



National Employment Report

Media Contacts:

ADP Public Relations

ADP

(973) 974-7612

Public_Relations@adp.com

Zach Siegel

Cohn & Wolfe for ADP

(212) 798-9859

Zach_Siegel@CohnWolfe.com

ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. ADDED 40,000 PRIVATE SECTOR JOBS IN DECEMBER

Small Businesses Accounted for an Increase of 66,000 Jobs

ROSELAND, N.J. – Jan. 3, 2008 – According to today’s [ADP National Employment Report](#)SM, private sector employment increased by 40,000 in December. 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 based on actual payroll data and measures the change in total nonfarm private employment each month.

Nonfarm Private Employment Highlights – December Report:

- Total employment: +40,000
- Small businesses* +66,000
- Medium businesses** +9,000
- Large businesses*** -35,000
- Goods-producing sector: -31,000
- Service-providing sector: +71,000

Addendum:

- Manufacturing industry: -16,000

* *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*

“During 2007, the *ADP National Employment Report* clearly showed that service-providing businesses, particularly those with fewer than 500 employees, led the year’s employment growth by adding well over one million new jobs. In contrast, businesses in the goods-producing sector showed consistent declines throughout the year, losing nearly four-hundred thousand jobs,” said Gary Butler, President and CEO, ADP. “The *ADP Report* is derived from a large sample size of actual payroll data, enabling us to identify

and report upon a number of trends regarding today's labor market. In light of the current market conditions, financial and business communities are looking for more, credible data about the true employment situation in the United States.”

According to Joel Prakken, Chairman of Macroeconomic Advisers, LLC, “Nonfarm private employment grew 40,000 from November to December of 2007 on a seasonally adjusted basis, according to the *ADP National Employment Report*. December’s increase of 40,000 marked a slowing of nonfarm private employment growth that averaged 118,000 during the three-month period from September through November.”

Prakken added, “Employment in the service-providing sector of the economy grew 71,000, while employment in the goods-producing sector declined 31,000, the thirteenth consecutive monthly decline. Manufacturing employment experienced its eighteenth consecutive monthly decline, falling 16,000.”

“Small- and medium-size businesses more than accounted for the increase in total employment in December, adding 75,000 jobs. In contrast, employment among larger companies declined 35,000, more than reversing the sizable gains reported among these businesses in November,” said Prakken.

Prakken went on to say, “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 data suggest that in these two crucial sectors employment is still falling. In December, construction employment fell 17,000. This is the thirteenth consecutive monthly decline, bringing the total decline in construction jobs since the peak in August 2006 to 199,000. Employment in financial activities fell 5,000, which is the third decline during the last five months.”

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: Nov. 2007 - Dec. 2007p
	Jul. 2007	Aug. 2007	Sep. 2007	Oct. 2007	Nov. 2007	Dec. 2007p	
Total nonfarm private.....	115,560	115,587	115,648	115,767	115,940	115,980	40
Small (1-49).....	50,725	50,760	50,811	50,877	50,949	51,015	66
Medium (50-499).....	45,454	45,478	45,514	45,569	45,640	45,649	9
Large (> 499).....	19,381	19,349	19,323	19,321	19,351	19,316	-35
Goods-producing.....	22,258	22,206	22,168	22,143	22,128	22,097	-31
Small (1-49).....	8,098	8,088	8,085	8,085	8,086	8,088	2
Medium (50-499).....	9,826	9,807	9,785	9,768	9,756	9,727	-29
Large (> 499).....	4,334	4,311	4,298	4,290	4,286	4,282	-4
Service-providing.....	93,302	93,381	93,480	93,624	93,812	93,883	71
Small (1-49).....	42,627	42,672	42,726	42,792	42,863	42,927	64
Medium (50-499).....	35,628	35,671	35,729	35,801	35,884	35,922	38
Large (> 499).....	15,047	15,038	15,025	15,031	15,065	15,034	-31
Addendum:							
Manufacturing.....	13,958	13,926	13,905	13,893	13,885	13,869	-16

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 2007, averaged approximately 392,000 payrolls representing nearly 24 million U.S. employees. This approximately represents the size of the matched sample used this month.

Chart 1. Growth of Nonfarm Private Employment, All Industries

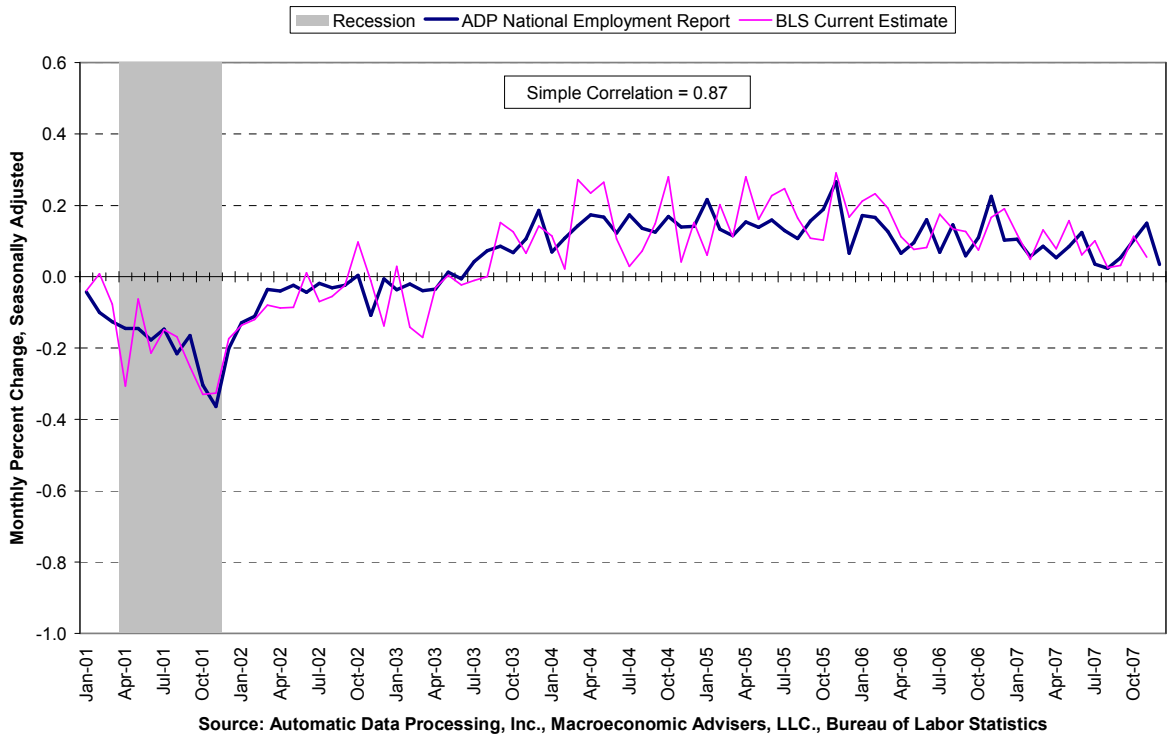
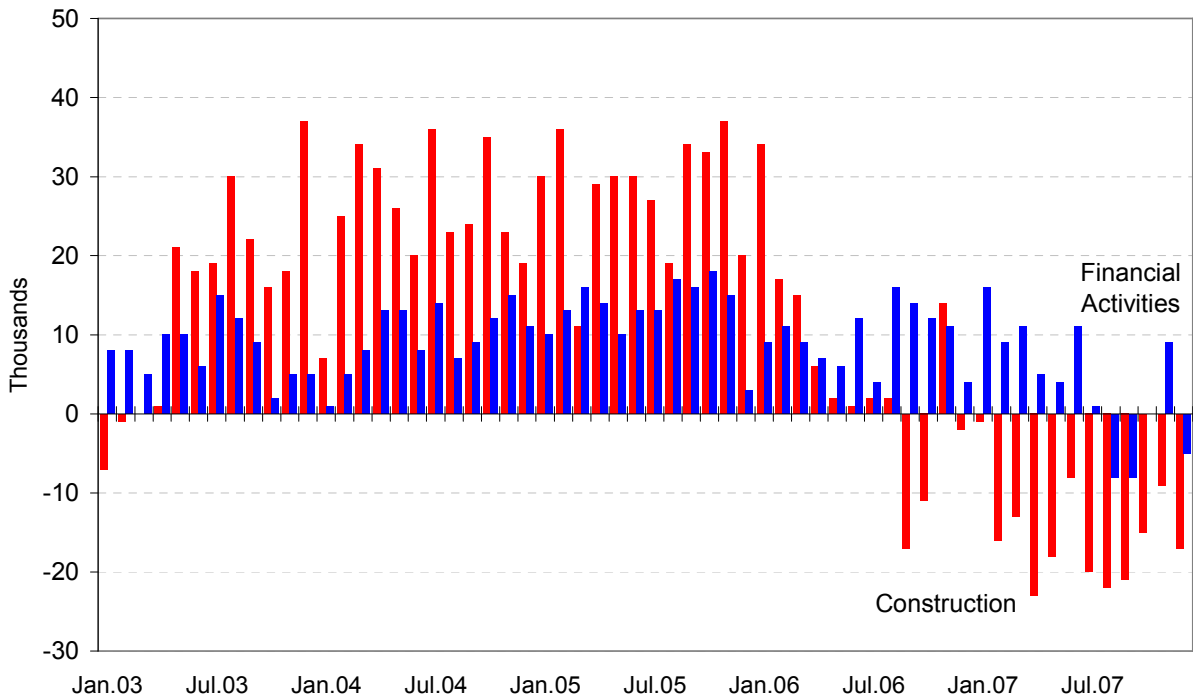


Chart 2. Monthly Changes of Employment in Construction and Financial Activities



Small Business Highlights – December Report:

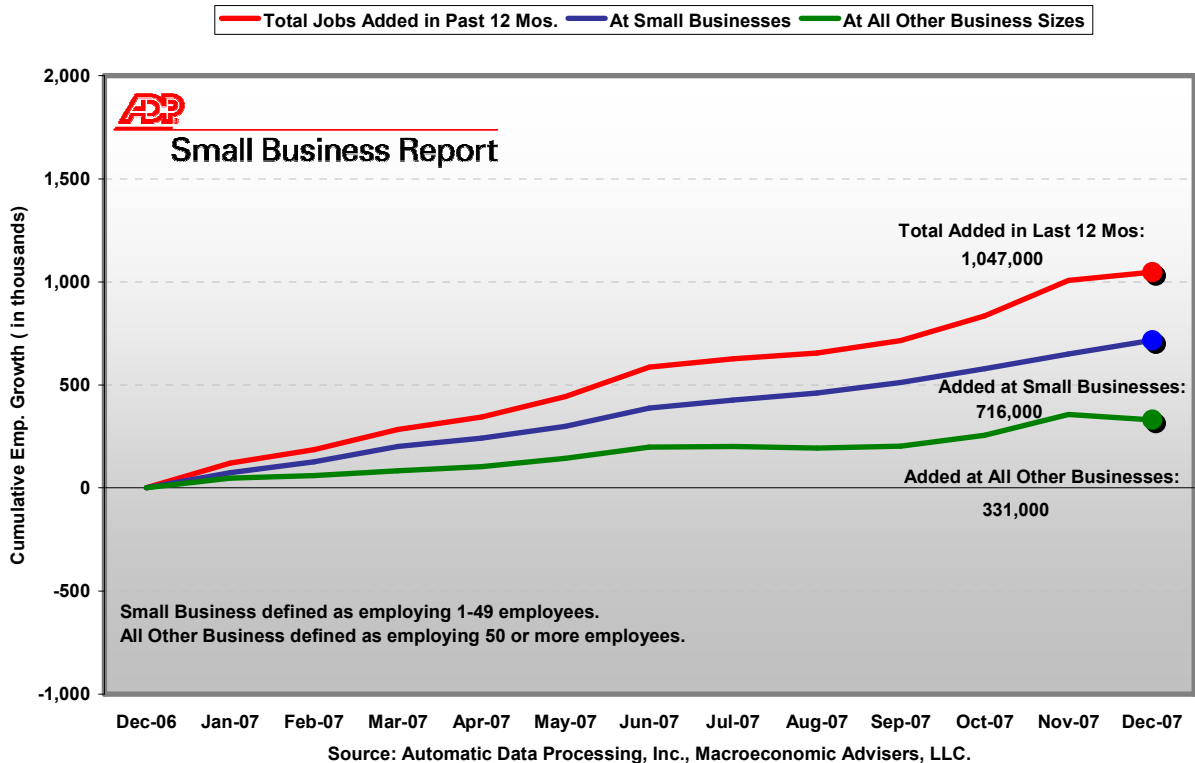
Due to the important contribution small businesses make to economic growth, employment data that is specific to businesses with fewer than 50 employees will be reported in the *ADP Small Business Report*SM each month. The *ADP Small Business Report* is a subset of the *ADP National Employment Report*.

- Total small business employment: +66,000
- Goods-producing sector: +2,000 small business jobs
- Service-providing sector: +64,000 small business jobs

Private employment among [small businesses](#) increased by 66,000 in December, according to the *ADP Small Business Report* released today.

“Small businesses more than accounted for the increase in total employment in December, adding 66,000 jobs,” said Joel Prakken. “Throughout the year, small businesses have been the main driver of employment growth, adding a total 716,000 jobs during 2007. In eleven of the past twelve months, small businesses added more jobs than medium- and large-size businesses combined.”

Chart 3. US Nonfarm Private Employment - Cumulative Growth by Company Size



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>.

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 January 2008 *ADP National Employment Report* will be released on Wednesday, January 30, 2008 at 8:15 a.m. ET.

About the *ADP National Employment Report*SM

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 2007, this subset represented approximately 392,000 U.S. business clients and nearly 24 million U.S. employees working in all private industrial sectors. The *ADP Small Business Report*SM 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.

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>.

About ADP

Automatic Data Processing, Inc. (NYSE: ADP), with nearly \$8 billion in revenues and approximately 585,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging more than 55 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 organizations 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 trademark and service mark of ADP of North America, Inc.

###