



Wednesday, October 3, 2007, 8:15 A.M. EDT

Nonfarm private employment grew 58,000 from August to September of 2007 on a seasonally adjusted basis, according to the *ADP National Employment Report*[™]. The estimated change in employment from July to August was revised down by 11,000 to 27,000.

This month's *ADP National Employment Report* was the third consecutive weak reading and confirms the recent deceleration of employment.

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 (see chart 5).

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 good-producing sector fell 25,000.

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)

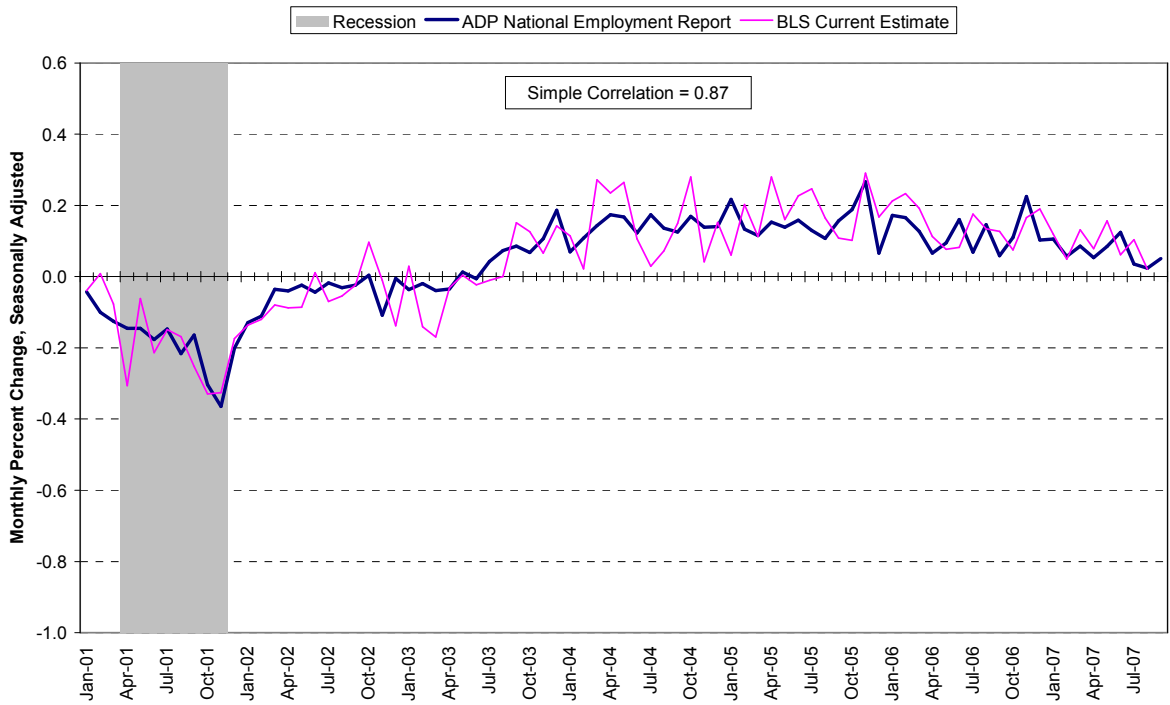
Industry / Size of Payroll	Seasonally Adjusted						Change from: Aug. 2007 - Sep. 2007p
	Apr. 2007	May. 2007	Jun. 2007	Jul. 2007	Aug. 2007	Sep. 2007p	
Total nonfarm private	115,278	115,376	115,519	115,560	115,587	115,645	58
Small (1-49).....	50,541	50,598	50,687	50,725	50,760	50,813	53
Medium (50-499).....	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.

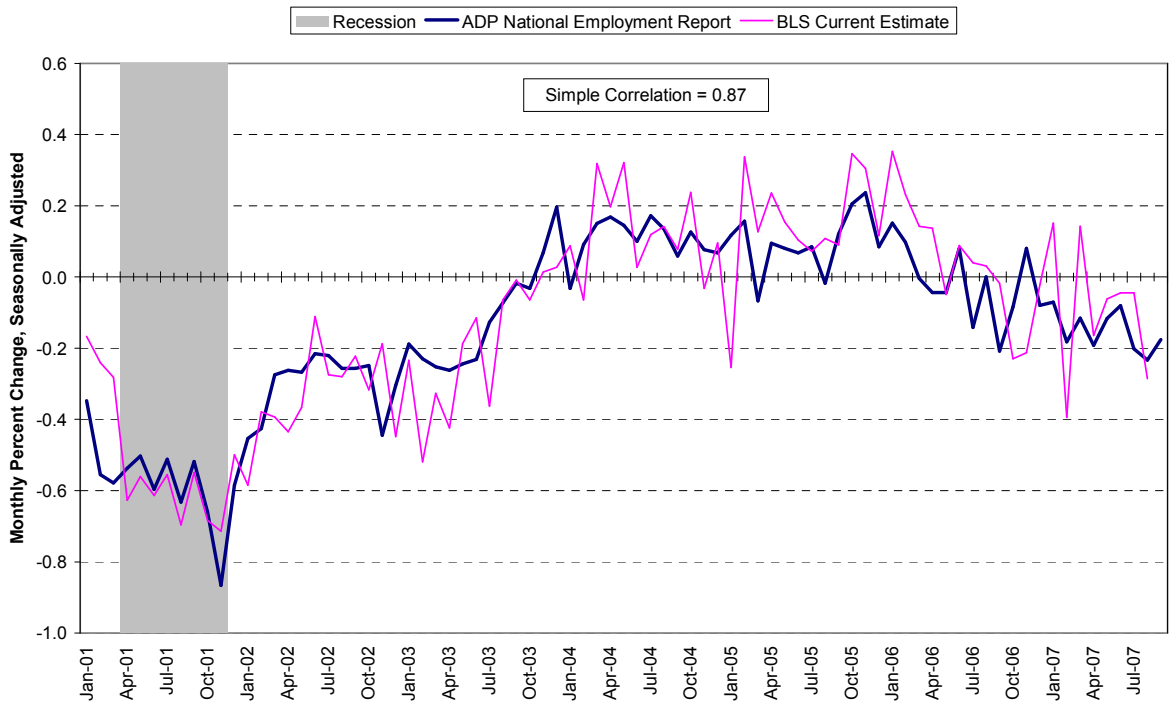


Chart 1. Growth of Nonfarm Private Employment, All Industries



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

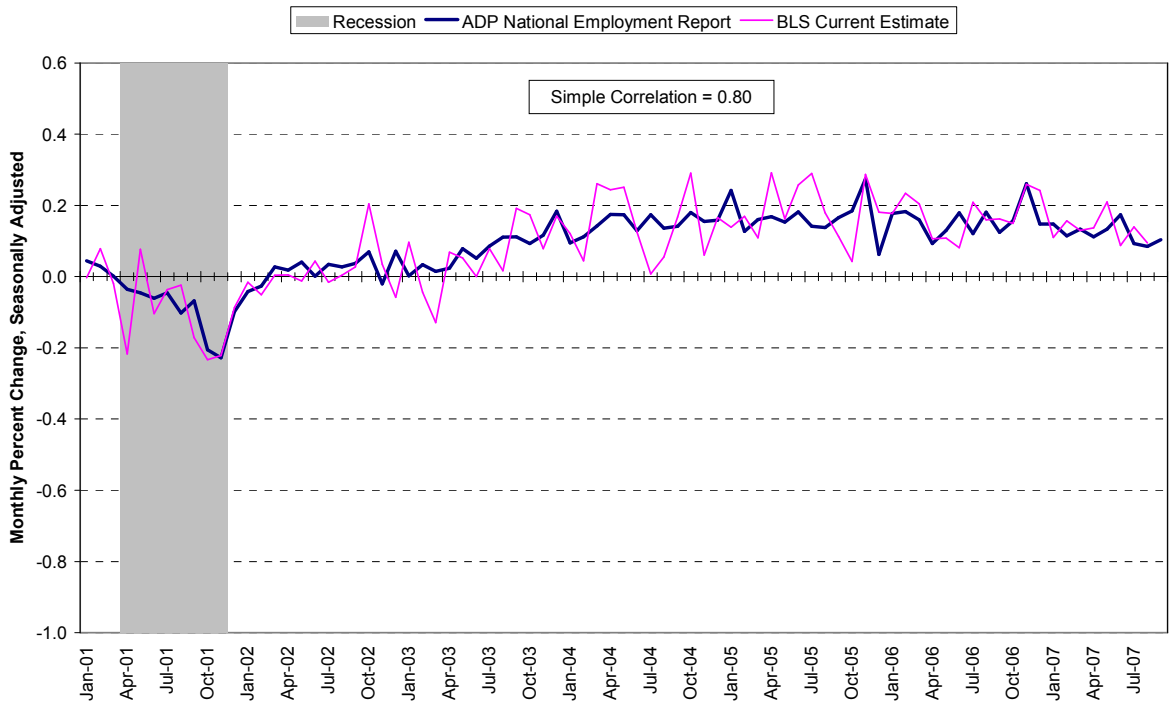
Chart 2. Growth of Nonfarm Private Employment, Goods-Producing Industries



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

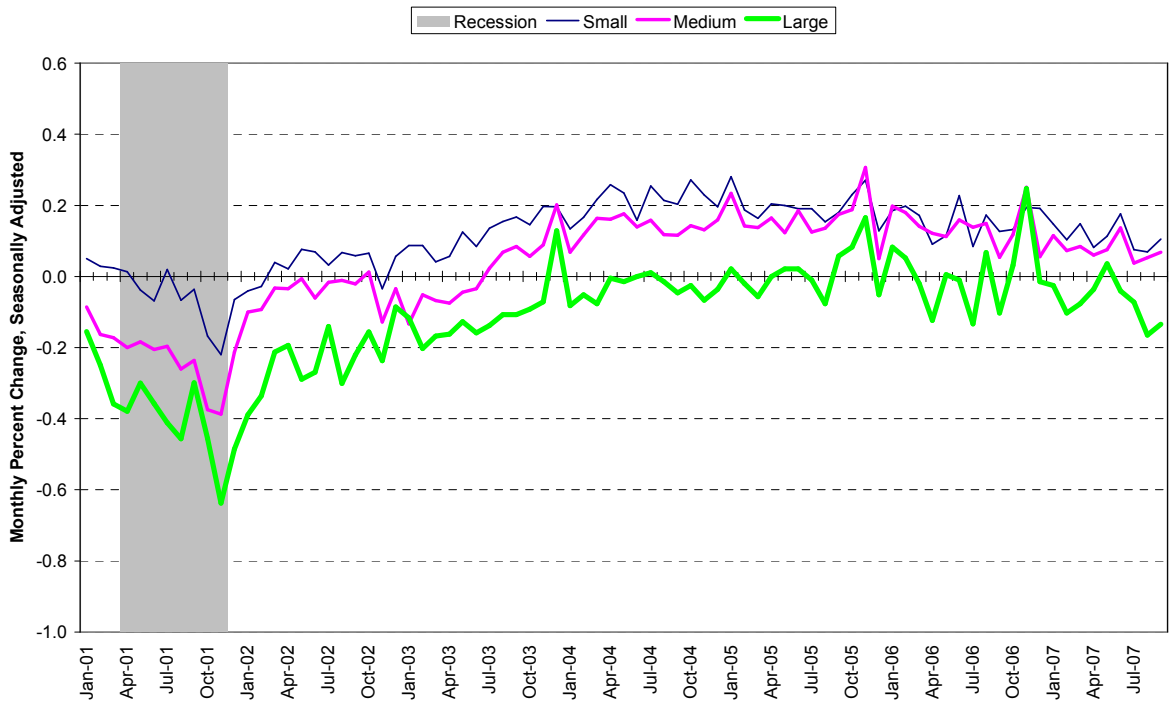


Chart 3. Growth of Nonfarm Private Employment, Service-Providing Industries



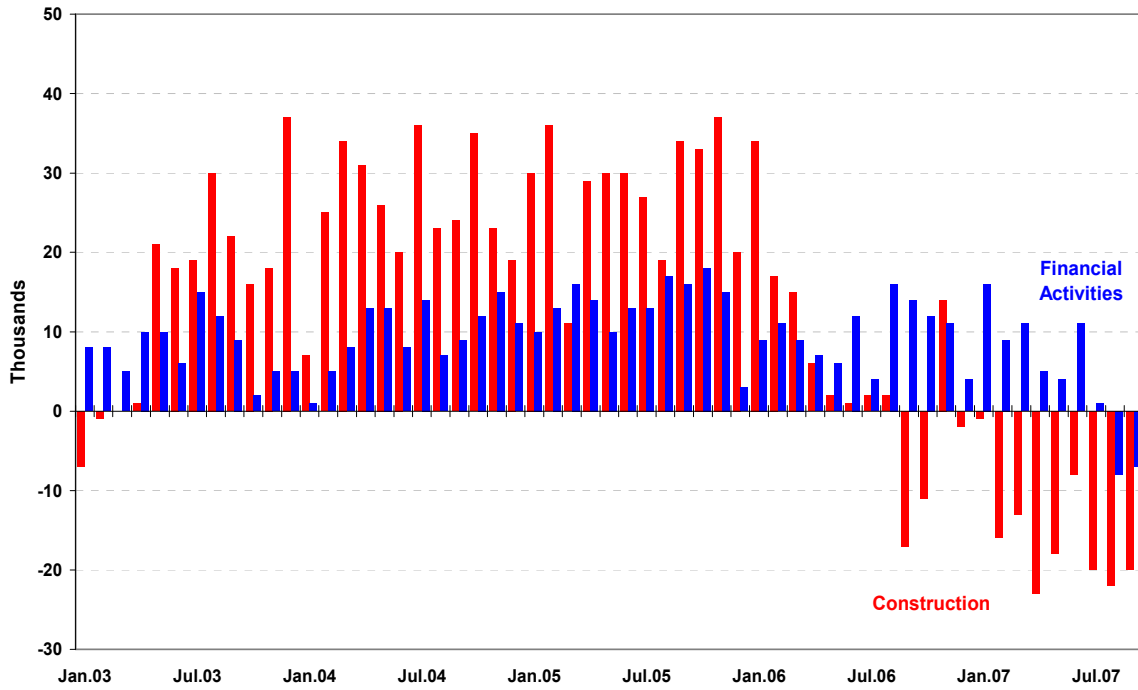
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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 & 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 first six months of 2007, this subset represented approximately 383,000 U.S. business clients representing 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>.

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

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