



**Wednesday, August 5, 2009, 8:15 A.M. ET**

Nonfarm private employment decreased 371,000 from June to July 2009 on a seasonally adjusted basis, according to the *ADP National Employment Report*<sup>®</sup>. The estimated change of employment from May to June was revised by 10,000, from a decline of 473,000 to a decline of 463,000.

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.

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. Since reaching peak employment in January 2008, small-size businesses have shed nearly 2.4 million jobs.

In June, 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.

For information on the construction and use of the *ADP Report*, please visit the methodology section of the *ADP National Employment Report* website at <http://ADPEmploymentreport.com/methodology.aspx>.

**DERIVED FROM ADP PAYROLL DATA**

**Table 1. Employees on nonfarm private payrolls by selected industry sector and size**

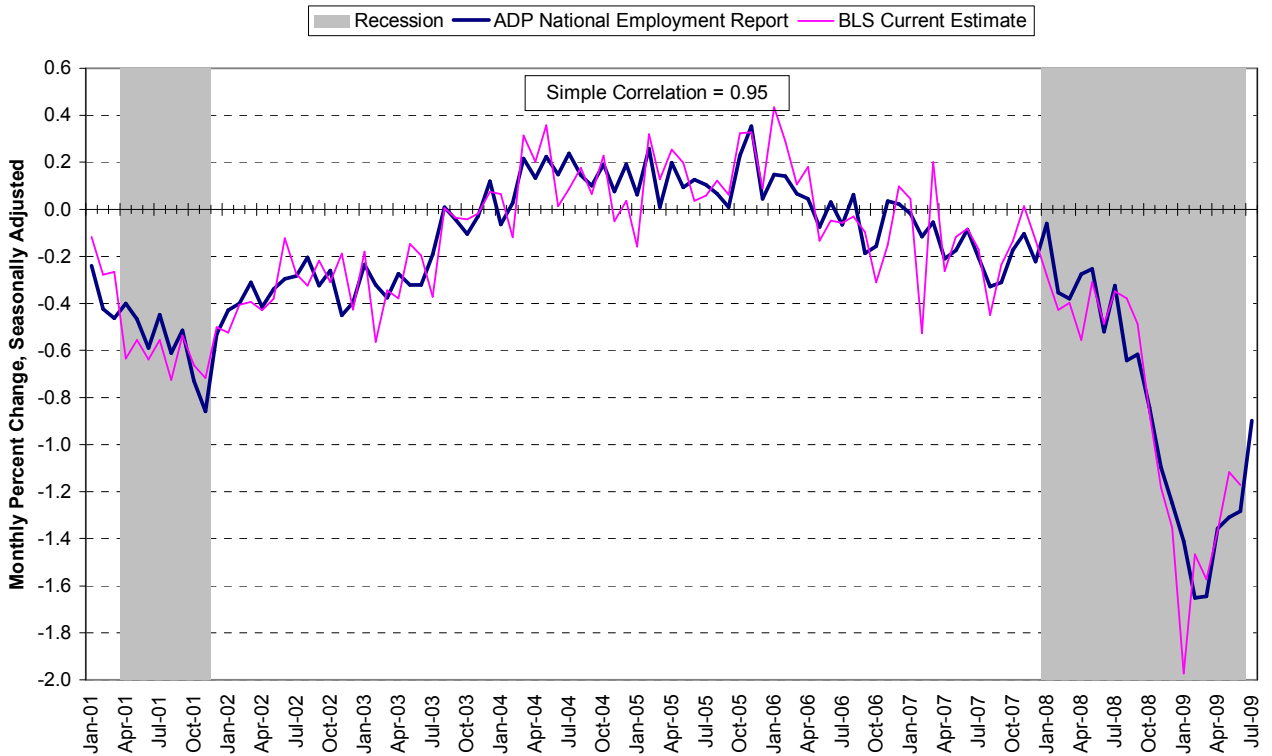
(In thousands)

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

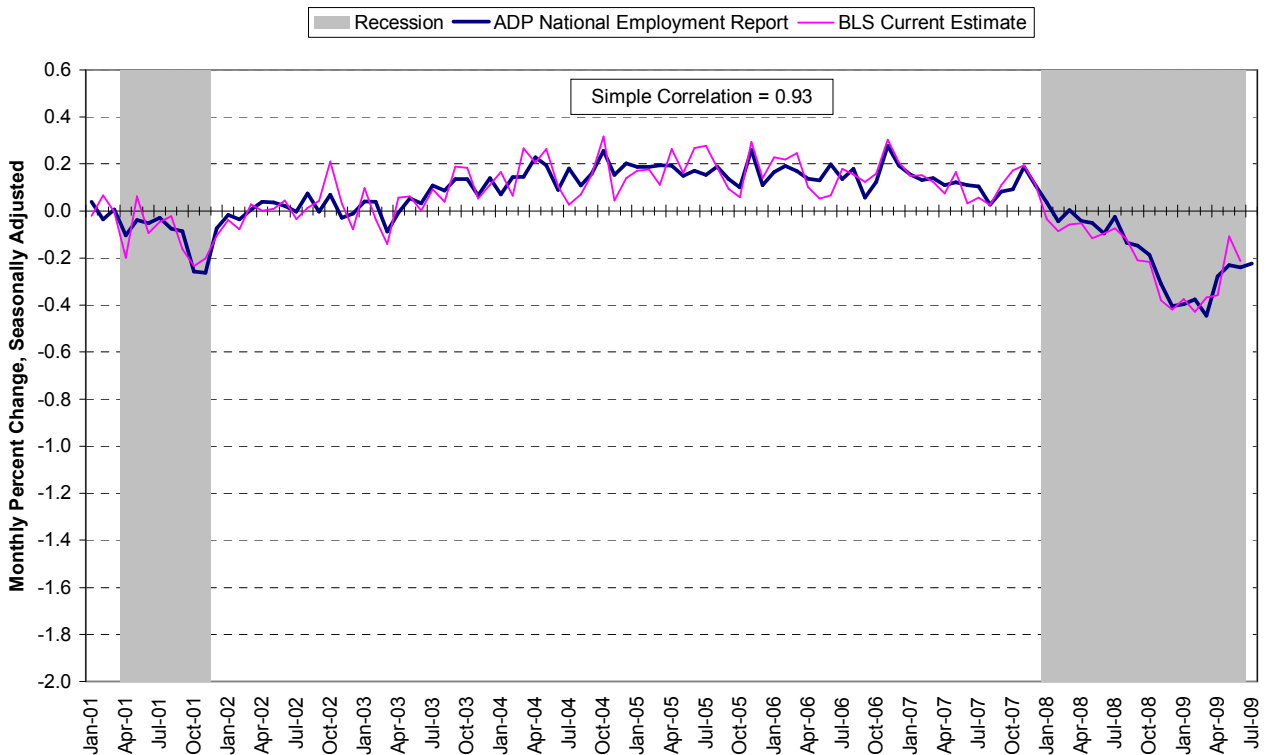
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through June 2009, averaged approximately 400,000 U.S. business clients and represented over 23 million U.S. employees. This approximately represents the size of the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

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



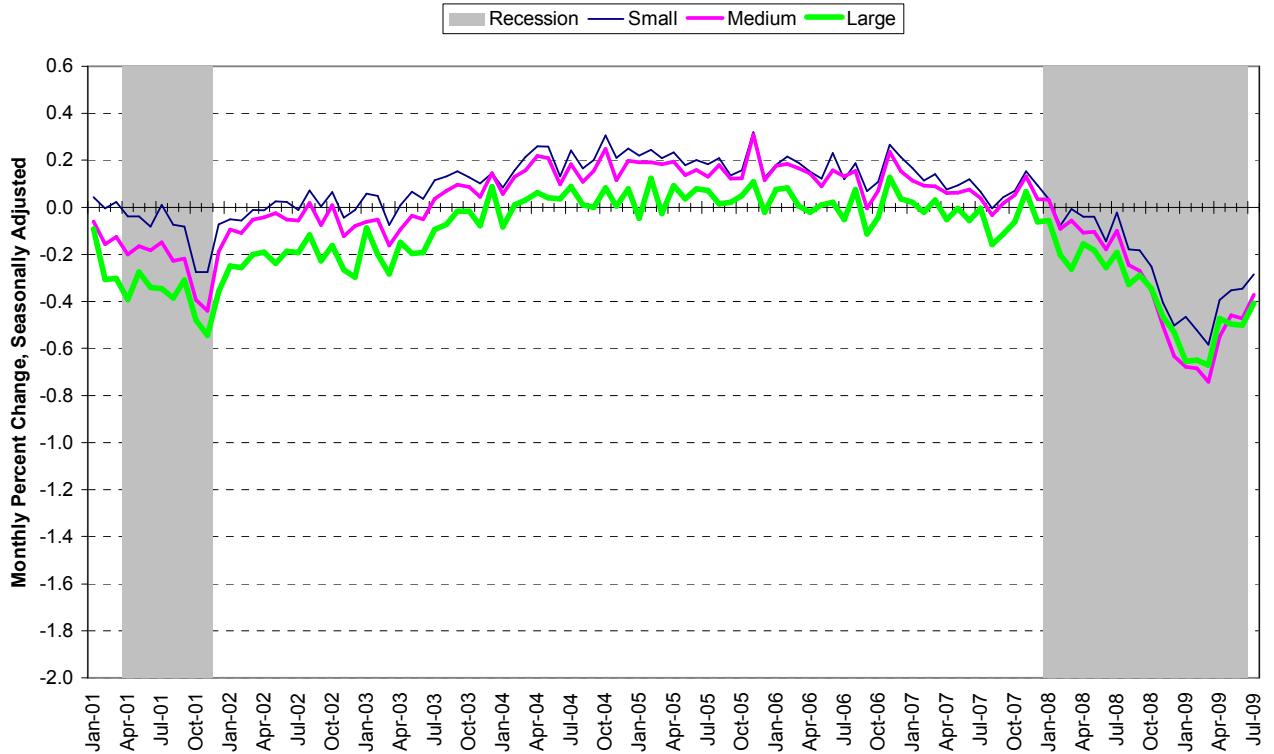
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



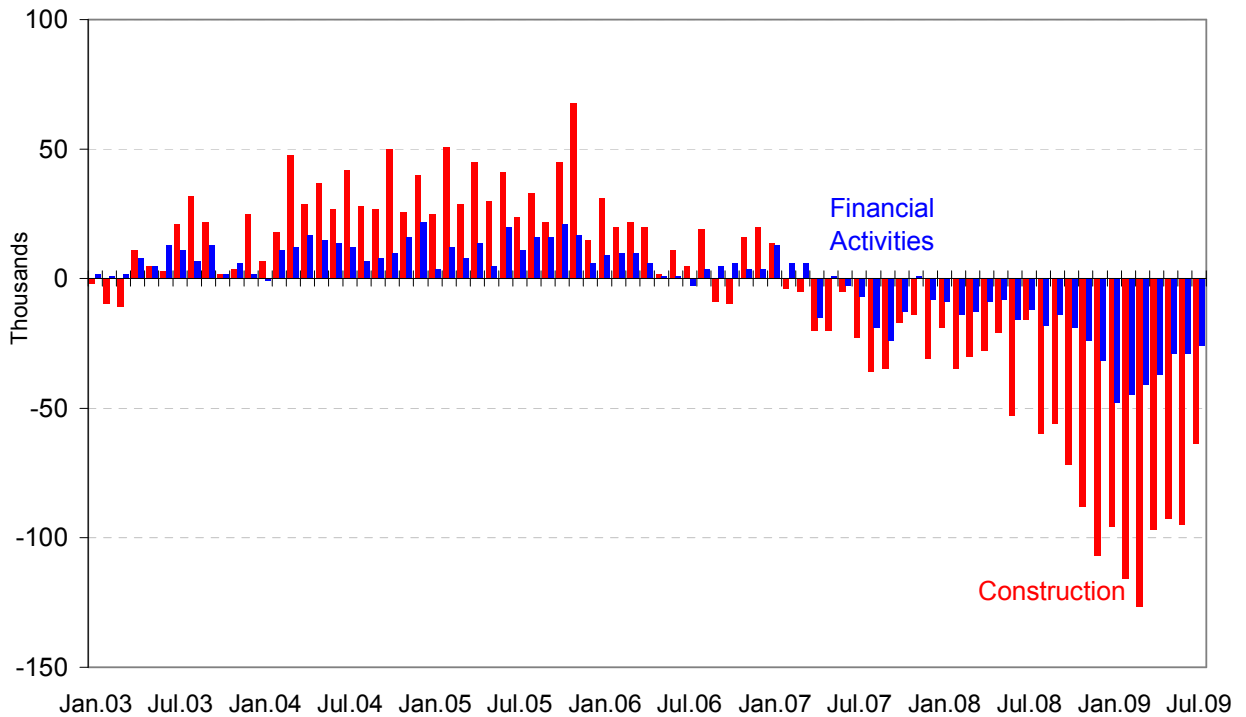
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



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

**Monthly Changes of Employment in Construction and Financial Activities**



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

**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 data is collected for pay periods that can be interpolated to include the week of the 12<sup>th</sup> 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>.

For a full schedule of future releases, please visit: [www.ADPEmploymentreport.com](http://www.ADPEmploymentreport.com)

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