



## National Employment Report

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### ADP NATIONAL EMPLOYMENT REPORT SHOWS U.S. ADDED 189,000 PRIVATE SECTOR JOBS IN NOVEMBER

ROSELAND, N.J. – Dec. 5, 2007 – According to today's [ADP National Employment Report](#)<sup>SM</sup>, private sector employment increased by 189,000 in November. The *ADP National Employment Report*, created by ADP<sup>®</sup> 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 – November Report:

- Total employment: +189,000
- Small businesses\* +77,000
- Medium businesses\*\* +82,000
- Large businesses\*\*\* +30,000
- Goods-producing sector: -8,000
- Service-providing sector: +197,000

### Addendum:

- Manufacturing industry: -5,000

\* *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*

### Notice:

The release date for the upcoming December *ADP National Employment Report* has been changed from Wednesday, January 2, 2008 to Thursday, January 3, 2008. For the complete 2008 release schedule, please visit [http://www.adpemploymentreport.com/PDF/Final\\_release\\_Schedule.pdf](http://www.adpemploymentreport.com/PDF/Final_release_Schedule.pdf).

“Nonfarm private employment grew 189,000 from October to November of 2007 on a seasonally adjusted basis, according to the *ADP National Employment Report*,” said Joel Prakken, Chairman of Macroeconomic Advisers, LLC. “November’s increase of 189,000 marked a further acceleration of nonfarm private employment. The three-month average change in employment for September through November was 123,000, up from 43,000 during the three-month period from July through September.”

Prakken added, “Employment in the service-providing sector of the economy grew a very strong 197,000, while employment in the goods-producing sector declined a modest 8,000, the twelfth consecutive monthly decline. However, this is the smallest decline in the goods-producing sector during the last twelve months, during which the average monthly decline was 30,000. In addition, employment in the goods-producing sector has accelerated (has become less negative) in each of the last three months. Manufacturing employment fell for the fifteenth consecutive month, but November’s decline of 5,000 was the smallest monthly decline registered during that span. In addition, employment in the manufacturing sector has also accelerated (has become less negative) in each of the last three months.”

“Small- and medium-size businesses more than accounted for the increase in total employment in November, with employment among these businesses advancing by 159,000. In addition, there was a sizable increase of 30,000 in employment among businesses with 500 or more workers, reversing five consecutive monthly declines. This increase in employment among large businesses was concentrated in the service-providing sector which advanced 32,000 during the month, and was slightly offset by an employment decline of 2,000 among these businesses in the goods-producing sector,” said Prakken.

Prakken added, “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 may be stabilizing. In November, construction employment fell for the twelfth consecutive month, but November’s decline of 6,000 was the smallest since January. Furthermore, construction employment has accelerated (has become less negative) in each of the last three months. Employment in financial activities, which declined by 16,000 from July through October, reversed course and grew 10,000 in November.”

Prakken went on to say, “As many are aware, there was a five-week interval between the October and November survey dates for the Bureau of Labor Statistics *Employment Situation Report*. Since the estimates of employment in the *ADP National Employment Report* are explicitly adjusted for this calendar effect, the strength of today’s numbers is not influenced by the five-week interval.”

**DERIVED FROM ADP PAYROLL DATA**

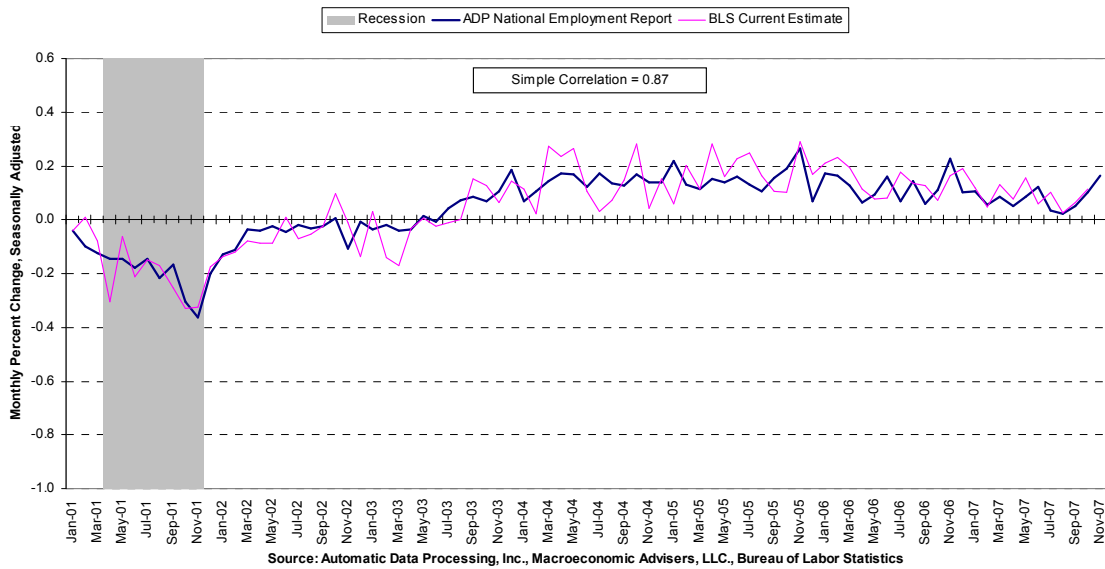
**Table 1. Employees on nonfarm private payrolls by selected industry sector and size**  
(In thousands)

Industry / Size of Payroll	Seasonally Adjusted						Change from: Oct. 2007 - Nov. 2007p
	Jun. 2007	Jul. 2007	Aug. 2007	Sep. 2007	Oct. 2007	Nov. 2007p	
<b>Total nonfarm private</b> .....	115,519	115,560	115,587	115,648	115,767	115,956	189
Small (1-49).....	50,687	50,725	50,760	50,811	50,877	50,954	77
Medium (50-499).....	45,437	45,454	45,478	45,514	45,569	45,651	82
Large (> 499).....	19,395	19,381	19,349	19,323	19,321	19,351	30
<b>Goods-producing</b> .....	22,303	22,258	22,206	22,168	22,143	22,135	-8
Small (1-49).....	8,107	8,098	8,088	8,085	8,085	8,087	2
Medium (50-499).....	9,844	9,826	9,807	9,785	9,768	9,760	-8
Large (> 499).....	4,352	4,334	4,311	4,298	4,290	4,288	-2
<b>Service-providing</b> .....	93,216	93,302	93,381	93,480	93,624	93,821	197
Small (1-49).....	42,580	42,627	42,672	42,726	42,792	42,867	75
Medium (50-499).....	35,593	35,628	35,671	35,729	35,801	35,891	90
Large (> 499).....	15,043	15,047	15,038	15,025	15,031	15,063	32
<b>Addendum:</b>							
Manufacturing.....	13,984	13,958	13,926	13,905	13,893	13,888	-5

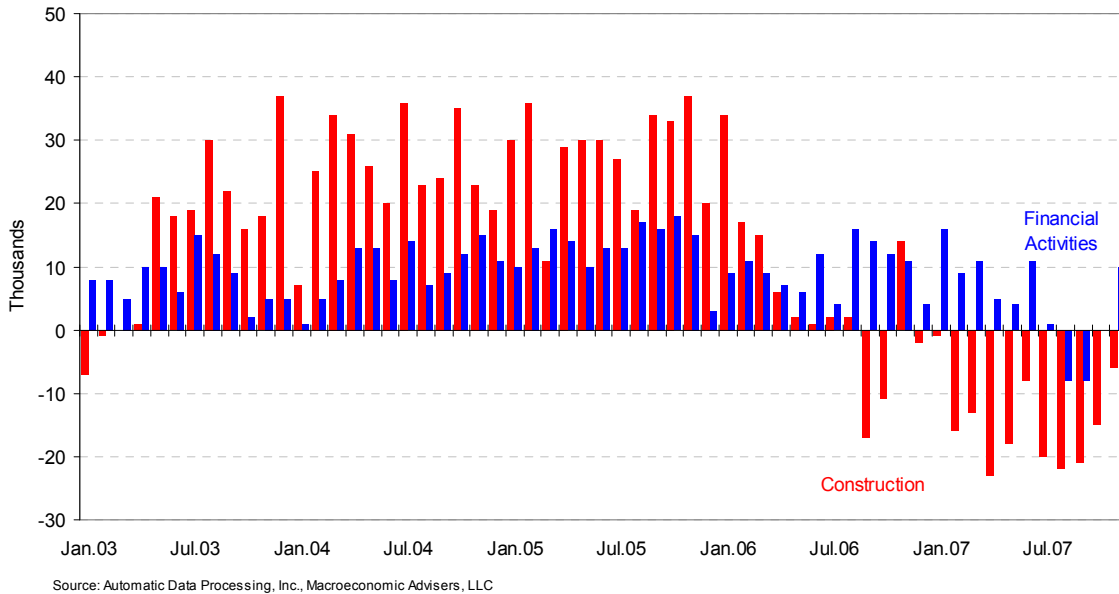
p = preliminary

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data which, during the first six months of 2007, averaged approximately 383,000 payrolls representing nearly 23 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**



### Interpreting the Report

The forecasts of *total* nonfarm private employment, as well as nonfarm private employment by *industry sector* and *company size* are represented as both a *monthly employment level* and a *monthly change in employment*. The *employment level* represents the number of nonfarm private jobs in the U.S. economy at a common point in time each month. The *change in monthly employment* represents the increase or decrease in employment between these common points in time in two consecutive months.

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](http://www.ADPemploymentreport.com).

### **About the *ADP National Employment Report*<sup>SM</sup>**

The *ADP National Employment Report*, sponsored by ADP<sup>®</sup>, 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 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* 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](http://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](http://www.MacroAdvisers.com).

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