



National Employment Report

UNDER EMBARGO UNTIL:
Wednesday, February 2, 2011
8:15 A.M. (ET)

U.S. PRIVATE-SECTOR EMPLOYMENT INCREASED BY 187,000 JOBS IN JANUARY, ACCORDING TO ADP NATIONAL EMPLOYMENT REPORT

ROSELAND, N.J. – February 2, 2011 – Private-sector employment increased by 187,000 from December to January on a seasonally adjusted basis, according to the latest [ADP National Employment Report](#)[®] released today. The *ADP National Employment Report*, created by [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: +187,000
- Small businesses* +97,000
- Medium businesses** +79,000
- Large businesses*** +11,000
- Goods-producing sector: +21,000
- Service-providing sector: +166,000

Addendum:

- Manufacturing industry: +19,000

* 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

Note: All 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.

According to the *ADP Report*, employment in the service-providing sector rose by 166,000 in January, marking twelve consecutive months of employment gains. Employment in the goods-producing sector rose 21,000, the third consecutive monthly gain. Manufacturing employment rose 19,000, also the third consecutive monthly gain.

“Today’s *ADP National Employment Report* shows that U.S. private-sector employment has grown for twelve consecutive months,” said Gary C. Butler, President and Chief Executive Officer of ADP. “Positive trends in ADP’s key business metrics through December 2010 also reflect a strengthening labor market. Although more new jobs are needed to significantly reduce the unemployment rate, I am pleased to see continuing employment growth.”

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “This month’s *ADP National Employment Report* suggests solid growth of private nonfarm payroll employment heading into the New Year. The recent pattern of rising employment gains since the middle of last year appears to be intact, as the average gain over December and January (217,000) is well above the average gain over the prior six months (52,000). Strength was evident within all major industries and across all size business tracked in the *ADP Report*.”

“Employment among large businesses, defined as those with 500 or more workers, increased by 11,000 while employment among medium-size businesses, defined as those with between 50 and 499 workers, increased by 79,000. Employment among small-size businesses, defined as those with fewer than 50 workers, increased by 97,000,” said Prakken.

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.2010 - Jan.2011p
	Aug. 2010	Sep. 2010	Oct. 2010	Nov. 2010	Dec. 2010p	Jan. 2011p	
Total nonfarm private	107,015	107,044	107,123	107,220	107,467	107,654	187
Small (1-49).....	48,276	48,297	48,333	48,386	48,481	48,578	97
Medium (50-499).....	41,230	41,241	41,281	41,322	41,449	41,528	79
Large (> 499).....	17,509	17,506	17,509	17,512	17,537	17,548	11
Goods-producing	17,499	17,472	17,452	17,464	17,486	17,507	21
Small (1-49).....	6,383	6,373	6,362	6,364	6,358	6,365	7
Medium (50-499).....	7,662	7,657	7,656	7,669	7,691	7,703	12
Large (> 499).....	3,454	3,442	3,434	3,431	3,437	3,439	2
Service-providing	89,516	89,572	89,671	89,756	89,981	90,147	166
Small (1-49).....	41,893	41,924	41,971	42,022	42,123	42,213	90
Medium (50-499).....	33,568	33,584	33,625	33,653	33,758	33,825	67
Large (> 499).....	14,055	14,064	14,075	14,081	14,100	14,109	9
Addendum:							
Manufacturing.....	11,497	11,491	11,487	11,504	11,527	11,546	19

p = preliminary

* 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.

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

On March 2, 2011, 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 2009 to March 2010.
- 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*.^{*}

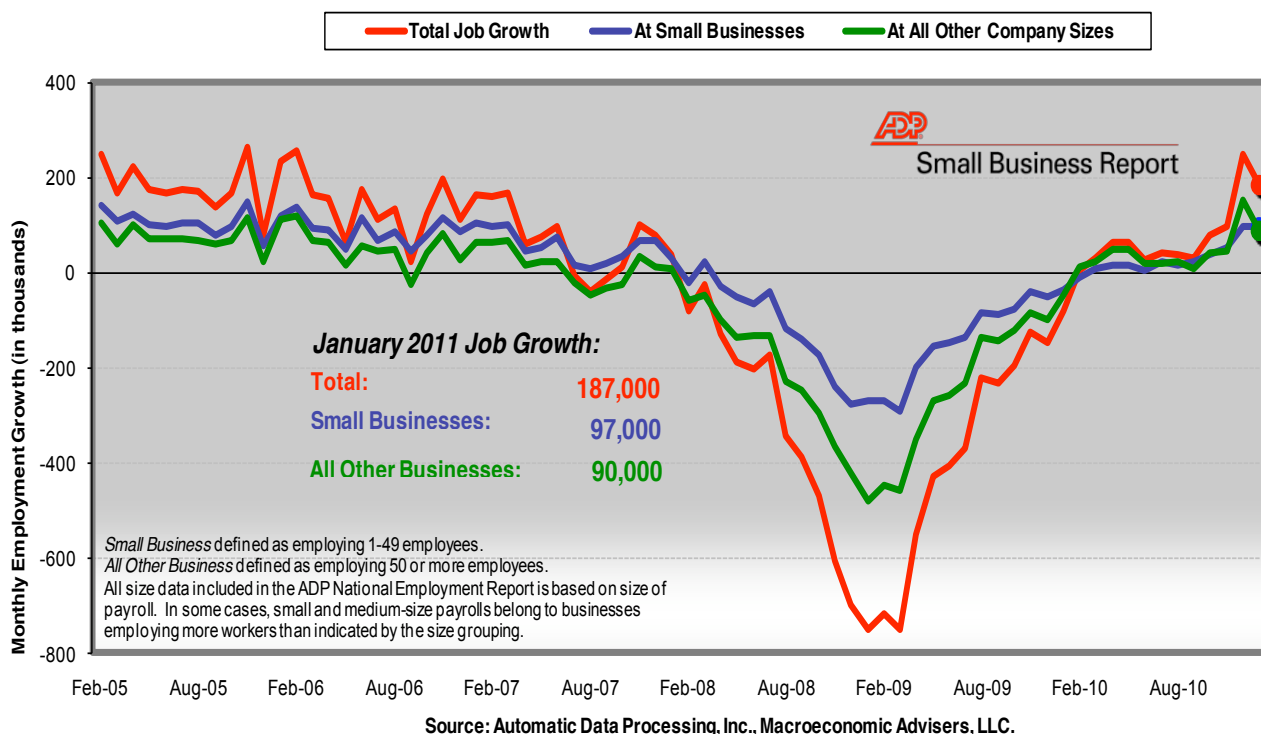
- Total small business employment: +97,000
- Goods-producing sector: +7,000 small business jobs
- Service-providing sector: +90,000 small business jobs

^{*}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.

Private employment among [small businesses](#) increased by 97,000 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 businesses, defined as those with fewer than 50 workers, increased by 97,000 during January. Employment gains in the small-business sector have increased in each of the past five months,” 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 email alerts and RSS feeds, please visit www.ADPemploymentreport.com. The February 2011 *ADP National Employment Report* will be released March 2, 2011, at 8:15 AM 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 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>.

About ADP

Automatic Data Processing, Inc. (NASDAQ: ADP), with nearly \$9 billion in revenues and about 550,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging over 60 years of experience, ADP offers a wide 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 website 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 website, www.MacroAdvisers.com.

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