



National Employment Report

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ADP NATIONAL EMPLOYMENT REPORT SHOWS UNITED STATES ADDED 58,000 PRIVATE SECTOR JOBS IN SEPTEMBER

ROSELAND, New Jersey – October 3, 2007 – According to today’s [ADP National Employment ReportSM](#), private sector employment increased by 58,000 in September. 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 – September Report:

- Total employment: +58,000
- Small businesses* +53,000
- Medium businesses** +31,000
- Large businesses*** -26,000
- Goods-producing sector: -39,000
- Service-providing sector: +97,000

Addendum:

- Manufacturing industry: -22,000

* *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*

“Nonfarm private employment grew 58,000 from August to September of 2007 on a seasonally adjusted basis, according to the *ADP National Employment Report*,” said Joel Prakken, Chairman of Macroeconomic Advisers, LLC. “This month’s *ADP National Employment Report* was the third consecutive weak reading and confirms the recent deceleration of employment.”

Prakken added, “In September, employment in the service-providing sector of the economy grew a moderate 97,000, while employment in the goods-producing sector

declined 39,000. This marks the tenth consecutive monthly decline in the goods-producing sector. Employment in the manufacturing sector declined 22,000.”

“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 September, employment in the construction sector fell 20,000, the twelfth decline in thirteen months, bringing the cumulative decline since August of 2006 to 157,000. In addition, employment in the financial activities sector dropped 7,000 in September, the second consecutive monthly decline after nearly six years of uninterrupted growth.”

“Small- and medium-size businesses more than accounted for the increase in total employment in September, with employment among these businesses advancing by 84,000. In contrast, employment among large businesses fell by 26,000 in September, the fourth consecutive monthly decline. The gains in employment at small- and medium-size businesses were concentrated in the service-providing sector of the economy, which showed a gain of 109,000. However, employment among these same-size businesses in the goods-producing sector fell 25,000,” said Prakken.

DERIVED FROM ADP PAYROLL DATA

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

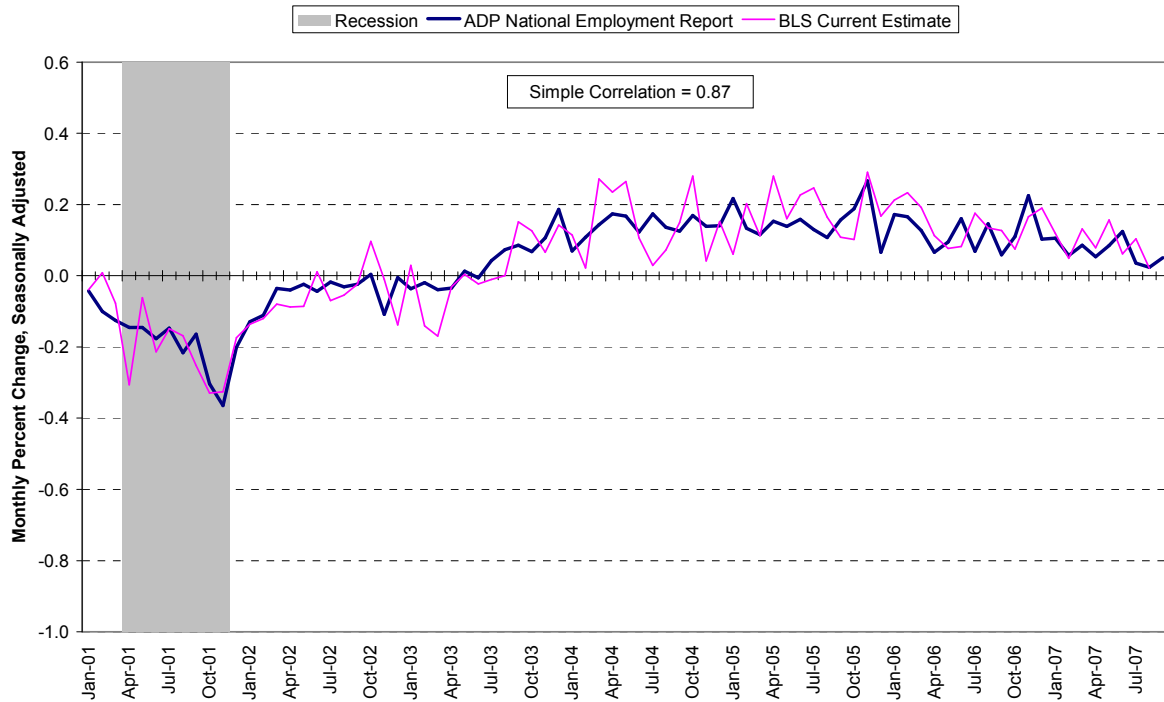
Industry / Size of Payroll	Seasonally Adjusted						Change from: Aug. 2007 - Sep. 2007p
	Apr. 2007	May. 2007	Jun. 2007	Jul. 2007	Aug. 2007	Sep. 2007p	
Total nonfarm private.....	115,278	115,376	115,519	115,560	115,587	115,645	58
Small (1-49).....	50,541	50,598	50,687	50,725	50,760	50,813	53
Medium (50-499).....	45,341	45,375	45,437	45,454	45,478	45,509	31
Large (> 499).....	19,396	19,403	19,395	19,381	19,349	19,323	-26
Goods-producing.....	22,347	22,321	22,303	22,258	22,206	22,167	-39
Small (1-49).....	8,108	8,102	8,107	8,098	8,088	8,085	-3
Medium (50-499).....	9,865	9,849	9,844	9,826	9,807	9,785	-22
Large (> 499).....	4,374	4,370	4,352	4,334	4,311	4,297	-14
Service-providing.....	92,931	93,055	93,216	93,302	93,381	93,478	97
Small (1-49).....	42,433	42,496	42,580	42,627	42,672	42,728	56
Medium (50-499).....	35,476	35,526	35,593	35,628	35,671	35,724	53
Large (> 499).....	15,022	15,033	15,043	15,047	15,038	15,026	-12
Addendum:							
Manufacturing.....	14,009	13,997	13,984	13,958	13,926	13,904	-22

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



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

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. The October 2007 *ADP National Employment Report* will be released on Wednesday, October 31, 2007 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 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 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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