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Small Business Report

Media Contacts:

ADP Public Relations	Rich Gallagher
ADP	Cohn & Wolfe for ADP
(973) 974-7612	(212) 798-9878
Public_Relations@adp.com	Rich_Gallagher@CohnWolfe.com

ADP SMALL BUSINESS REPORT SHOWS 44,000 SMALL BUSINESS JOBS ADDED IN AUGUST

Service-Providing Sector Continues to Drive Growth for Small Businesses

ROSELAND, New Jersey – September 6, 2007 – Private employment among small businesses (U.S. companies with fewer than 50 employees) increased by 44,000 in August, according to the *ADP Small Business Report*SM released today. The *ADP Small Business Report* is based on data from the *ADP National Employment Report*SM, created by ADP in partnership with Macroeconomic Advisers, LLC. In addition to providing monthly information on small business employment trends, the *ADP Small Business Report* includes information about short-term movements in the goods-producing and service-providing industry sectors.

Small Business Employment Highlights – August Report:

- Total small business employment: + 44,000
- Goods-producing sector: - 8,000
- Service-providing sector: + 52,000

"Nonfarm private employment among small businesses grew 44,000 from July to August of 2007 on a seasonally adjusted basis, according to the *ADP Small Business Report*," said Joel Prakken, Chairman of Macroeconomic Advisers, LLC. "The moderate growth of employment among small businesses reported in this month's *ADP Small Business Report* suggests a continued deceleration of employment, though not to the extent observed among medium- and large-size businesses."

Prakken added, "Small businesses accounted for the majority of nonfarm private employment growth in August with 44,000 jobs added. In contrast, employment among medium- and large-size businesses decreased by 6,000. Increases in employment at small businesses were concentrated in the service-providing sector of the economy, which showed a gain of 52,000. However, employment among small businesses in the goods-producing sector fell 8,000."

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US Nonfarm Private Employment by Selected Industry Sector and Business Size

Derived from ADP Payroll Data
(In thousands)

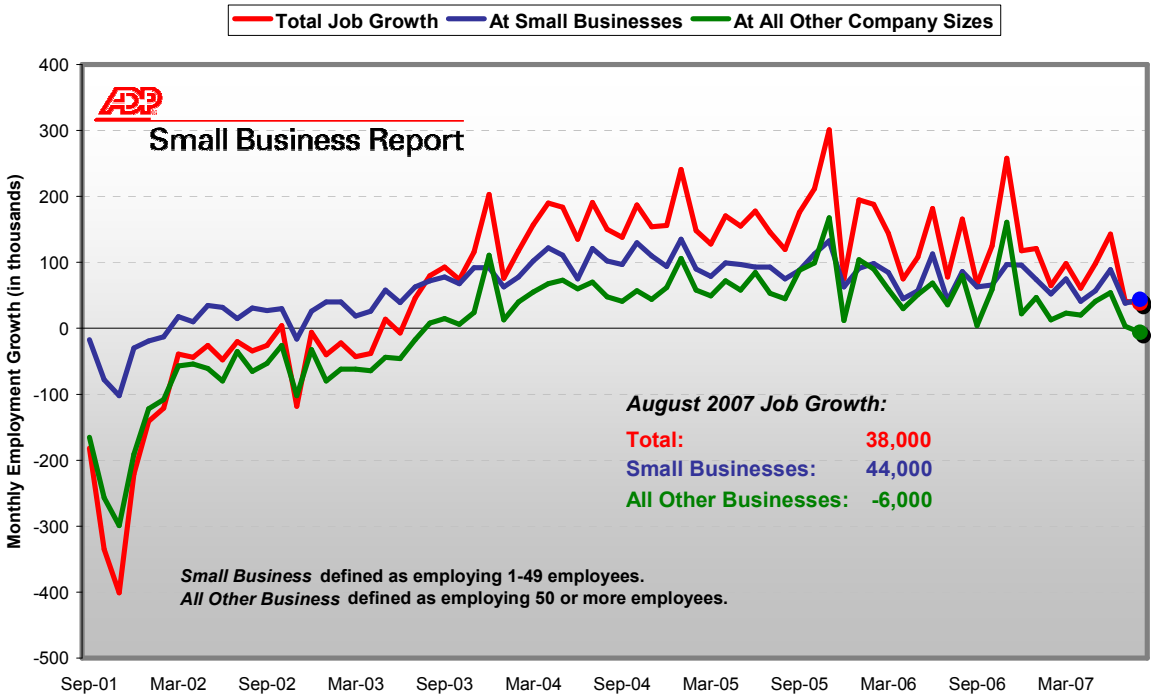
Industry / Business Size	Seasonally Adjusted						
	Mar. 2007	Apr. 2007	May. 2007	Jun. 2007	Jul. 2007	Aug. 2007p	Change from: Jul. 2007 - Aug. 2007p
Total nonfarm private.....	115,217	115,278	115,376	115,519	115,560	115,598	38
Small Business (1-49)	**50,500**	**50,541**	**50,598**	**50,687**	**50,725**	**50,769**	**44**
All Other Sizes (50+)	64,717	64,737	64,778	64,832	64,835	64,829	-6
Goods-producing.....	22,390	22,347	22,321	22,303	22,258	22,209	-49
Small Business (1-49)	**8,120**	**8,108**	**8,102**	**8,107**	**8,098**	**8,090**	**-8**
All Other Sizes (50+)	14,270	14,239	14,219	14,196	14,160	14,119	-41
Service-providing.....	92,827	92,931	93,055	93,216	93,302	93,389	87
Small Business (1-49)	**42,380**	**42,433**	**42,496**	**42,580**	**42,627**	**42,679**	**52**
All Other Sizes (50+)	50,447	50,498	50,559	50,636	50,675	50,710	35

p = preliminary

Small Business defined as employing 1-49 employees.
All Other Business defined as employing 50 or more employees.

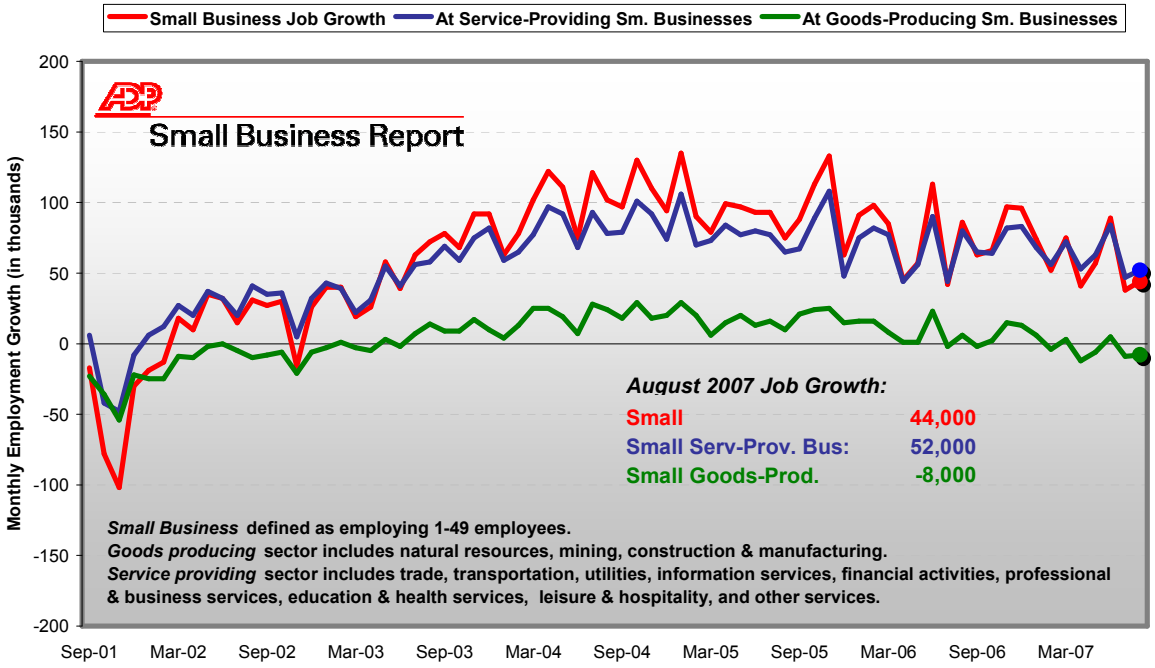
Good producing sector includes natural resources, mining, construction & manufacturing.
Service providing sector includes trade, transportation, utilities, information services, financial activities, professional & business services, education & health services, leisure & hospitality, and other services.

US Nonfarm Private Employment - Monthly Job Growth by *Company Size*



Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC.

US Nonfarm Private Employment - Monthly *Small Company* Job Growth by *Industrial Sector*



Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC.

Additional charts on monthly job growth and job levels, along with historical data, are available at http://www.smallbusinessreport.adp.com.

ADP Small Business Services provides payroll and business solutions for businesses with fewer than 50 employees. For more information on ADP Small Business Services, please visit: http://www.smallbusiness.adp.com.

The September 2007 *ADP Small Business Report* will be released on Thursday, October 4, 2007.

About the *ADP Small Business Report*

The *ADP Small Business Report* is a monthly estimate of private nonfarm employment among companies in the United States with 1-49 employees. In partnership with Macroeconomic Advisers, LLC, the *ADP Small Business Report* is produced on a monthly basis by ADP® Small Business Services, a provider of payroll, tax management, human resources, professional employer organization (PEO) and administrative services outsourcing (ASO) solutions to small businesses across all industries. ADP Small Business Services is part of ADP Employer Services, a leader in outsourced payroll, HR and benefits administration solutions. The information included in the *ADP Small Business Report* is based on data from the *ADP National Employment Report,* a measure of employment derived from an anonymous subset of 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* and the *ADP Small Business Report* are not representative of changes in ADP's total base of U.S. business clients or ADP's total base of U.S. small business clients. 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

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

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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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