



Small Business Report

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ADP SMALL BUSINESS REPORT SHOWS 58,000 SMALL BUSINESS JOBS ADDED IN MAY

*Leading Provider of Payroll Services Launches New Monthly Resource
on Employment and Labor Trends for Small Business Market*

ROSELAND, New Jersey – May 31, 2007 – Private employment among small businesses (U.S. companies with less than 50 employees) increased by 58,000 in May, according to today's *ADP Small Business Report*SM. Providing monthly insight into small business employment trends, the *ADP Small Business Report* also includes information about short-term movements in the goods-producing and service-providing industry sectors.

ADP is introducing this new monthly Report to provide small business owners with timely information to better understand labor conditions that may affect their businesses. 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. Small businesses are defined in the Report as companies with fewer than 50 employees.

Small Business Employment Highlights – May Report:

- Total small business employment: +58,000
- Goods-producing sector: -3,000
- Service-providing sector: +61,000

“We are pleased to launch the *ADP Small Business Report* and provide additional insight into labor conditions throughout the small business sector on a monthly basis,” said Alan Sheiness, President, ADP Small Business Services. “For more than 50 years, ADP has been processing payroll and providing a wide range of services to small businesses across all industries, enabling us to provide an unrivaled perspective about employment conditions throughout this market segment. ADP is proud to offer the small business community up-to-date and reliable information about labor conditions that may impact their business.”

“Private nonfarm employment among small businesses in May grew 58,000, which is consistent with the average monthly change in small business employment over the previous three months of 56,000, according to the *ADP Small Business Report*,” said Joel Prakken, Chairman of Macroeconomic Advisers, LLC. “In addition, we also observe

from the ADP data that May marks the sixth consecutive month where small businesses once again accounted for the vast majority of total private nonfarm jobs added in the US. This is the continuation of a longer trend that has existed almost uninterrupted since 2001,” added Prakken.



Small Business Report

US Nonfarm Private Employment by Selected Industry Sector and Business Size

Derived from ADP Payroll Data
(In thousands)

Industry / Business Size	Seasonally Adjusted						Change from: Apr. 2007 - May 2007p
	Dec. 2006	Jan. 2007	Feb. 2007	Mar. 2007	Apr. 2007	May 2007p	
Total nonfarm private	114,933	115,054	115,119	115,217	115,278	115,375	97
Small Business (1-49)	50,299	50,373	50,425	50,500	50,541	50,599	58
All Other Sizes (50+)	64,634	64,681	64,694	64,717	64,737	64,776	39
Goods-producing	22,473	22,457	22,416	22,390	22,347	22,324	-23
Small Business (1-49)	8,115	8,121	8,117	8,120	8,108	8,105	-3
All Other Sizes (50+)	14,358	14,336	14,299	14,270	14,239	14,219	-20
Service-providing	92,460	92,597	92,703	92,827	92,931	93,051	120
Small Business (1-49)	42,184	42,252	42,308	42,380	42,433	42,494	61
All Other Sizes (50+)	50,276	50,345	50,395	50,447	50,498	50,557	59

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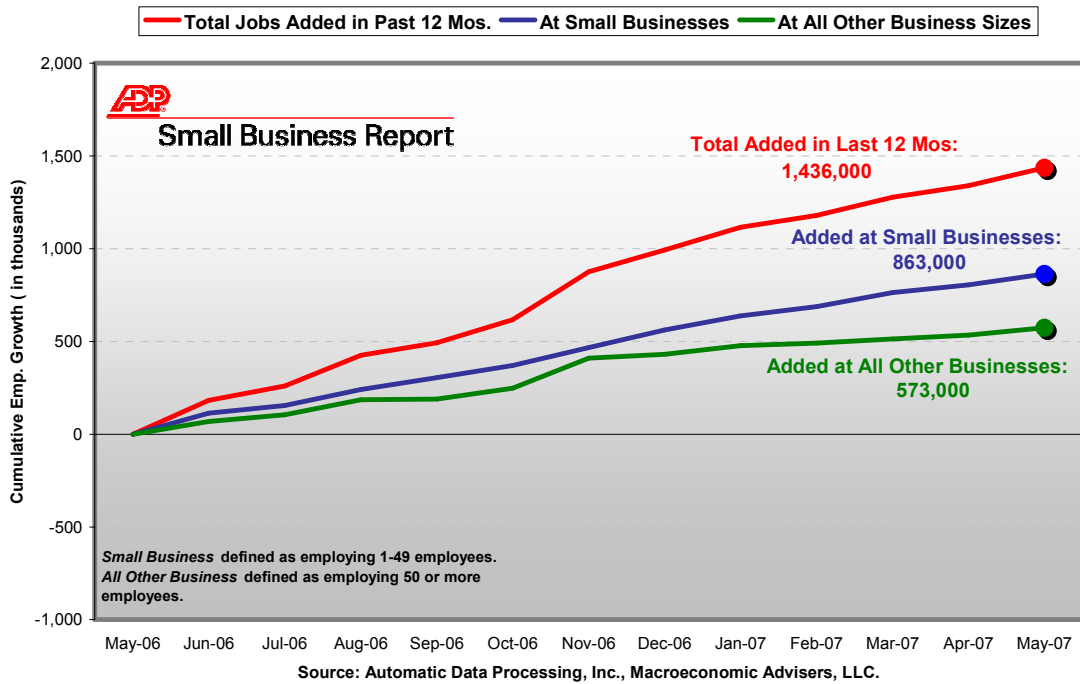
Small Business defined as employing 1-49 employees.

All Other Business defined as employing 50 or more employees.

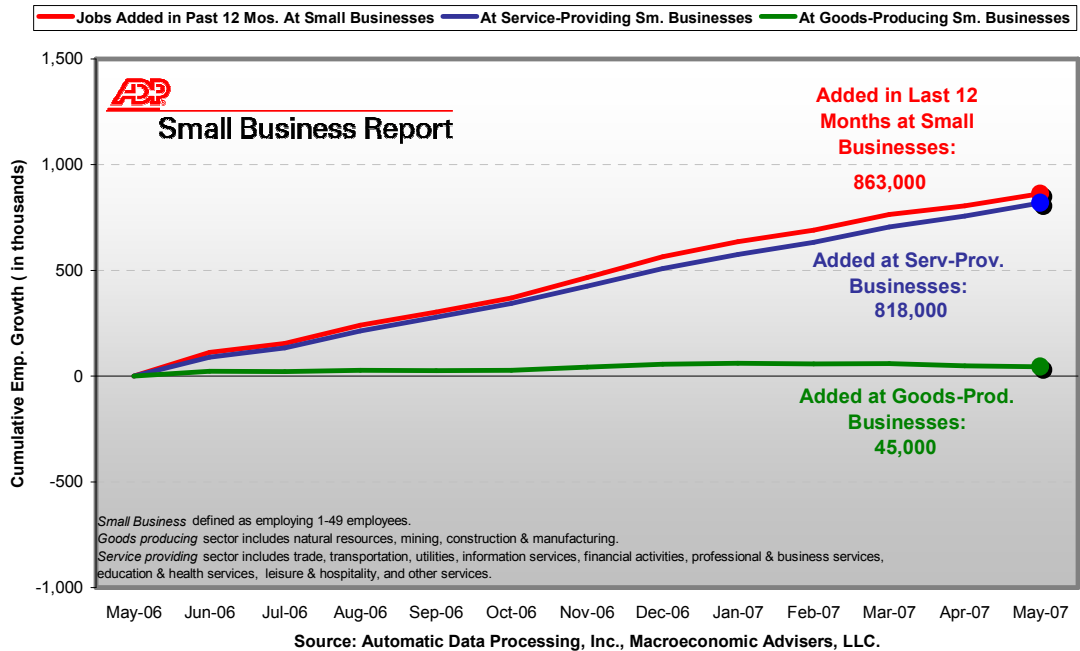
Good producing sector includes natural resources, mining, construction & manufacturing.

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 - Cumulative Growth by Company Size



US Nonfarm Private Employment - Small Company Cumulative Growth by Industrial Sector



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 June 2007 *ADP Small Business Report* will be released on Thursday, July 5, 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 last six months of 2006, this subset represented approximately 364,000 U.S. business clients and approximately 22 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 over \$7 billion in revenues and more than 570,000 clients worldwide, is one of the largest providers of a broad range of premier, mission-critical, cost-effective transaction processing and information-based business solutions. Employer Services (ES), a division of ADP, offers the widest range of HR, payroll, and benefits administration solutions from a single source, to meet the extensive business needs of employers worldwide. For more information about ADP ES 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 over 20 years. MA has three primary service lines: (1) *Macroeconomic Modeling*. MA licenses its structural econometric model of the U.S. economy to firms who use it to produce their own macroeconomic forecasts; (2) *U.S. Economic Forecasts*. MA produces monthly economic forecasts, weekly economic commentaries, and analysis of economic indicators; (3) *Monetary Policy Insights (MPI)*. Directed by MA co-founder and former Federal Reserve Board Governor Laurence Meyer, MPI ties MA's economic forecasts to the prospective course of monetary policy and the resulting implications for fixed-income markets. 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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