



**Wednesday, July 30, 2008, 8:15 A.M. ET**

Nonfarm private employment increased 9,000 from June to July 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*<sup>®</sup>. The estimated change in employment from May to June was revised up from a decrease of 79,000 to a decrease of 77,000.

Though July's figures showed a slight employment gain, the *ADP Report's* recent three-month average of negative 14,000 suggests that the weakened employment situation continues.

This month's employment gain was driven by growth in the service-providing sector which advanced 74,000. July employment in the goods-producing sector declined 65,000, while manufacturing employment declined 49,000, marking their twentieth and twenty-third consecutive monthly declines, respectively.

Large businesses, defined as those with 500 or more workers, saw employment decline 32,000, while medium-size companies with between 50 and 499 workers declined by 9,000. Employment among small-size businesses, defined as those with fewer than 50 workers, advanced 50,000 during the month.

Two sectors of the economy hit hardest by recent problems in mortgage markets have been residential construction and financial activities related to home sales and mortgage lending. Today's report suggests some lessening of the recent strain on employment in these industries. In July, construction employment dropped 16,000. Though this was the twentieth consecutive monthly decline, and brings the total decline in construction jobs since the peak in August of 2006 to 350,000, it was one of the smallest declines in recent months. In addition, employment in financial activities rose 4,000 during the month.

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>.

***Notice:***

Due to the Labor Day holiday, the release date for the upcoming August *ADP National Employment Report* will be Thursday, September 4, 2008. For the complete 2008 release schedule, please visit [http://www.adpemploymentreport.com/PDF/Final\\_release\\_Schedule.pdf](http://www.adpemploymentreport.com/PDF/Final_release_Schedule.pdf).

DERIVED FROM ADP PAYROLL DATA

**Table 1. Employees on nonfarm private payrolls by selected industry sector and size**  
(In thousands)

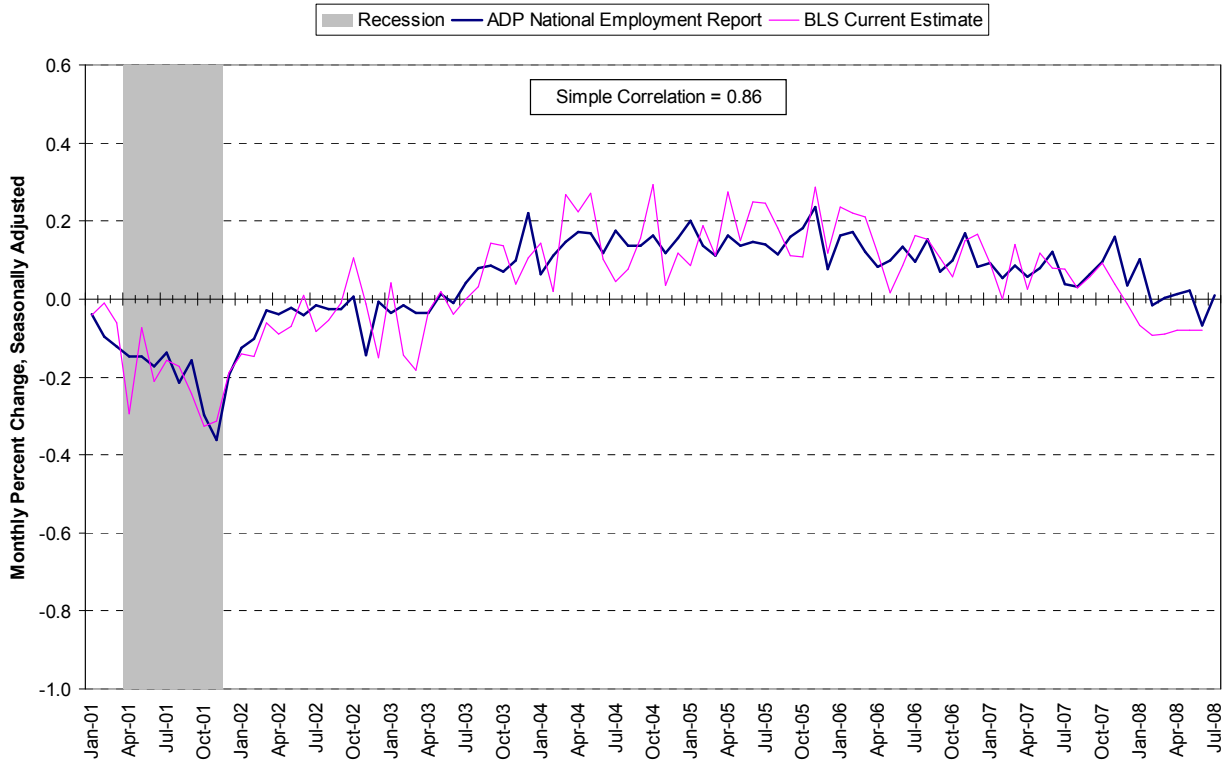
Industry / Size of Payroll	Seasonally Adjusted						Change from: Jun. 2008 - Jul. 2008p
	Feb. 2008	Mar. 2008	Apr. 2008	May. 2008	Jun. 2008	Jul. 2008p	
<b>Total nonfarm private</b> .....	116,053	116,056	116,069	116,094	116,017	116,026	9
Small (1-49).....	51,103	51,156	51,199	51,249	51,256	51,306	50
Medium (50-499).....	45,603	45,606	45,591	45,585	45,552	45,543	-9
Large (> 499).....	19,347	19,294	19,279	19,260	19,209	19,177	-32
<b>Goods-producing</b> .....	21,993	21,915	21,864	21,825	21,748	21,683	-65
Small (1-49).....	7,999	7,990	7,978	7,975	7,949	7,943	-6
Medium (50-499).....	9,688	9,663	9,635	9,613	9,586	9,557	-29
Large (> 499).....	4,306	4,262	4,251	4,237	4,213	4,183	-30
<b>Service-providing</b> .....	94,060	94,141	94,205	94,269	94,269	94,343	74
Small (1-49).....	43,104	43,166	43,221	43,274	43,307	43,363	56
Medium (50-499).....	35,915	35,943	35,956	35,972	35,966	35,986	20
Large (> 499).....	15,041	15,032	15,028	15,023	14,996	14,994	-2
<b>Addendum:</b>							
Manufacturing.....	13,748	13,690	13,663	13,636	13,591	13,542	-49

p = preliminary

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data which, during the first six months of 2008, averaged approximately 399,000 payrolls representing nearly 24 million U.S. employees. This approximately represents the size of the matched sample used this month.

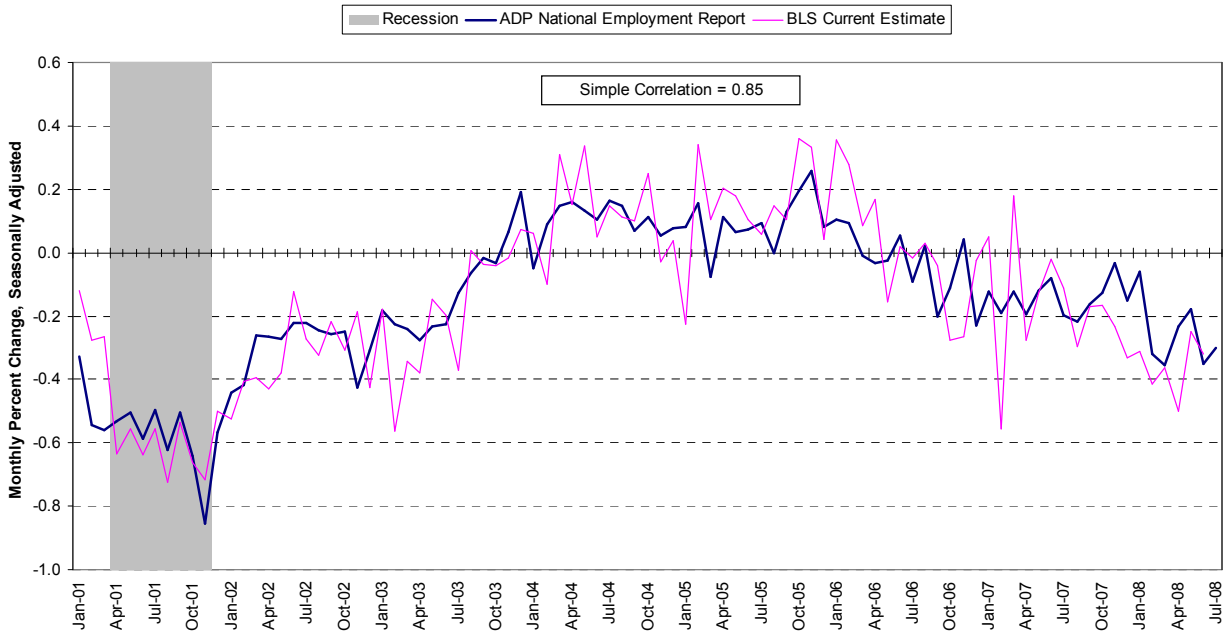
For information on the construction and use of the *ADP Report*, please visit the methodology section of the *ADP National Employment Report* website at <http://ADPEmploymentreport.com/methodology.aspx>

**Chart 1. Growth of Nonfarm Private Employment, All Industries**



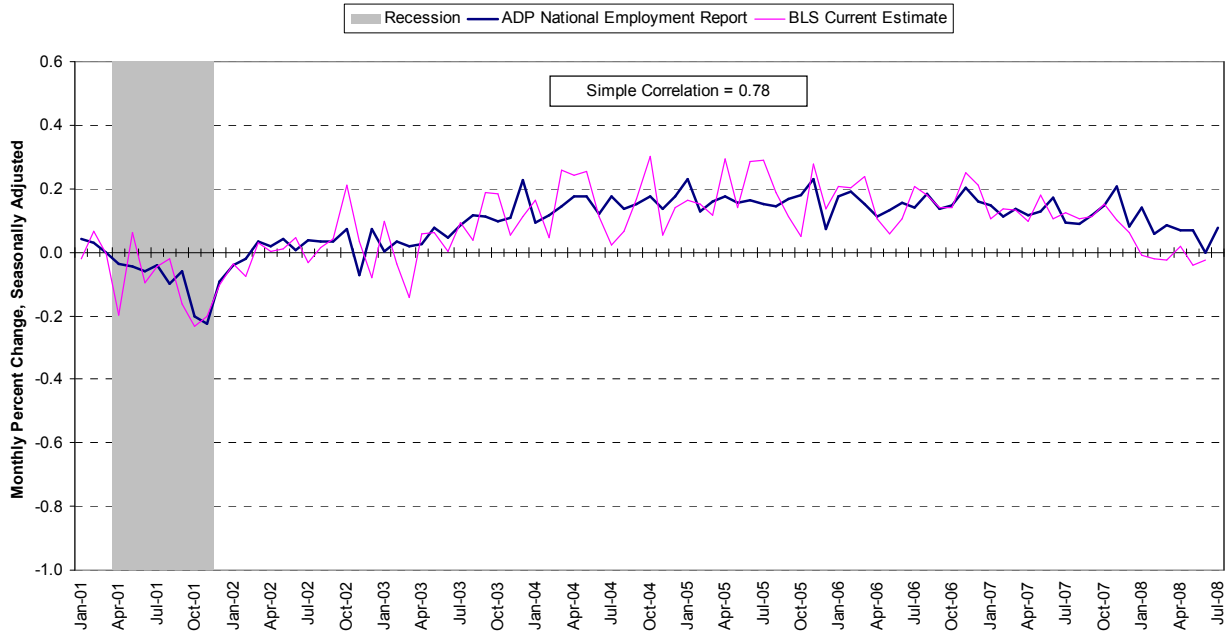
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



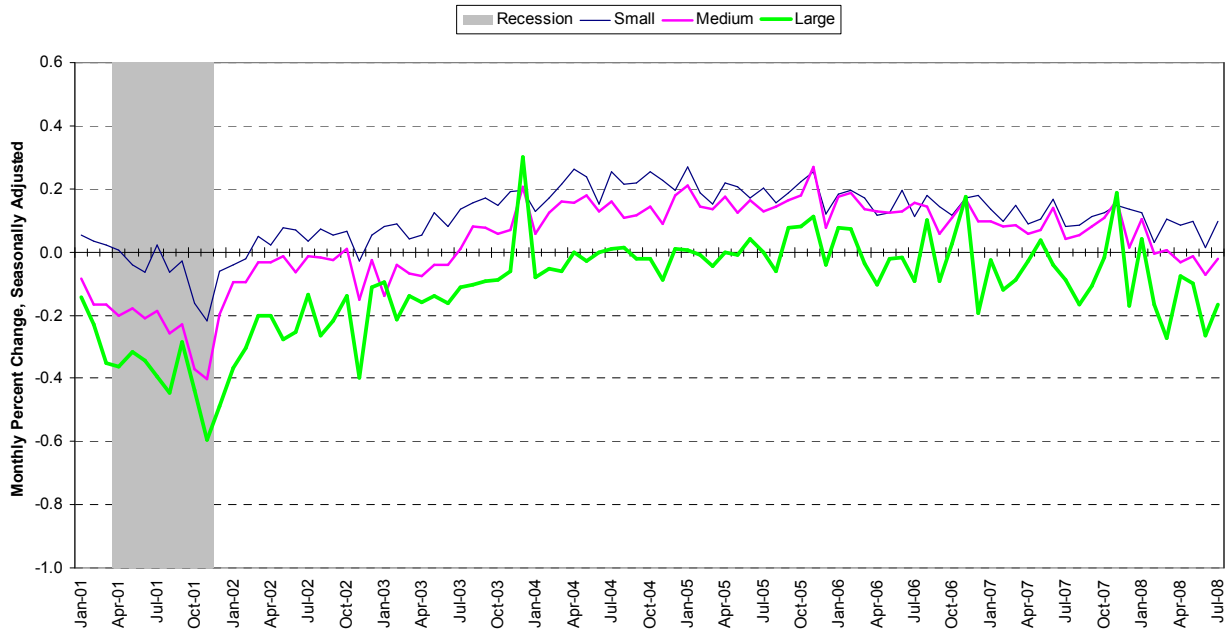
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



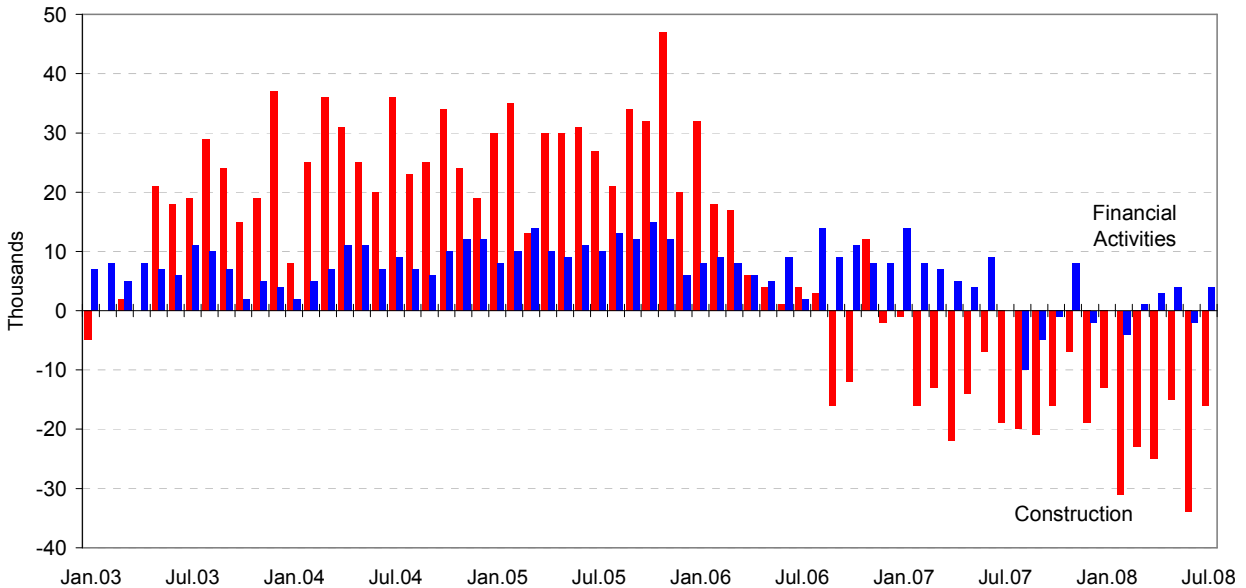
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



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

**Chart 5. 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 first six months of 2008, this subset represented approximately 399,000 U.S. business clients representing nearly 24 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.

Empirical analysis performed by Macroeconomic Advisers suggests that the *ADP National Employment Report* can be used to develop a forecast of "true" employment that is superior to those resulting from consensus estimates, survey data, or other models of employment that do not incorporate the results of the *ADP Report*.

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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