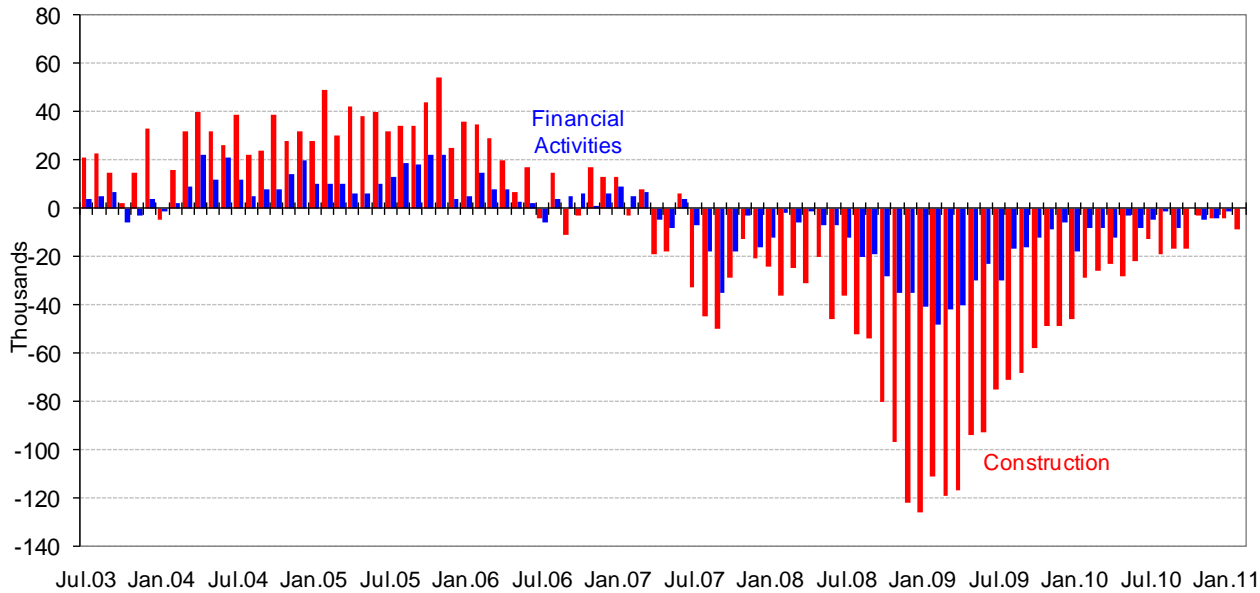
**Chart 4. Growth of Private Nonfarm Employment, by Size of Payroll\***



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 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>.

The March 2011 *ADP National Employment Report* will be released March 30, 2011 at 8:15 AM ET. For a full schedule of future releases, please visit: [www.ADPEmploymentreport.com](http://www.ADPEmploymentreport.com).

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