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July 2010 National Employment Report

Nonfarm private employment increased 42,000 from June to July 2010 on a seasonally adjusted basis, according to the *ADP National Employment Report*[®]. The estimated change of employment from May to June was revised up slightly, from the previously reported increase of 13,000 to an increase of 19,000.

July's rise in private employment was the sixth consecutive monthly gain. However, over those six months increases have averaged a modest 37,000, with no evidence of acceleration.

Unlike the estimate of total establishment employment to be released on Friday by the Bureau of Labor Statistics (BLS), today's figure does not include the effects of federal hiring — and now firing — for the 2010 Census. Hiring for the census peaked in May. For this reason, Friday's figure for the change in nonfarm total employment reported by the BLS might be weaker than today's estimate for nonfarm private employment in the *ADP National Employment Report*.

July's *ADP Report* estimates nonfarm private employment in the service-providing sector rose by 63,000. Employment in the goods-producing sector declined 21,000 during July while employment in the manufacturing sector decreased 6,000, the first decrease in six months.

Large businesses, defined as those with 500 or more workers, saw employment remain flat and employment among medium-size businesses, defined as those with between 50 and 499 workers increased by 21,000. Employment among small-size businesses, defined as those with fewer than 50 workers, increased by 21,000 in July.*

In July, construction employment dropped 17,000, the smallest decline since November 2007. Construction employment has declined for over three years, and the total decline in construction jobs since the peak in January 2007 is 2,240,000. Employment in the financial services sector dropped 1,000, the smallest decline since June 2007. Financial Services employment has declined for over 3 years.

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

*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.

DERIVED FROM ADP PAYROLL DATA

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

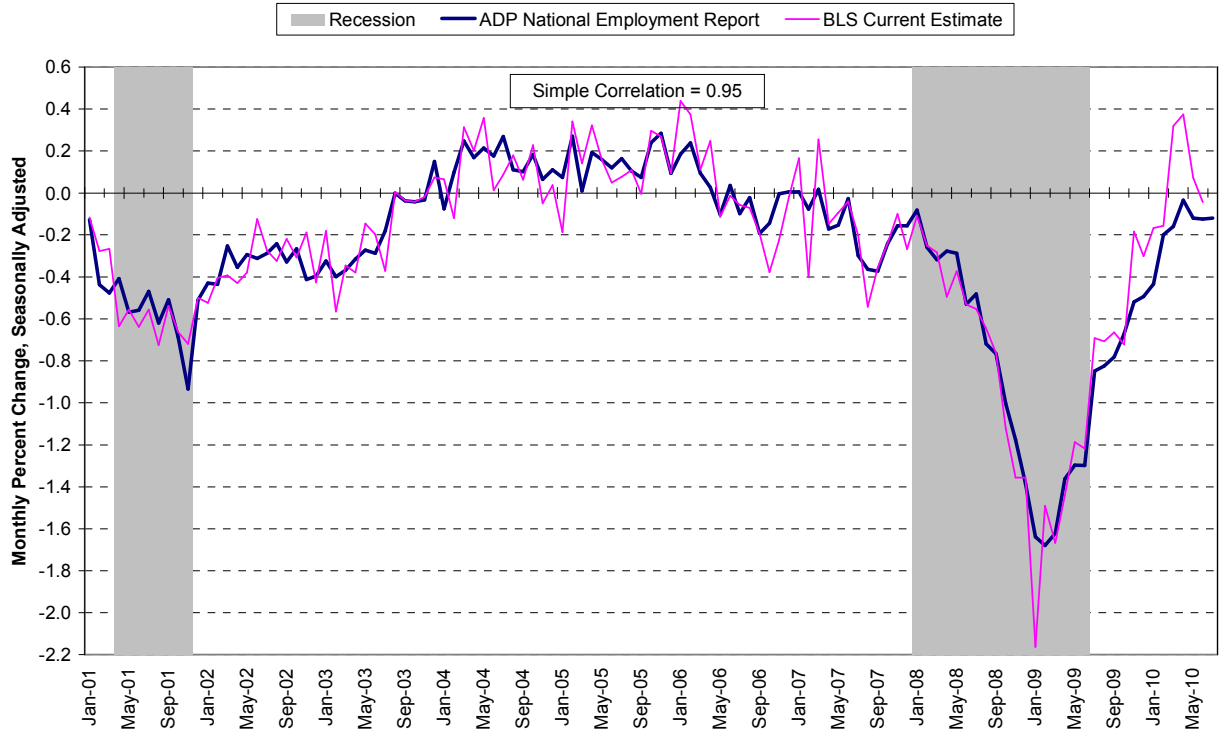
Industry / Size of Payroll	Seasonally Adjusted						Change from: Jun.2010 - Jul.2010p
	Feb. 2010	Mar. 2010	Apr. 2010	May 2010	Jun. 2010p	Jul. 2010p	
Total nonfarm private	106,750	106,782	106,847	106,910	106,929	106,971	42
Small (1-49).....	48,191	48,199	48,216	48,231	48,234	48,255	21
Medium (50-499).....	41,078	41,097	41,128	41,174	41,190	41,211	21
Large (> 499).....	17,481	17,486	17,503	17,505	17,505	17,505	0
Goods-producing	17,618	17,590	17,584	17,563	17,541	17,520	-21
Small (1-49).....	6,485	6,465	6,446	6,423	6,402	6,394	-8
Medium (50-499).....	7,672	7,666	7,668	7,673	7,669	7,666	-3
Large (> 499).....	3,461	3,459	3,470	3,467	3,470	3,460	-10
Service-providing	89,132	89,192	89,263	89,347	89,388	89,451	63
Small (1-49).....	41,706	41,734	41,770	41,808	41,832	41,861	29
Medium (50-499).....	33,406	33,431	33,460	33,501	33,521	33,545	24
Large (> 499).....	14,020	14,027	14,033	14,038	14,035	14,045	10
Addendum:							
Manufacturing.....	11,434	11,441	11,475	11,491	11,503	11,497	-6

p = preliminary

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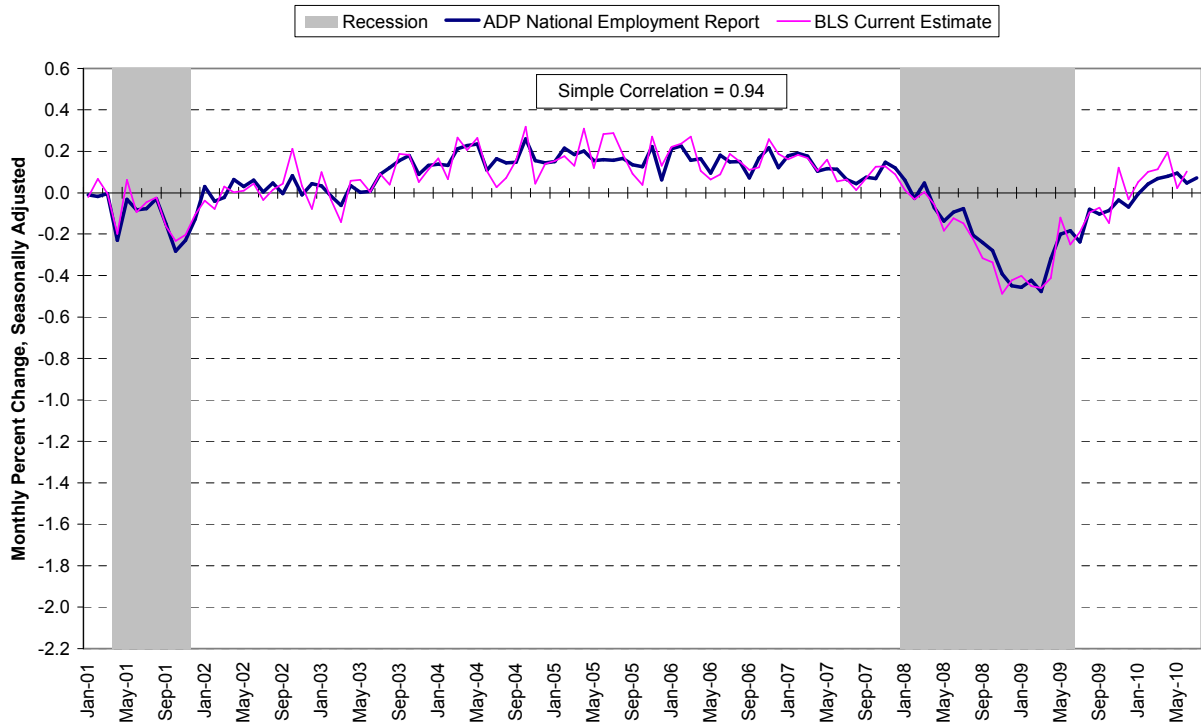
The matched sample used to develop the *ADP National Employment Report* was derived from ADP data, which during the twelve month period through June 2010, averaged over 340,000 U.S. business clients and represented over 21 million U.S. employees. This approximately represents the size of the matched sample used this month.

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



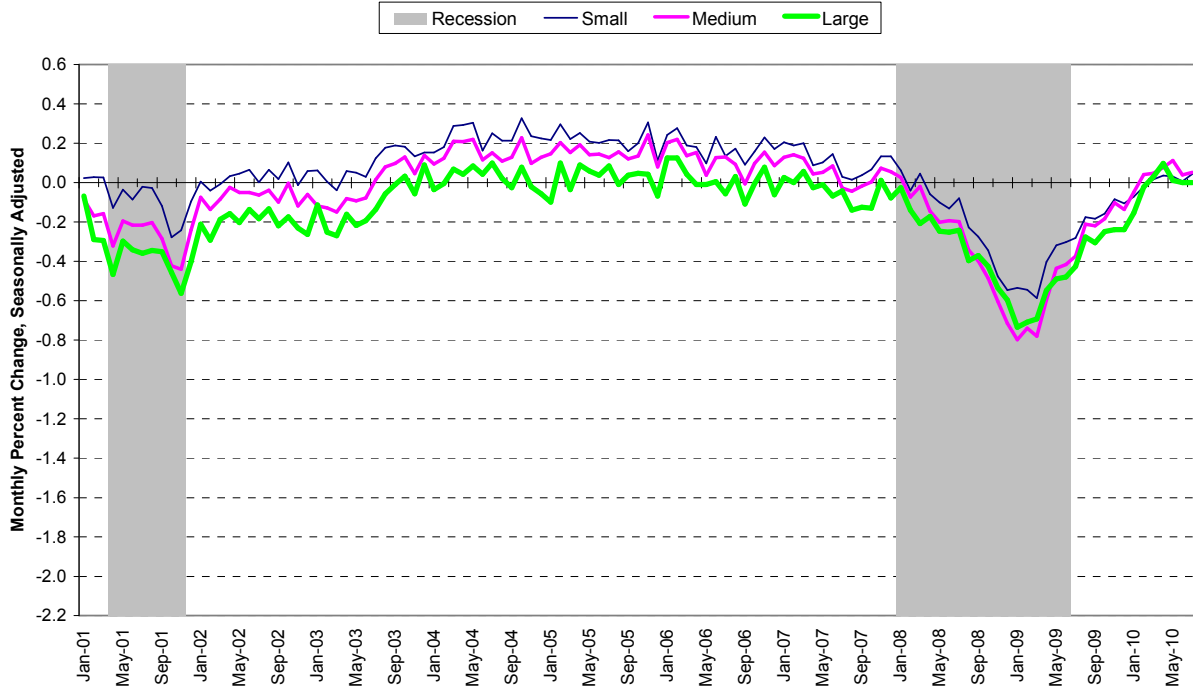
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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



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

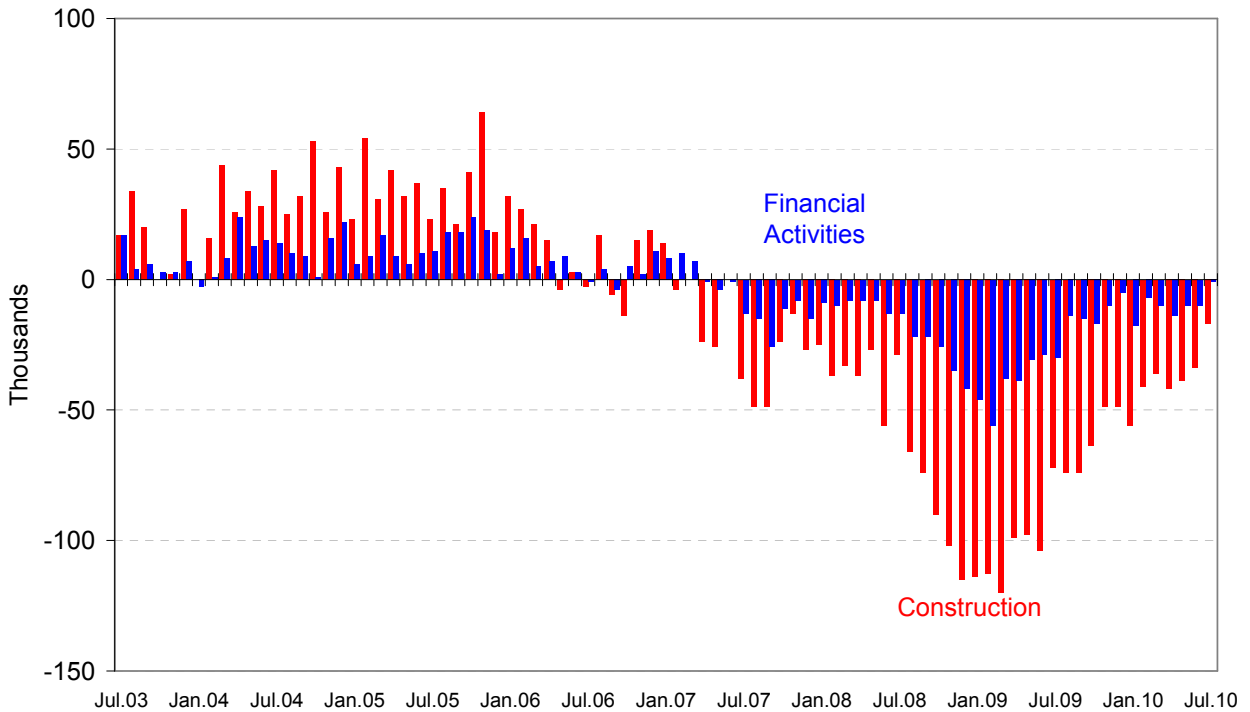
Chart 4. Growth of Private Nonfarm Employment, by Size of Payroll*



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

* 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.

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 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>.

The August 2010 *ADP National Employment Report* will be released September 1, 2010 at 8:15 AM ET. For a full schedule of future releases, please visit: www.ADPEmploymentreport.com

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