



National Employment Report

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ADP NATIONAL EMPLOYMENT REPORT SHOWS UNITED STATES ADDED 122,000 PRIVATE SECTOR JOBS IN MAY

ADP Payroll Data Provides Timely and Credible Measure of Private Employment

ROSELAND, New Jersey – May 31, 2006 – Private sector employment increased by 122,000 in May, the *ADP National Employment Report*SM stated today. The *ADP National Employment Report*, created by ADP® Employer Services in partnership with Macroeconomic Advisers, LLC, is based on actual payroll data and measures the change in total nonfarm private employment each month.

“The *ADP National Employment Report* offers an insightful, timely, and credible estimate of employment in the United States,” said Gary Butler, President and Chief Operating Officer of Automatic Data Processing, Inc. “Given the importance of employment changes as an indicator of economic activity and interest rates, reliable estimates of employment are highly valued by economists, financial professionals, and government policymakers.”

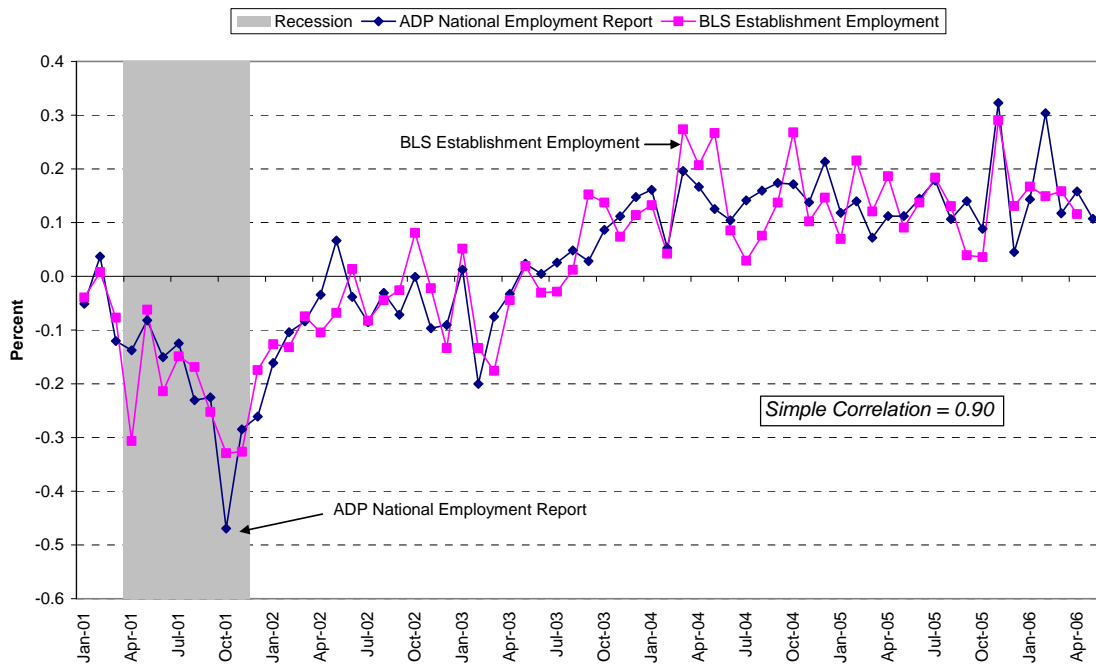
“Total nonfarm private employment grew 122,000 from April to May on a seasonally adjusted basis, according to the *ADP National Employment Report*,” said Joel Prakken, Chairman of Macroeconomic Advisers, LLC. “These findings suggest a deceleration of employment relative to growth experienced over the last 12 months.”

Estimates of total nonfarm private employment, seasonally adjusted
 numbers in thousands, unless noted

Category	2005	2006				
	Dec.	Jan.	Feb.	Mar.	Apr.	May
ADP National Employment Report.....	112526	112688	113030	113163	113341	113463
change from previous month.....	51	162	342	133	178	122
percent change from previous month.....	0.0	0.1	0.3	0.1	0.2	0.1
BLS Establishment Employment.....	112498	112686	112854	p113033	p113164	na
change from previous month.....	147	188	168	p179	p131	na
percent change from previous month.....	0.1	0.2	0.1	p0.2	p0.2	na

p=preliminary; na=not available

Monthly Percent Change in Total Nonfarm Private Employment



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

Unique Measure of U.S. Employment

The *ADP National Employment Report* is based on a large monthly sampling of real, anonymous, active payroll data. As a result, the *ADP National Employment Report* is unique in that no other approximation of employment produced is based on such an extensive, actual data set processed using methods similar to those used by the U.S. Bureau of Labor Statistics to estimate establishment employment. Other employment models typically rely on survey data.

Empirical analysis performed by Macroeconomic Advisers suggests that the *ADP National Employment Report* is perhaps the most accurate advance indicator of the monthly change in establishment employment currently available. Between January 2001 and December 2005, a sample covering 60 months, the standard errors of regressions of employment in the *ADP National Employment Report* were generally lower than other available employment estimates.

Interpreting the Report

Providing real-time information about employment in the United States, the *ADP National Employment Report* is an insightful analysis of American business and economic conditions. Findings are represented as both a *monthly employment level number* and a *change in monthly employment level number*. *Employment level* represents the total number of private sector jobs present in the U.S. economy at a single point in time. *Change in monthly employment level* represents the increase or decrease in the total nonfarm private employment level since the prior month. The data in this report does not include a monthly change in Government employment.

Based on a historical analysis of over 5 years of payroll data and a monthly review of approximately 500,000 U.S. business clients, the *ADP National Employment Report* provides a measure of U.S. employment and is a useful resource for economic, business, and policy decision-makers. Rigorous economic and statistical methods, including filtering out volatility, adjusting for seasonality, and aligning pay periods, are applied to all payroll records. Macroeconomic Advisers' expertise in economic forecasting is leveraged to model and validate the data collected.

To obtain additional information about the *ADP National Employment Report*, access the full schedule of future release dates, and subscribe to monthly e-mail alerts and RSS feeds, please visit www.ADPemploymentreport.com. June 2006 data will be released on Wednesday, July 5, 2006 at 8:15 a.m. EDT.

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 based on an anonymous subset of ADP payroll data covering approximately 225,000 establishments and 14 million employees working in all 19 of the major North American Industrial Classification (NAICS) private industrial sectors. The data is collected for pay periods that 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 (the BLS) to compute employment from its monthly survey of establishments.

For the period January 2001 – December 2005, the simple correlation between the monthly percent change in the *ADP National Employment Report* and the monthly percent change in total nonfarm private establishment employment is roughly 0.90. Empirical analysis performed by Macroeconomic Advisers suggests that the *ADP*

National Employment Report is a better advance indicator of the monthly change in establishment employment than available consensus forecasts, and that it anticipates revisions to the BLS measure.

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 over \$8.0 billion in revenues and more than 600,000 clients worldwide, is one of the largest providers of a broad range of premier, mission-critical, cost-effective transaction processing and information-based business solutions. ADP[®] Employer Services (ES), a division of ADP, Inc., offers the widest range of HR, payroll, and benefit administration solutions from a single source, to meet the extensive business needs of employers worldwide. Built with more than 50-years of industry experience, ADP ES' cost-effective, easy-to-use solutions provide superior value to companies of all sizes. More than 536,000 companies rely on ADP ES for unparalleled service and compliance expertise, allowing them to focus on other core activities. For more information about ADP ES 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 over 20 years. MA has three primary service lines: (1) *Macroeconomic Modeling*. MA licenses its structural econometric model of the U.S. economy to firms who use it to produce their own macroeconomic forecasts; (2) *U.S. Economic Forecasts*. MA produces monthly economic forecasts, weekly economic commentaries, and analysis of economic indicators; (3) *Monetary Policy Insights (MPI)*. Directed by MA co-founder and former Federal Reserve Board Governor Laurence Meyer, MPI ties MA's economic forecasts to the prospective course of monetary policy and the resulting implications for fixed-income markets. 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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