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Small Business Report

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ADP SMALL BUSINESS REPORT SHOWS 53,000 SMALL BUSINESS JOBS ADDED IN SEPTEMBER

[Small Business](#) Hiring Continues to Outpace Employment Growth at Larger Companies

ROSELAND, New Jersey – October 4, 2007 – Private employment among small businesses (U.S. companies with fewer than 50 employees) increased by 53,000 in September, according to the [ADP Small Business ReportSM](#) released today. The *ADP Small Business Report* is based on data from the *ADP National Employment ReportSM*, created by ADP in partnership with Macroeconomic Advisers, LLC. In addition to providing monthly information on small business [employment trends](#), the *ADP Small Business Report* includes information about short-term movements in the goods-producing and service-providing industry sectors.

Small Business Employment Highlights – September Report:

- Total small business employment: + 53,000
- Goods-producing sector: - 3,000
- Service-providing sector: + 56,000

“Small business owners make critical decisions every day based upon economic factors, however, most don’t have the time to sit down and look at the employment climate,” said Don McLoughlin, Vice President of Marketing, ADP Small Business Services. “The monthly *ADP Small Business Report*, along with the historical data we offer at our Web site, puts small business owners, their accountants and other advisors in touch with data that can help inform their decisions.”

“Nonfarm private employment among small businesses grew 53,000 from August to September of 2007 on a seasonally adjusted basis, according to the *ADP Small Business Report*,” said Joel Prakken, Chairman of Macroeconomic Advisers, LLC. Prakken added, “This month’s *ADP Small Business Report* suggests small businesses continued to hire at a moderate rate. The three-month average change in nonfarm private employment from July to September is 42,000, so September’s number represents a slight firming of employment growth among small businesses.”

Prakken added, “The 53,000 jobs added by small-businesses more than accounted for the 58,000 advance in total nonfarm private employment in September. In contrast to small businesses, employment among medium- and large-size businesses increased just 5,000.

The gains in employment at small businesses were concentrated in the service-providing sector of the economy, which showed a gain of 56,000. However, employment among small businesses in the goods-producing sector fell 3,000.”



Small Business Report

US Nonfarm Private Employment by Selected Industry Sector and Business Size

Derived from ADP Payroll Data

(In thousands)

Industry / Business Size	Seasonally Adjusted						Change from: Aug. 2007 - Sep. 2007p
	Apr. 2007	May. 2007	Jun. 2007	Jul. 2007	Aug. 2007	Sep. 2007p	
Total nonfarm private	115,278	115,376	115,519	115,560	115,587	115,645	58
Small Business (1-49)	50,541	50,598	50,687	50,725	50,760	50,813	53
All Other Sizes (50+)	64,737	64,778	64,832	64,835	64,827	64,832	5
Goods-producing	22,347	22,321	22,303	22,258	22,206	22,167	-39
Small Business (1-49)	8,108	8,102	8,107	8,098	8,088	8,085	-3
All Other Sizes (50+)	14,239	14,219	14,196	14,160	14,118	14,082	-36
Service-providing	92,931	93,055	93,216	93,302	93,381	93,478	97
Small Business (1-49)	42,433	42,496	42,580	42,627	42,672	42,728	56
All Other Sizes (50+)	50,498	50,559	50,636	50,675	50,709	50,750	41

p = preliminary

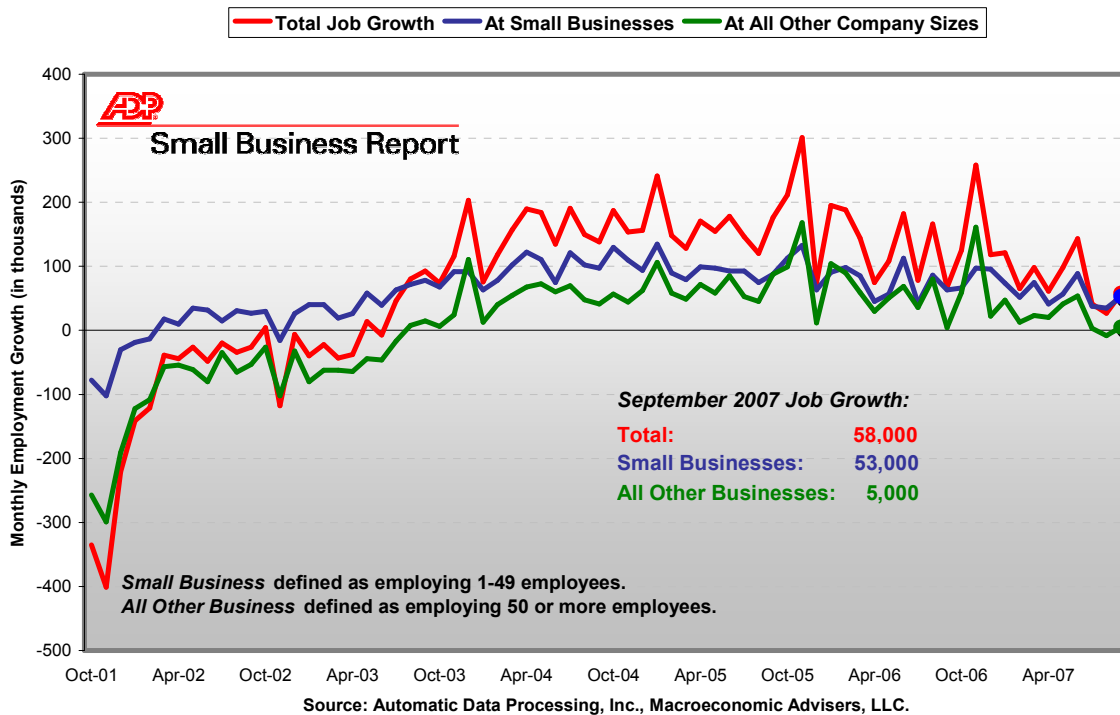
Small Business defined as employing 1-49 employees.

All Other Business defined as employing 50 or more employees.

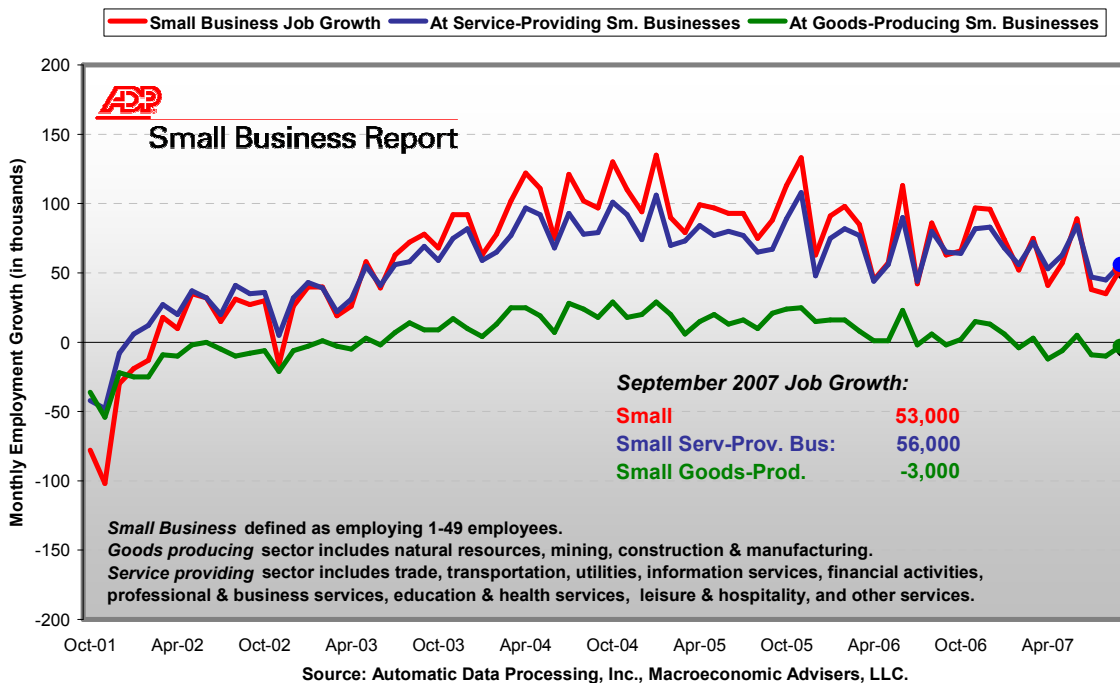
Good producing sector includes natural resources, mining, construction & manufacturing.

Service providing sector includes trade, transportation, utilities, information services, financial activities, professional & business services, education & health services, leisure & hospitality, and other services.

US Nonfarm Private Employment - Monthly Job Growth by Company Size



US Nonfarm Private Employment - Monthly Small Company Job Growth by Industrial Sector



Additional charts on monthly job growth and job levels, along with historical data, are available at <http://www.smallbusinessreport.adp.com>.

ADP Small Business Services provides payroll and business solutions for businesses with fewer than 50 employees. For more information on ADP Small Business Services, please visit: <http://www.smallbusiness.adp.com>.

The October 2007 *ADP Small Business Report* will be released on Wednesday, October 31, 2007.

About the *ADP Small Business Report*

The *ADP Small Business Report* is a monthly estimate of private nonfarm employment among companies in the United States with 1-49 employees. In partnership with Macroeconomic Advisers, LLC, the *ADP Small Business Report* is produced on a monthly basis by ADP® Small Business Services, a provider of payroll, tax management, human resources, professional employer organization (PEO) and administrative services outsourcing (ASO) solutions to small businesses across all industries. ADP Small Business Services is part of ADP Employer Services, a leader in outsourced payroll, HR and benefits administration solutions. The information included in the *ADP Small Business Report* is based on data from the *ADP National Employment Report*, a measure of employment derived from an anonymous subset of 500,000 U.S. business clients. During the first six months of 2007, this subset represented approximately 383,000 U.S. business clients and nearly 23 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* and the *ADP Small Business Report* are not representative of changes in ADP's total base of U.S. business clients or ADP's total base of U.S. small business clients. 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

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 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 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.

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