



National Employment Report

ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. EMPLOYMENT DECREASED BY 522,000 PRIVATE SECTOR JOBS IN JANUARY

ROSELAND, N.J. – February 4, 2009 – According to today’s [ADP National Employment Report](#)[®], private sector employment decreased by 522,000 in January. The *ADP National Employment Report*, created by ADP[®] 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 – January Report:

- Total employment: -522,000
- Small businesses* -175,000
- Medium businesses** -255,000
- Large businesses*** -92,000
- Goods-producing sector: -243,000
- Service-providing sector: -279,000

Addendum:

- Manufacturing industry: -160,000

* *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 522,000 from December 2008 to January 2009 on a seasonally adjusted basis, according to the *ADP National Employment Report*.”

Prakken added, “January’s *ADP Report* estimates nonfarm private employment in the service-providing sector fell by 279,000. Employment in the goods-producing sector declined 243,000, the twenty-fourth consecutive monthly decline. Employment in the manufacturing sector declined 160,000, its twenty-eighth decline over the last twenty-nine months.”

“Large businesses, defined as those with 500 or more workers, saw employment decline 92,000, while medium-size businesses with between 50 and 499 workers declined 255,000. Employment among small-size businesses, defined as those with fewer than 50 workers, declined 175,000. Sharply falling employment at medium- and small-size businesses clearly indicates that the recession continues to spread well beyond manufacturing and housing-related activities,” said Prakken.

Prakken went on to say, “In January, construction employment dropped 83,000. This was its twenty-second consecutive monthly decline, and brings the total decline in construction jobs since the peak in January 2007 to 923,000.”

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. 2008 - Jan. 2009p
	Aug. 2008	Sep. 2008	Oct. 2008	Nov. 2008	Dec. 2008p	Jan. 2009p	
Total nonfarm private	114,881	114,657	114,329	113,883	113,224	112,702	-522
Small (1-49).....	50,673	50,592	50,471	50,294	50,033	49,858	-175
Medium (50-499).....	45,087	44,982	44,832	44,634	44,324	44,069	-255
Large (> 499).....	19,121	19,083	19,026	18,955	18,867	18,775	-92
Goods-producing	21,374	21,279	21,145	20,968	20,724	20,481	-243
Small (1-49).....	7,759	7,727	7,678	7,615	7,530	7,456	-74
Medium (50-499).....	9,458	9,413	9,351	9,268	9,147	9,027	-120
Large (> 499).....	4,157	4,139	4,116	4,085	4,047	3,998	-49
Service-providing	93,507	93,378	93,184	92,915	92,500	92,221	-279
Small (1-49).....	42,914	42,865	42,793	42,679	42,503	42,402	-101
Medium (50-499).....	35,629	35,569	35,481	35,366	35,177	35,042	-135
Large (> 499).....	14,964	14,944	14,910	14,870	14,820	14,777	-43
Addendum:							
Manufacturing.....	13,405	13,352	13,275	13,167	13,033	12,873	-160

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

On March 4, 2009, 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 2007 to March 2008.
- There are no revisions to the methodology of computing the estimates of employment shown in the *ADP National Employment Report*.

Small Business Highlights – January Report:

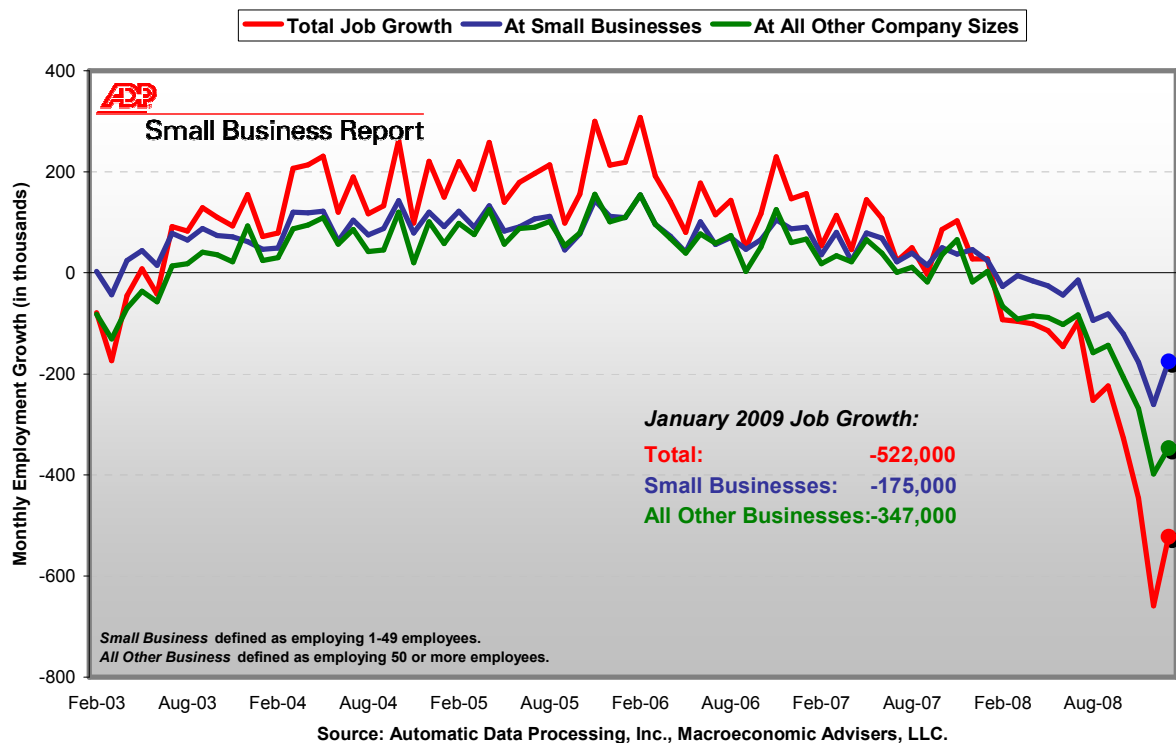
Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees will be reported in the [*ADP Small Business Report*[®]](#) each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.

- Total small business employment: -175,000
- Goods-producing sector: -74,000 small business jobs
- Service-providing sector: -101,000 small business jobs

Private employment among [small businesses](#) decreased by 175,000 in January, 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 175,000. This employment decline clearly indicates that the recession has widened to include businesses of all sizes. Though small-size businesses were somewhat more resilient than larger ones earlier in 2008, both small-sized goods-producing and service-providing businesses are now experiencing sizable job losses,” 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. The February 2009 *ADP National Employment Report* will be released on Wednesday, March 4, 2009 at 8:15 a.m. ET.

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 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*[®] 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.

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.

The ADP National Employment Report is a registered trademark of ADP of North America, Inc.

Media Contacts:

ADP Public Relations
ADP
(973) 974-7612
Public_Relations@adp.com

Zach Siegel
Cohn & Wolfe for ADP
(212) 537-8102
Zach_Siegel@CohnWolfe.com

###