



Wednesday, February 3, 2010, 8:15 A.M. ET

Nonfarm private employment decreased 22,000 from December 2009 to January 2010 on a seasonally adjusted basis, according to the *ADP National Employment Report*[®]. The estimated change of employment from November to December 2009 was revised by 23,000, from a decline of 84,000 to a decline of 61,000. The January employment decline was the smallest since employment began falling in February of 2008.

January's *ADP Report* estimates nonfarm private employment in the service-providing sector increased by 38,000, the second consecutive monthly increase. However, this employment growth was not enough to offset continued losses in the goods-producing sector. Employment in the goods-producing sector declined 60,000, with employment in the manufacturing sector dropping 25,000. The employment decline in the manufacturing sector was the lowest since January of 2008.

Large businesses, defined as those with 500 or more workers, saw employment decline by 19,000 while small-size businesses with fewer than 50 workers, declined 12,000. Employment among medium-size businesses, defined as those with between 50 and 499 workers, increased by 9,000, the first increase in employment since January of 2008.

In January, construction employment dropped 37,000. This drop marks the third straight year of consecutive monthly employment declines and brings the total decline in construction jobs since the peak in January 2007 to 1,804,000. Employment in the financial services sector dropped 16,000.

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: Dec. 2009 - Jan. 2010p
	Aug. 2009	Sep. 2009	Oct. 2009	Nov. 2009	Dec. 2009p	Jan. 2010p	
Total nonfarm private	108,740	108,520	108,342	108,221	108,160	108,138	-22
Small (1-49).....	48,263	48,175	48,106	48,056	48,039	48,027	-12
Medium (50-499).....	42,473	42,395	42,330	42,293	42,277	42,286	9
Large (> 499).....	18,004	17,950	17,906	17,872	17,844	17,825	-19
Goods-producing	18,543	18,401	18,282	18,202	18,119	18,059	-60
Small (1-49).....	6,727	6,669	6,624	6,590	6,559	6,531	-28
Medium (50-499).....	8,164	8,113	8,068	8,045	8,017	8,004	-13
Large (> 499).....	3,652	3,619	3,590	3,567	3,543	3,524	-19
Service-providing	90,197	90,119	90,060	90,019	90,041	90,079	38
Small (1-49).....	41,536	41,506	41,482	41,466	41,480	41,496	16
Medium (50-499).....	34,309	34,282	34,262	34,248	34,260	34,282	22
Large (> 499).....	14,352	14,331	14,316	14,305	14,301	14,301	0
Addendum:							
Manufacturing.....	11,671	11,605	11,544	11,506	11,467	11,442	-25

p = preliminary

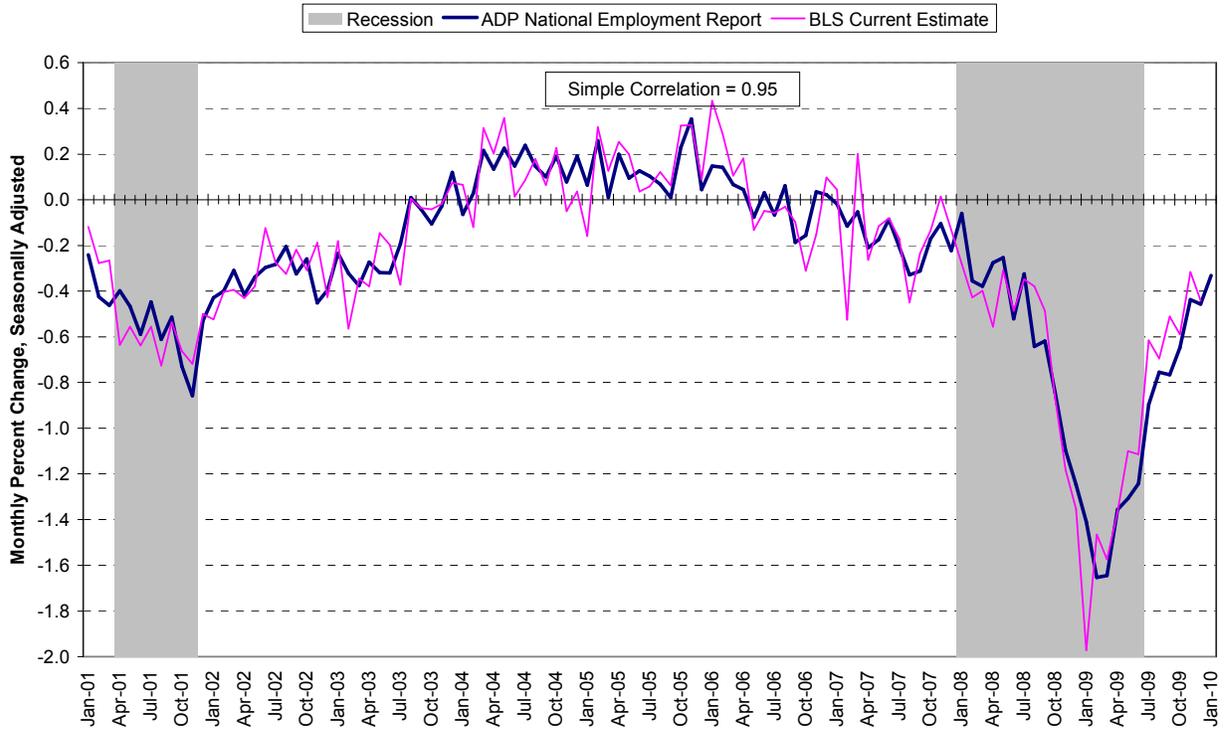
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through December 2009, averaged over 360,000 U.S. business clients and represented over 22 million U.S. employees. This approximately represents the size of the matched sample used this month.

Notice of Intent to Make Annual Revisions to the *ADP National Employment Report*[®]

On March 3, 2010, Automatic Data Processing, Inc., in conjunction with Macroeconomic Advisers, LLC, will publish annual revisions of the estimates of employment shown in the *ADP National Employment Report*. These revisions will reflect:

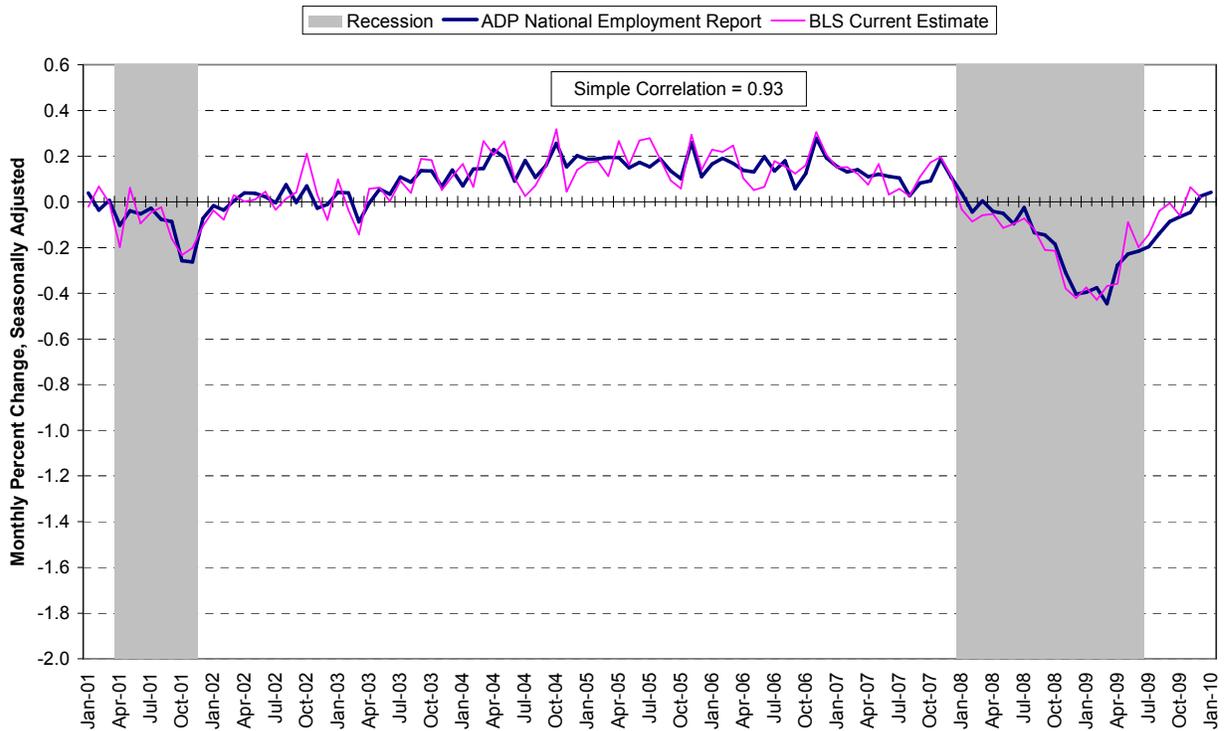
- Updated regression estimates used to adjust for historical differences in the variances of the monthly growth rates of employment reported by the Bureau of Labor Statistics and computed from ADP data.
- Updated estimates of the differences in the historical averages of the growth rates of employment 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 2008 to March 2009.
- There are no revisions to the methodology of computing the estimates of employment shown in the *ADP National Employment Report*.

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



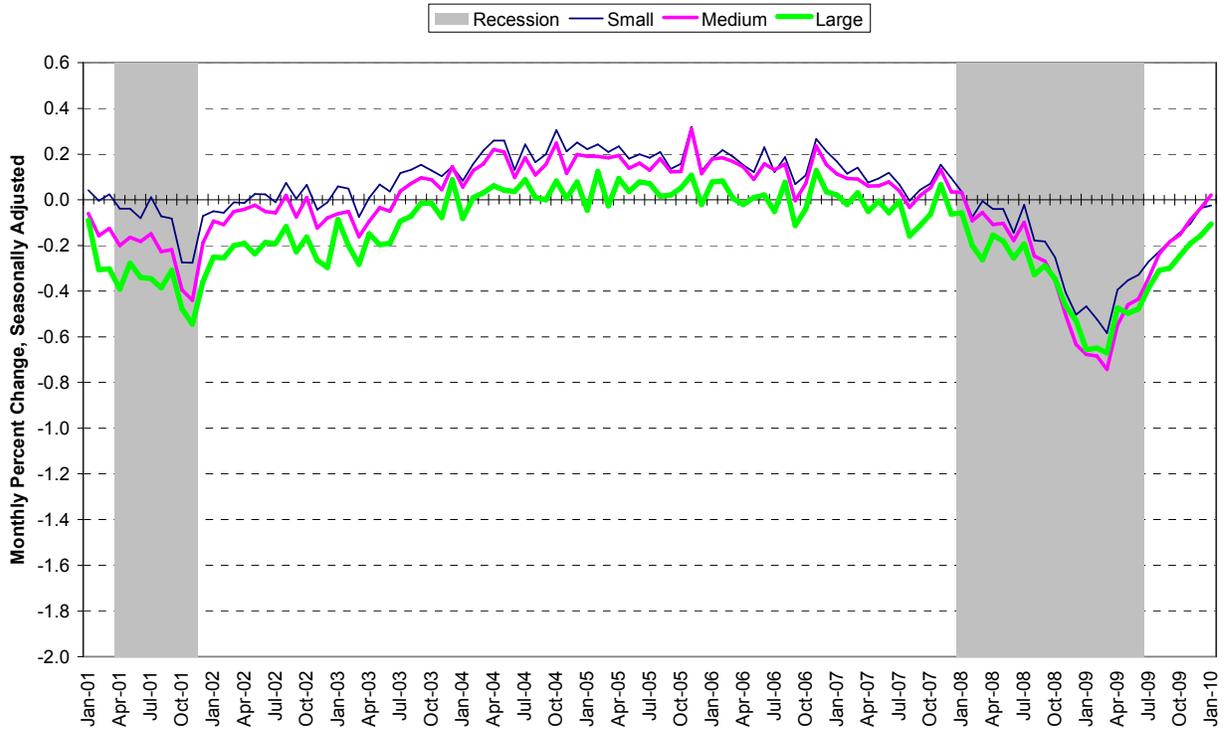
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



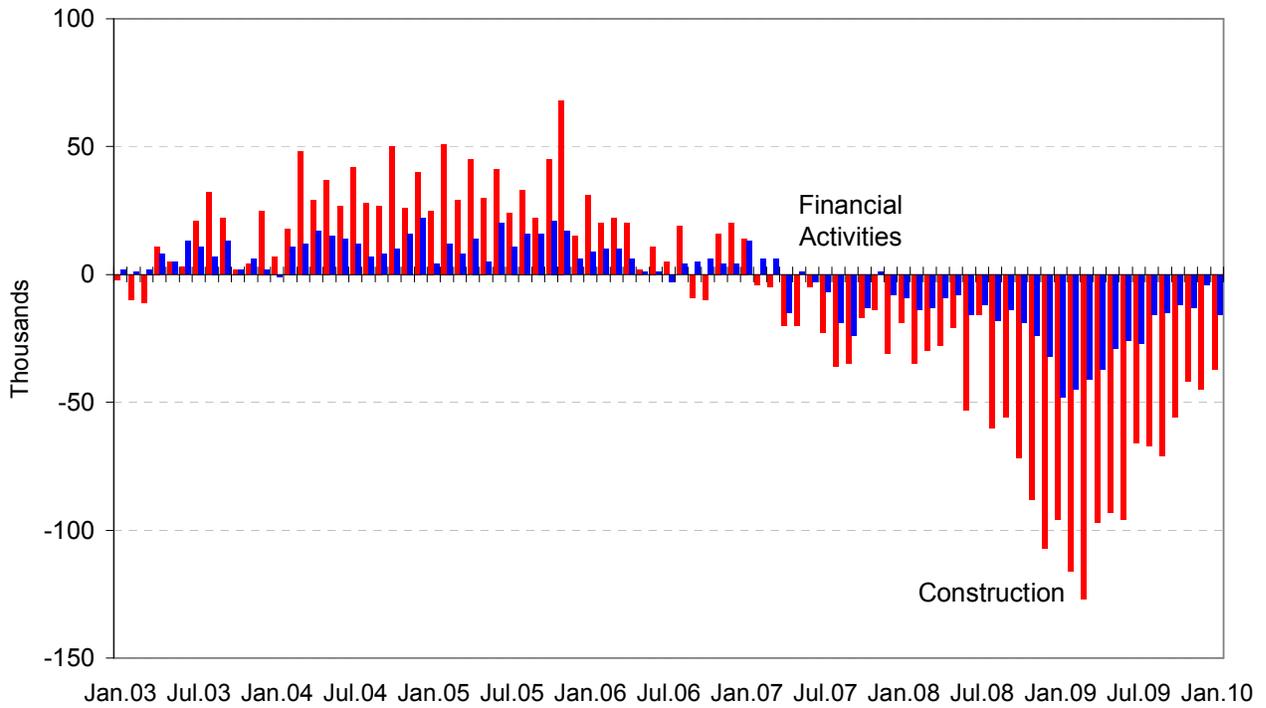
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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*[®]

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 December 2009, this subset averaged over 360,000 U.S. business clients and over 22 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>.

For a full schedule of future releases, please visit: www.ADPEmploymentreport.com

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