



Wednesday, March 5, 2008, 8:15 A.M. ET

Nonfarm private employment declined 23,000 from January to February 2008 on a seasonally adjusted basis, according to the *ADP National Employment Report*TM. The estimated change in employment from December 2007 to January 2008 was revised down 11,000 to 119,000. February's decline of 23,000 signals a deceleration of employment growth across businesses of all sizes.

Employment in the service-providing sector of the economy grew 47,000, while employment in the goods-producing sector declined 70,000, the fifteenth consecutive monthly decline. Manufacturing employment fell 40,000 in February after declining a revised 3,000 in January, and marked the eighteenth consecutive monthly decline.

Most of the decline in employment during February was accounted for by job losses at large companies, but there was a notable deceleration of employment growth at businesses of all sizes. Employment among small-size businesses, defined as those with fewer than 50 workers, advanced just 15,000 during the month, while employment among medium-size businesses with between 50 and 499 workers dropped 4,000. This was the first outright decline at medium-size businesses since June of 2003, when job growth was still recovering from the last recession. Employment at large businesses with more than 500 workers declined 34,000.

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 February, construction employment fell 30,000. This is the fifteenth consecutive monthly decline, bringing the total decline in construction jobs since the peak in August 2006 to 236,000. Employment in financial activities declined by 5,000.

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>.

Notice of Annual Revisions to the *ADP National Employment Report*TM

Automatic Data Processing, Inc., in conjunction with *Macroeconomic Advisers, LLC*, has published the scheduled annual revisions to the estimates of employment shown in the *ADP National Employment Report*. Revisions include:

- Updated regression estimates used to adjust for historical differences in the variances of the monthly growth rates of employment reported by the Bureau of Labor Statistics and computed from the ADP data.
- Updated estimates of the differences in the historical averages of the growth rates of employment reported by the Bureau of Labor Statistics and computed from the ADP data.
- Updated estimates of historical seasonal factors.
- The reference month for establishing the levels of employment shown in the *ADP National Employment Report* advanced from March of 2006 to March of 2007.

Note: These revisions are published in accordance with the previously stated schedule of annual benchmark revisions to the ADP Report. No revisions have been made to the methodology of computing the estimates of employment shown in the ADP National Employment Report. Visit www.adpemploymentreport.com for details.



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: Jan. 2008 - Feb. 2008p
	Sep. 2007	Oct. 2007	Nov. 2007	Dec. 2007	Jan. 2008	Feb. 2008p	
Total nonfarm private	115,615	115,725	115,910	115,952	116,071	116,048	-23
Small (1-49).....	50,816	50,879	50,954	51,023	51,087	51,102	15
Medium (50-499).....	45,428	45,478	45,552	45,558	45,605	45,601	-4
Large (> 499).....	19,371	19,368	19,404	19,371	19,379	19,345	-34
Goods-producing	22,145	22,117	22,110	22,077	22,064	21,994	-70
Small (1-49).....	8,027	8,024	8,024	8,024	8,020	8,000	-20
Medium (50-499).....	9,780	9,763	9,756	9,725	9,716	9,687	-29
Large (> 499).....	4,338	4,330	4,330	4,328	4,328	4,307	-21
Service-providing	93,470	93,608	93,800	93,875	94,007	94,054	47
Small (1-49).....	42,789	42,855	42,930	42,999	43,067	43,102	35
Medium (50-499).....	35,648	35,715	35,796	35,833	35,889	35,914	25
Large (> 499).....	15,033	15,038	15,074	15,043	15,051	15,038	-13
Addendum:							
Manufacturing.....	13,826	13,812	13,808	13,792	13,789	13,749	-40

p = preliminary

The matched sample used to develop the *ADP National Employment Report* was derived from ADP data which, during the last six months of 2007, averaged approximately 392,000 payrolls representing nearly 24 million U.S. employees. This approximately represents the size of the matched sample used this month.

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

Chart 1. Growth of Nonfarm Private Employment, All Industries

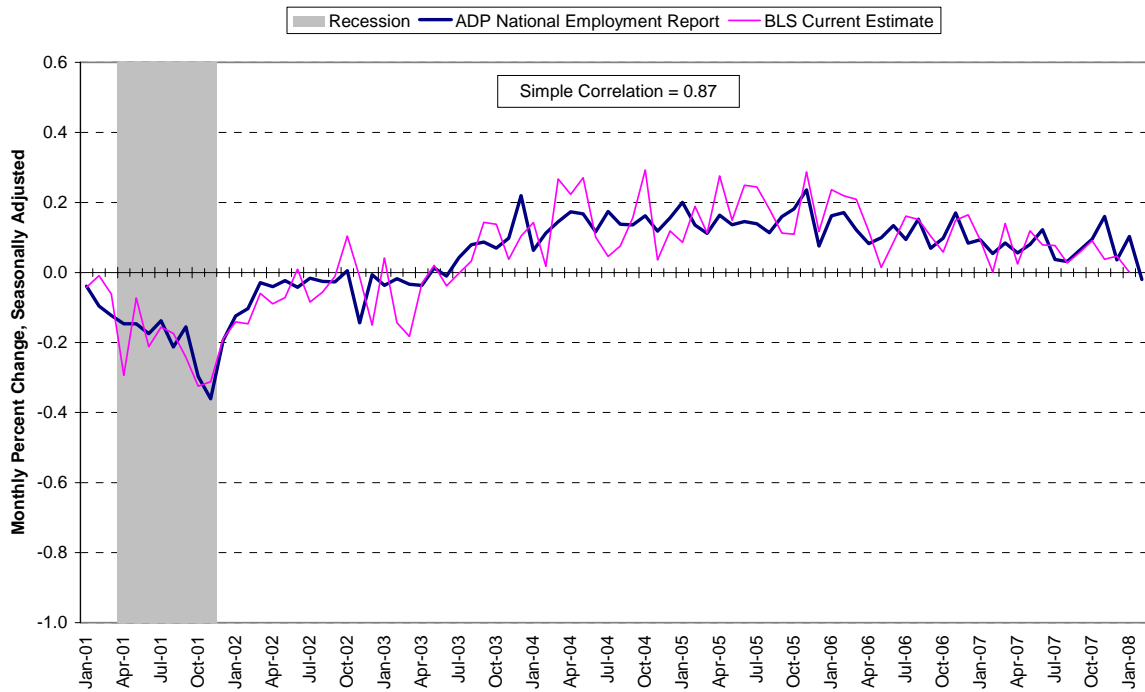


Chart 2. Growth of Nonfarm Private Employment, Goods-Producing Industries

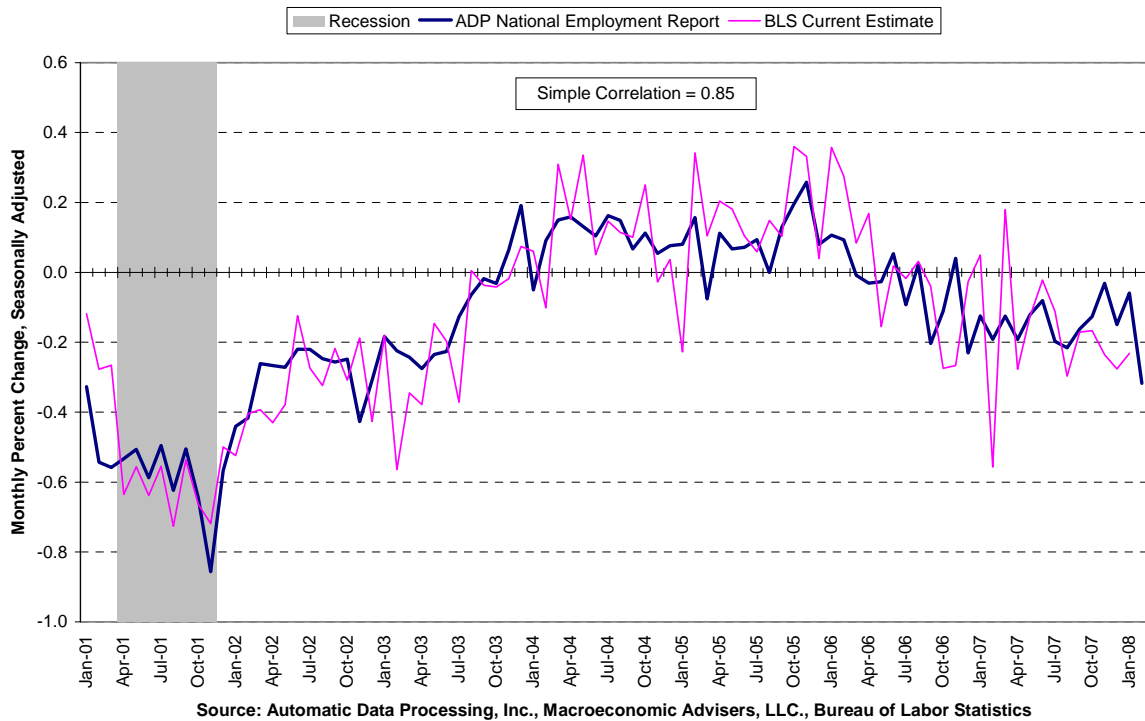
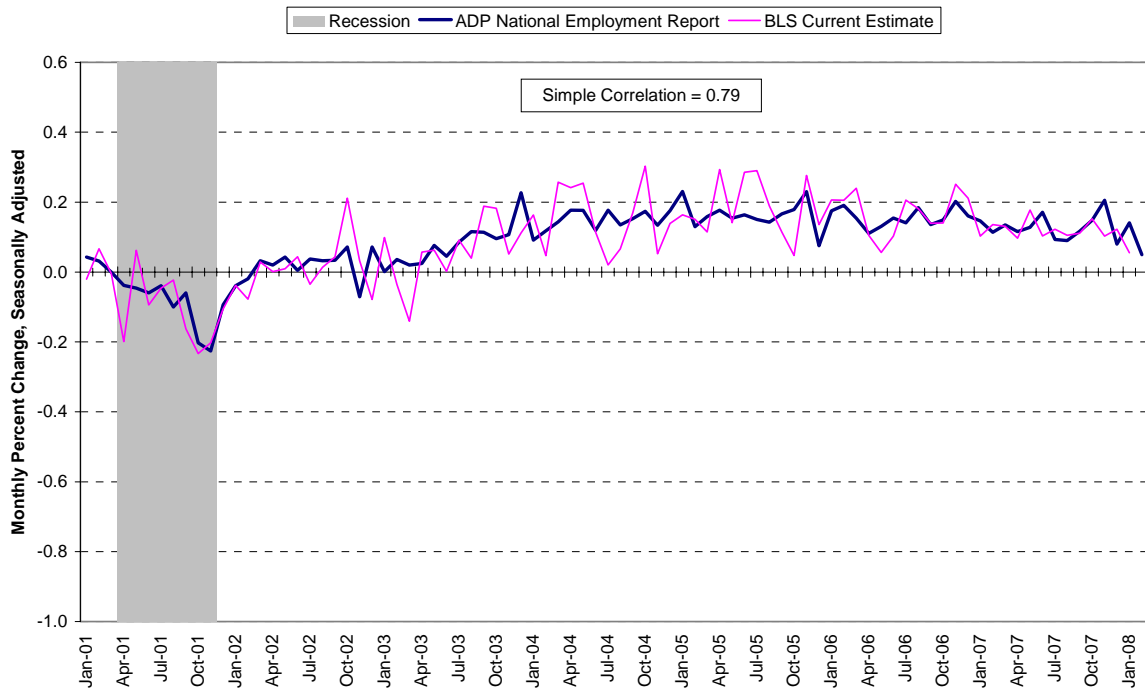


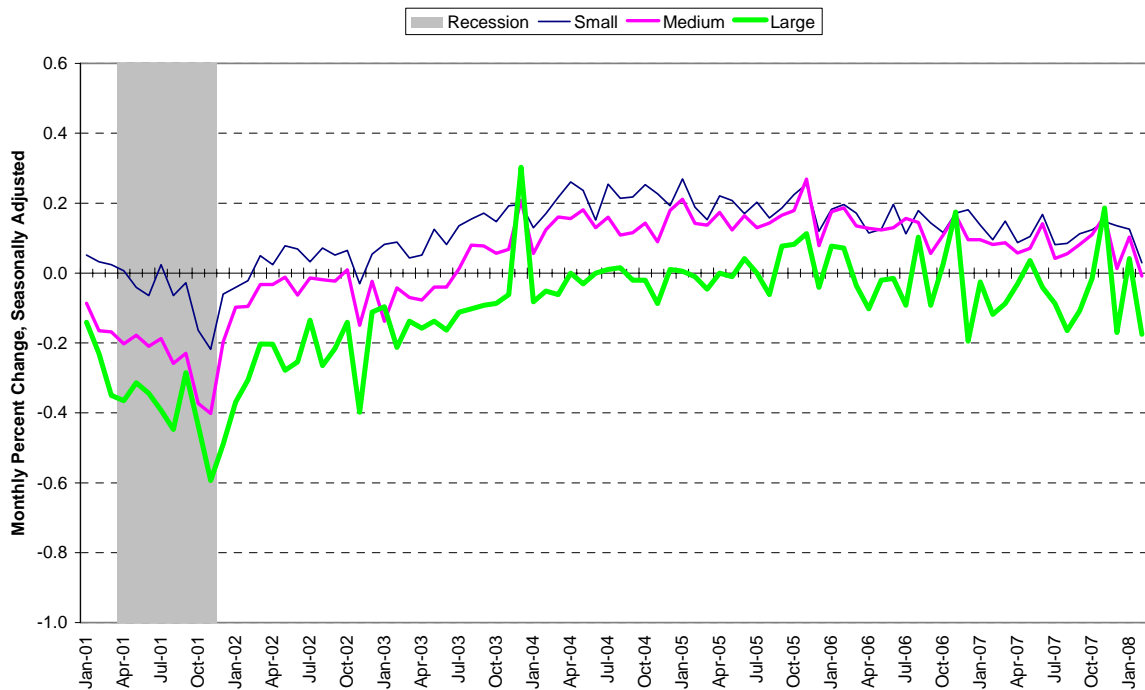


Chart 3. Growth of Nonfarm Private Employment, Service-Providing Industries



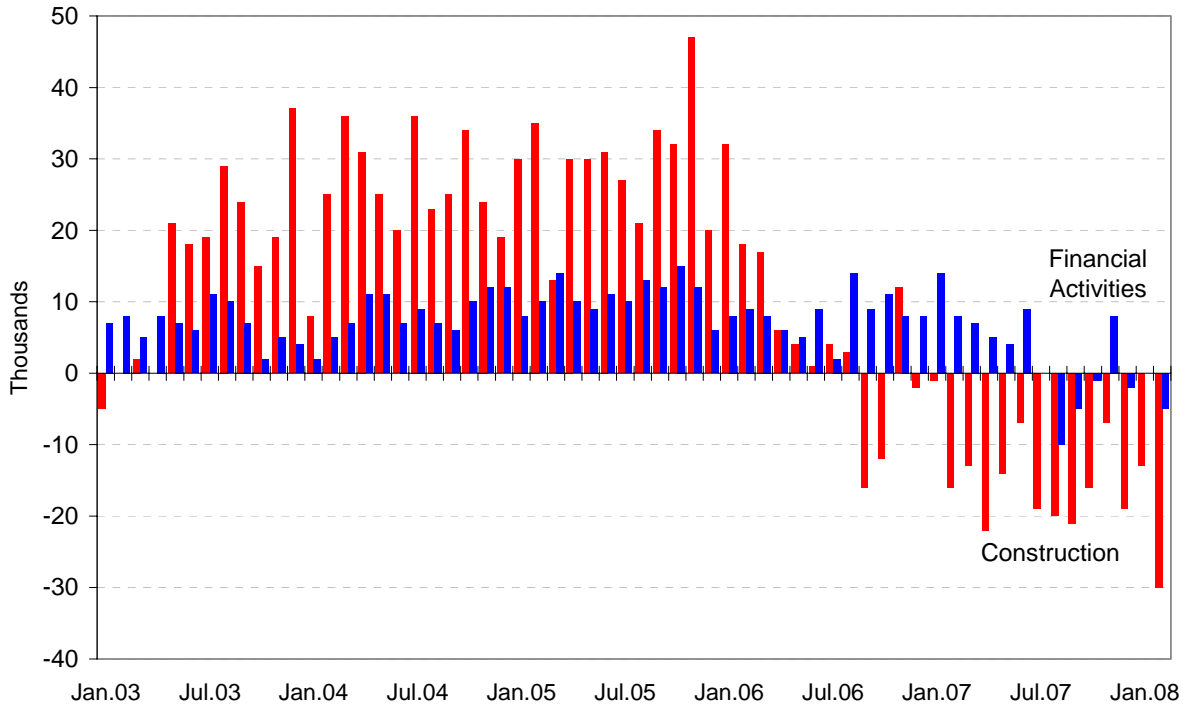
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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 and 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 last six months of 2007, this subset represented approximately 392,000 U.S. business clients representing nearly 24 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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