



Wednesday, January 30, 2008, 8:15 A.M. ET

Nonfarm private employment grew 130,000 from December 2007 to January of 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*[™]. The estimated change in employment from November to December was revised down 3,000 to 37,000. January's increase of 130,000 is consistent with nonfarm private employment growth that averaged 110,000 during the three-month period from October through December 2007.

Employment in the service-providing sector of the economy grew 141,000, while employment in the goods-producing sector declined 11,000, the fourteenth consecutive monthly decline. Manufacturing employment in January was flat after eighteen consecutive monthly declines.

Small- and medium-size businesses, defined as those employing fewer than 500 workers, more than accounted for the increase in total employment in January, adding 122,000 jobs. Employment among larger companies with 500 workers or more increased 8,000.

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. In January, construction employment fell 13,000. This is the fourteenth consecutive monthly decline, bringing the total decline in construction jobs since the peak in August 2006 to 215,000. Employment in financial activities increased 1,000.

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>.



National Employment Report

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. 2007 - Jan. 2008p
	Aug. 2007	Sep. 2007	Oct. 2007	Nov. 2007	Dec. 2007	Jan. 2008p	
Total nonfarm private	115,587	115,648	115,767	115,940	115,977	116,107	130
Small (1-49).....	50,760	50,811	50,877	50,949	51,016	51,086	70
Medium (50-499).....	45,478	45,514	45,569	45,640	45,645	45,697	52
Large (> 499).....	19,349	19,323	19,321	19,351	19,316	19,324	8
Goods-producing	22,206	22,168	22,143	22,128	22,095	22,084	-11
Small (1-49).....	8,088	8,085	8,085	8,086	8,087	8,085	-2
Medium (50-499).....	9,807	9,785	9,768	9,756	9,725	9,716	-9
Large (> 499).....	4,311	4,298	4,290	4,286	4,283	4,283	0
Service-providing	93,381	93,480	93,624	93,812	93,882	94,023	141
Small (1-49).....	42,672	42,726	42,792	42,863	42,929	43,001	72
Medium (50-499).....	35,671	35,729	35,801	35,884	35,920	35,981	61
Large (> 499).....	15,038	15,025	15,031	15,065	15,033	15,041	8
Addendum:							
Manufacturing.....	13,926	13,905	13,893	13,885	13,870	13,870	0

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.

Notice of Intent to Make Annual Revisions to the ADP National Employment Report™

On February 21, 2008, 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 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 the 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 the 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 of 2006 to March of 2007.

There will be no revisions to the methodology of computing the estimates of employment shown in the *ADP National Employment Report*.



Chart 1. Growth of Nonfarm Private Employment, All Industries

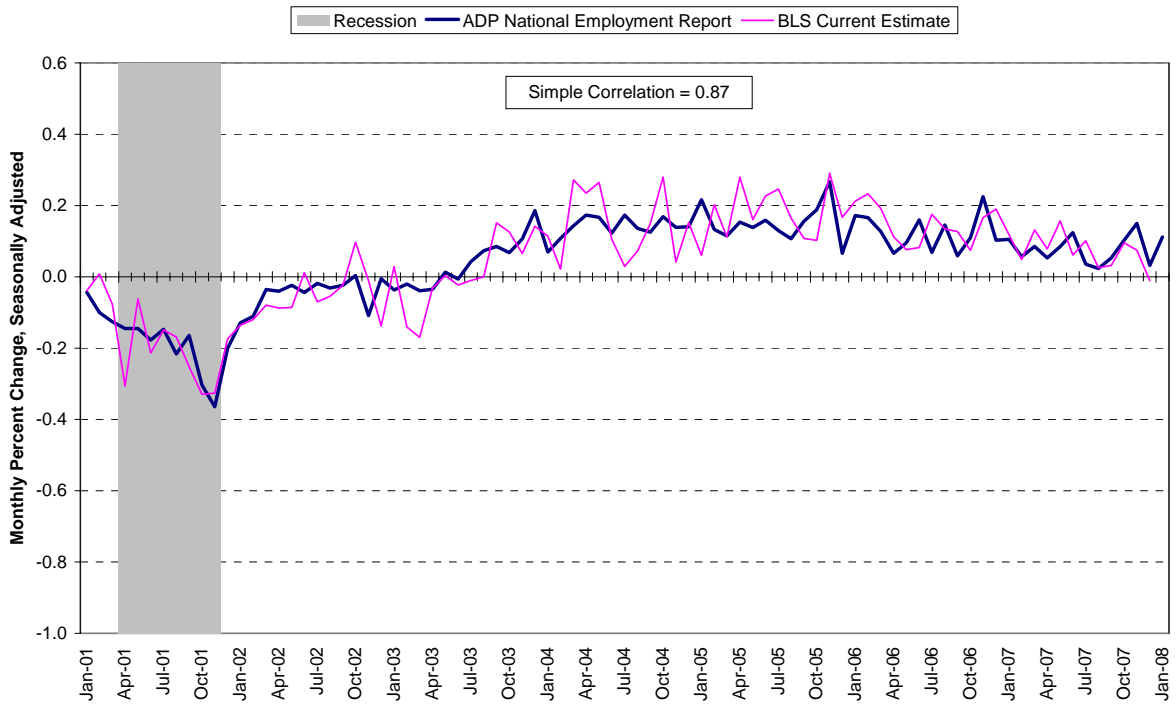


Chart 2. Growth of Nonfarm Private Employment, Goods-Producing Industries

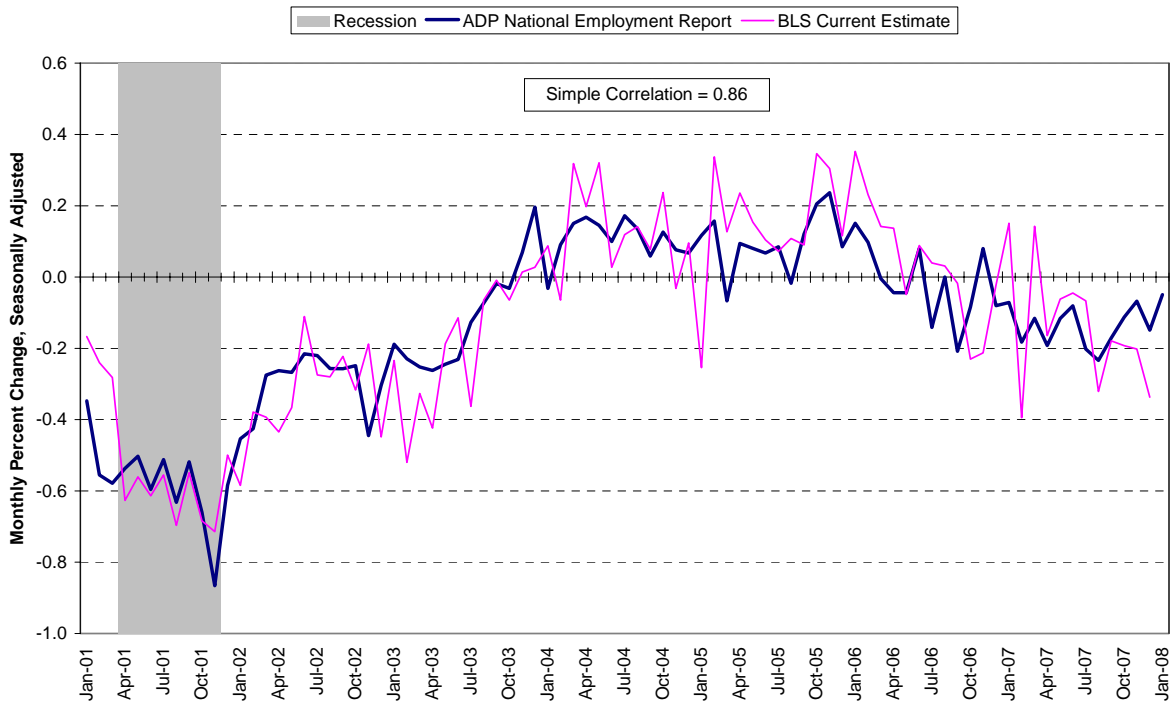
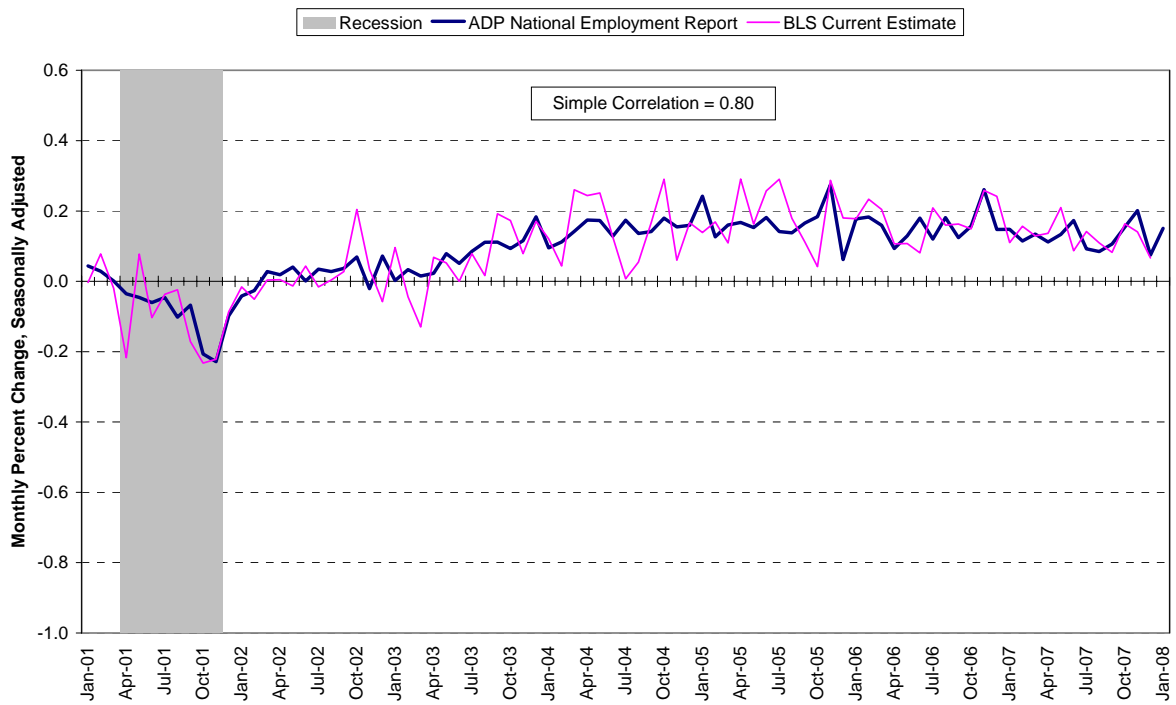


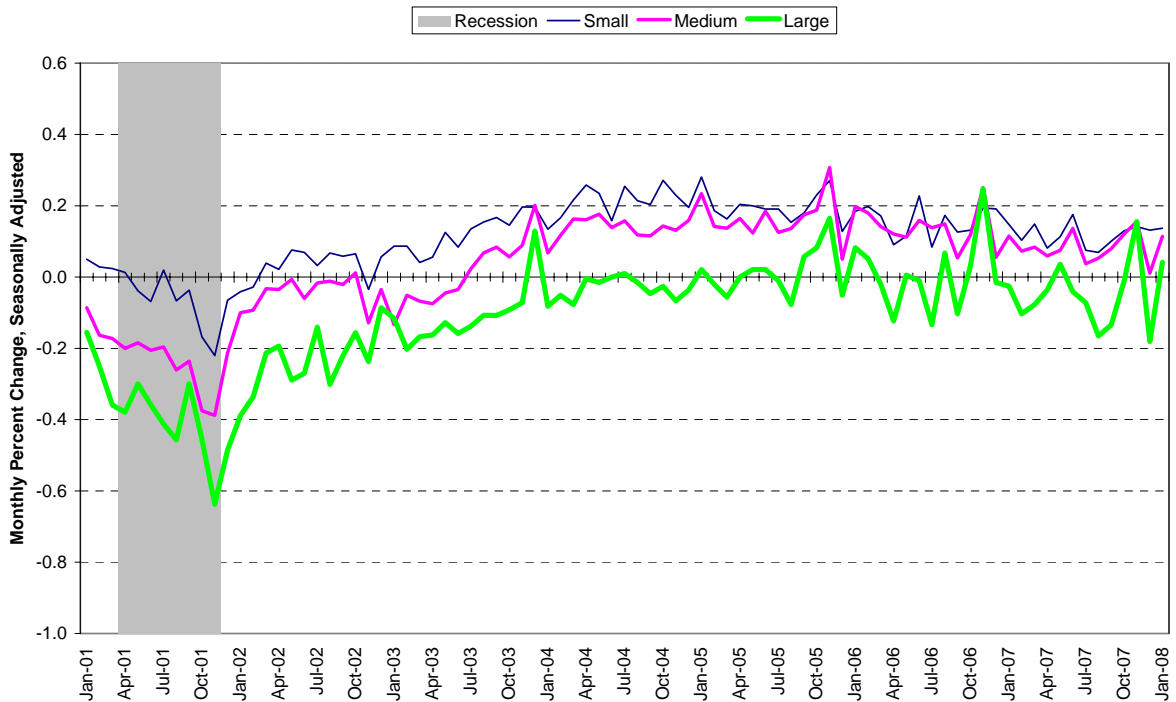


Chart 3. Growth of Nonfarm Private Employment, Service-Providing Industries



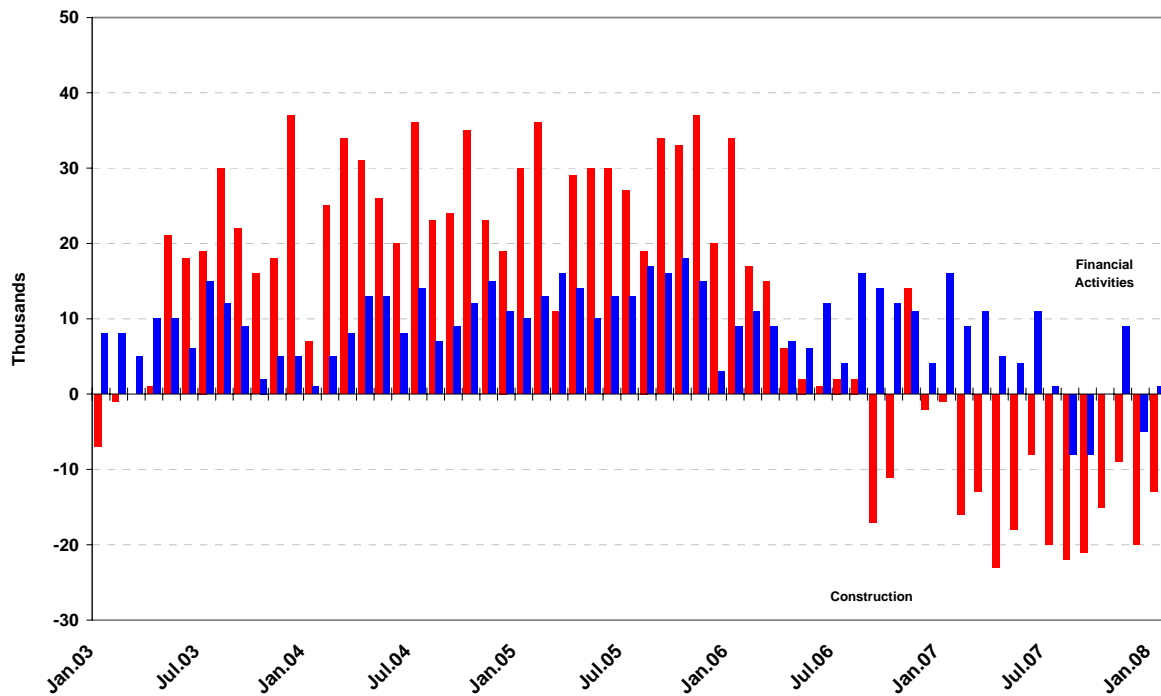
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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 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 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 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>.



For a full schedule of future releases, please visit: www.ADPemploymentreport.com

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