



**Thursday, January 3, 2008, 8:15 A.M. ET**

Nonfarm private employment grew 40,000 from November to December of 2007 on a seasonally adjusted basis, according to the *ADP National Employment Report*<sup>™</sup>. The estimated change in employment from October to November was revised down 16,000 to 173,000. December's increase of 40,000 marked a slowing of nonfarm private employment growth that averaged 118,000 during the three-month period from September through November.

Employment in the service-providing sector of the economy grew 71,000, while employment in the goods-producing sector declined 31,000, the thirteenth consecutive monthly decline. Manufacturing employment experienced its eighteenth consecutive monthly decline, falling 16,000.

Small- and medium-size businesses more than accounted for the increase in total employment in December, adding 75,000 jobs. In contrast, employment among larger companies declined 35,000, more than reversing the sizable gains reported among these businesses in November.

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. Today's data suggest that in these two crucial sectors employment is still falling. In December, construction employment fell 17,000. This is the thirteenth consecutive monthly decline, bringing the total decline in construction jobs since the peak in August 2006 to 199,000. Employment in financial activities fell 5,000, which is the third decline during the last five months.

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)

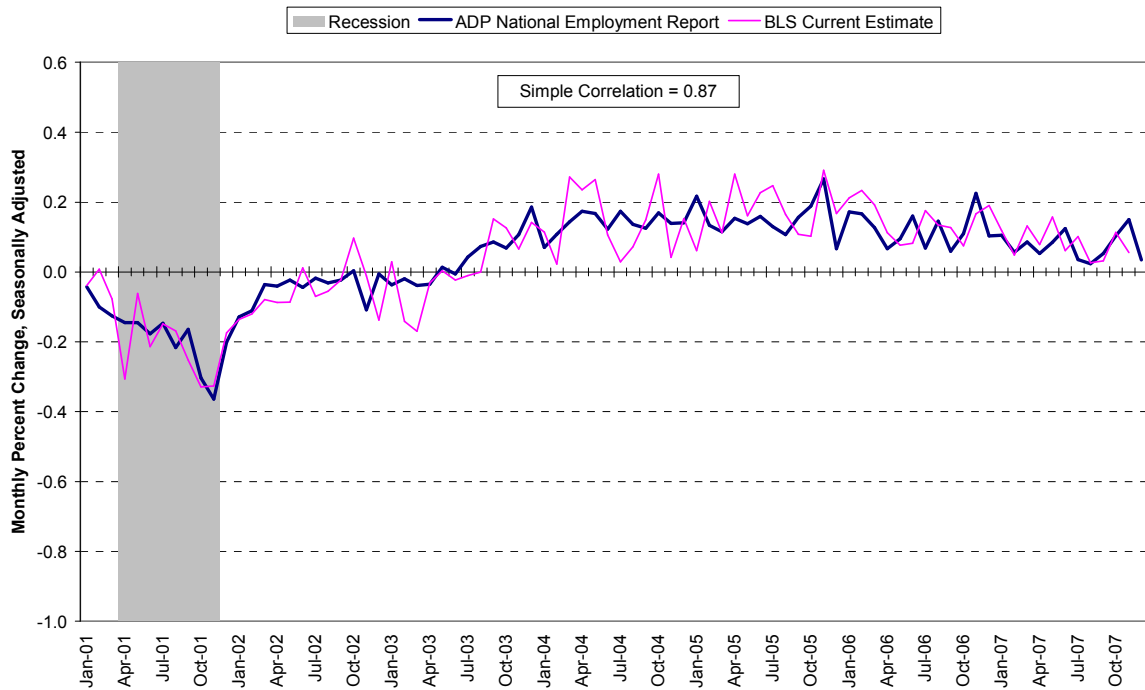
Industry / Size of Payroll	Seasonally Adjusted						Change from: Nov. 2007 - Dec. 2007p
	Jul. 2007	Aug. 2007	Sep. 2007	Oct. 2007	Nov. 2007	Dec. 2007p	
<b>Total nonfarm private</b> .....	115,560	115,587	115,648	115,767	115,940	115,980	40
Small (1-49).....	50,725	50,760	50,811	50,877	50,949	51,015	66
Medium (50-499).....	45,454	45,478	45,514	45,569	45,640	45,649	9
Large (> 499).....	19,381	19,349	19,323	19,321	19,351	19,316	-35
<b>Goods-producing</b> .....	22,258	22,206	22,168	22,143	22,128	22,097	-31
Small (1-49).....	8,098	8,088	8,085	8,085	8,086	8,088	2
Medium (50-499).....	9,826	9,807	9,785	9,768	9,756	9,727	-29
Large (> 499).....	4,334	4,311	4,298	4,290	4,286	4,282	-4
<b>Service-providing</b> .....	93,302	93,381	93,480	93,624	93,812	93,883	71
Small (1-49).....	42,627	42,672	42,726	42,792	42,863	42,927	64
Medium (50-499).....	35,628	35,671	35,729	35,801	35,884	35,922	38
Large (> 499).....	15,047	15,038	15,025	15,031	15,065	15,034	-31
<b>Addendum:</b>							
Manufacturing.....	13,958	13,926	13,905	13,893	13,885	13,869	-16

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.

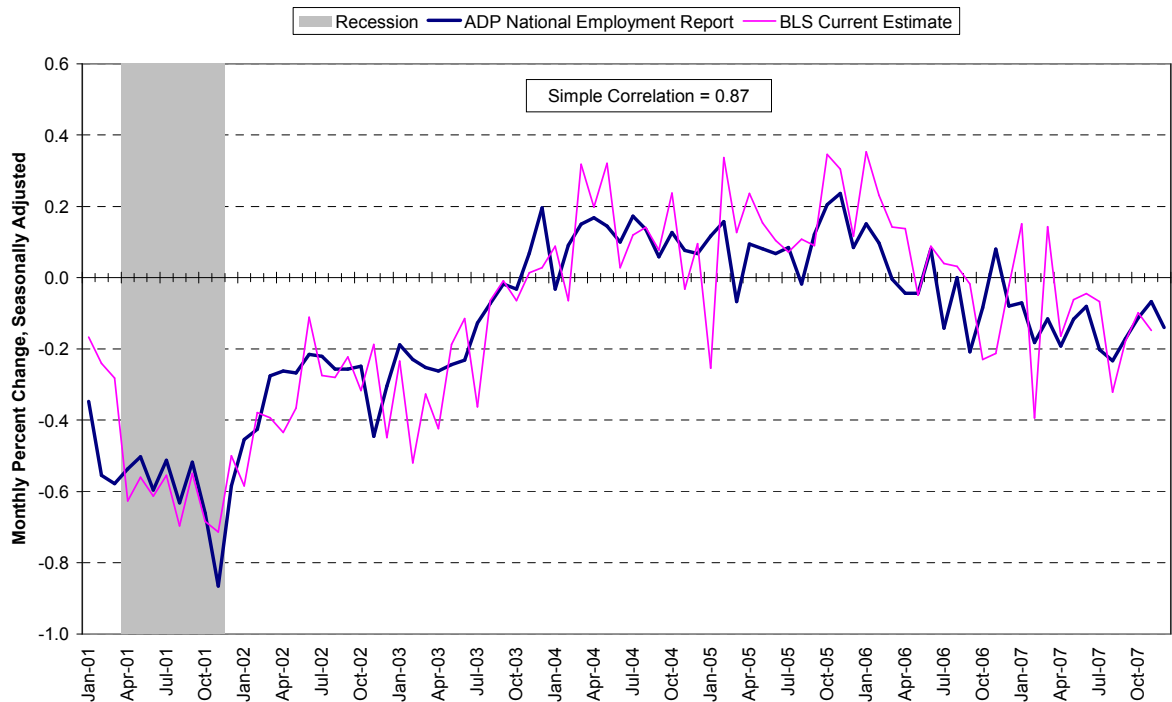


### Chart 1. Growth of Nonfarm Private Employment, All Industries



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

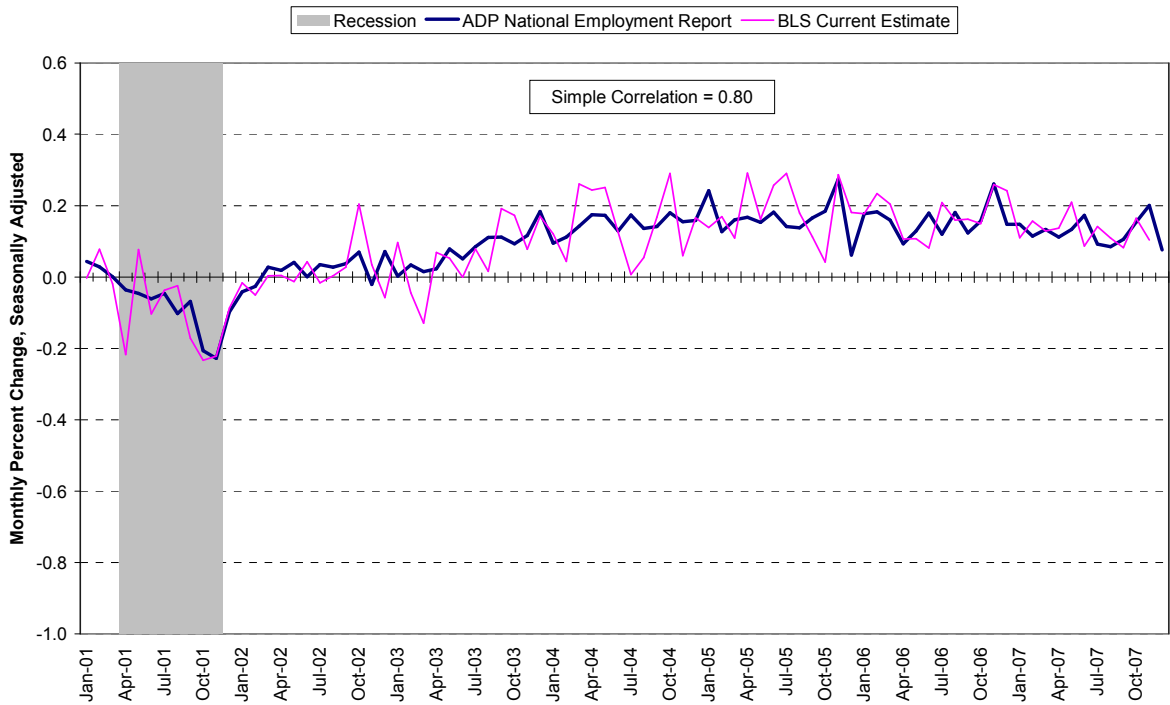
### Chart 2. Growth of Nonfarm Private Employment, Goods-Producing Industries



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

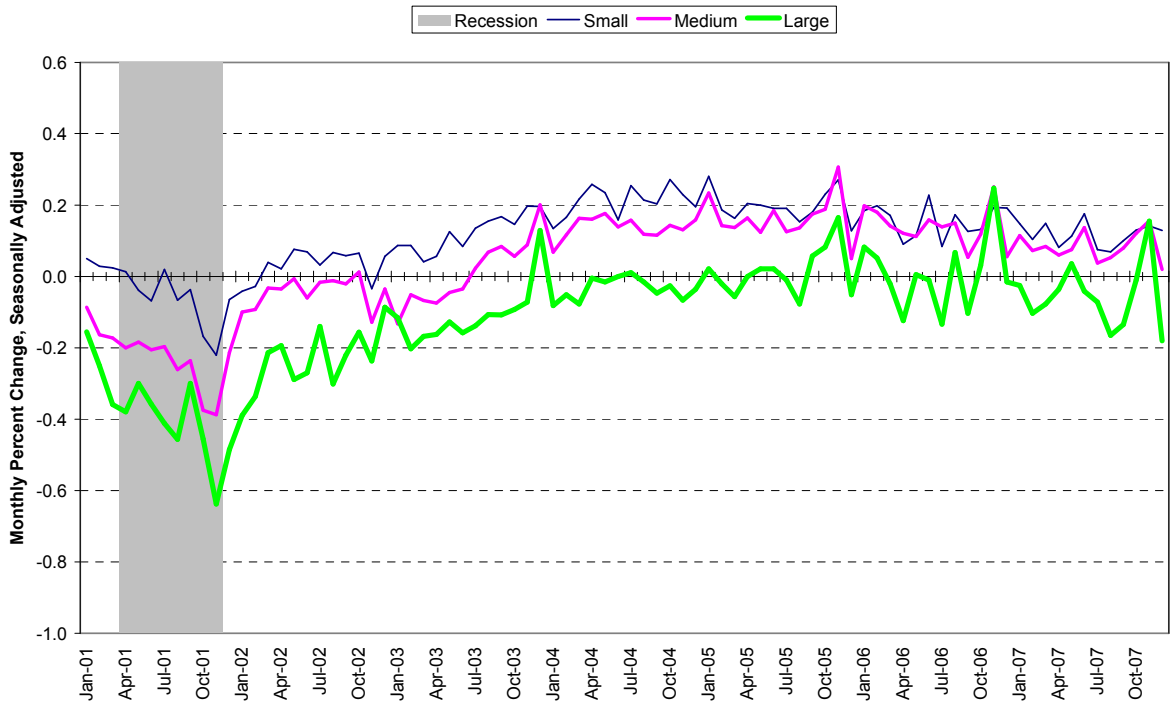


Chart 3. Growth of Nonfarm Private Employment, Service-Providing Industries



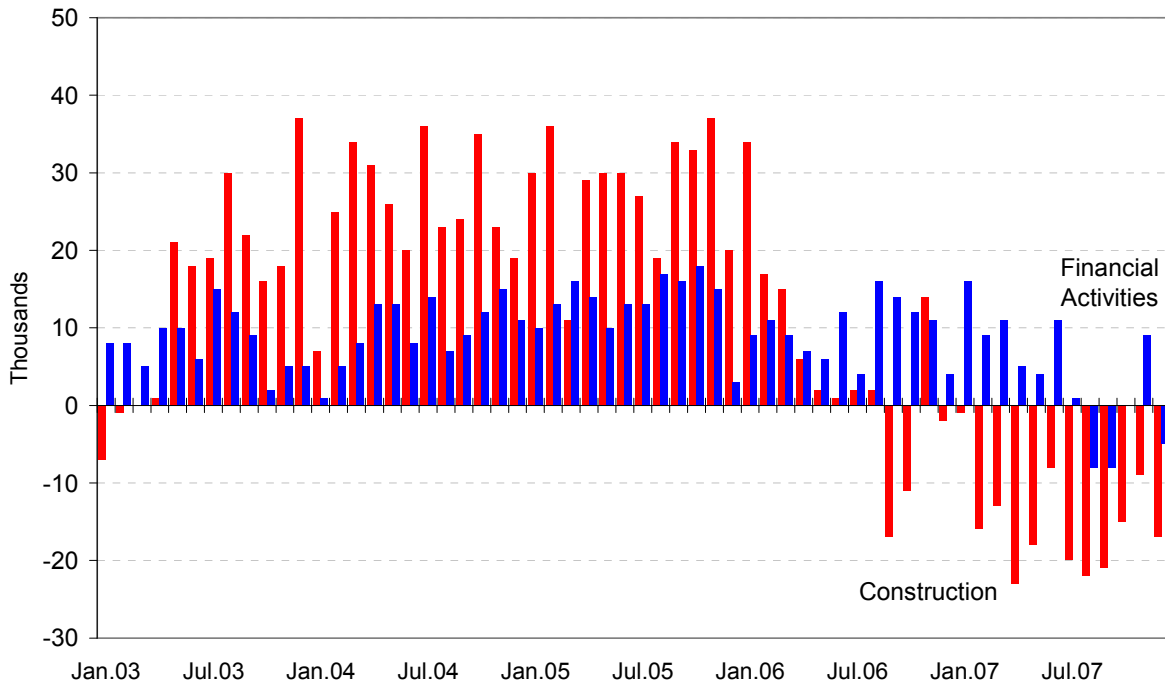
Source: Automatic Data Processing, Inc., Macroeconomic Advisers, LLC., Bureau of Labor Statistics

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 and Financial Activities



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

### About the *ADP National Employment Report*<sup>SM</sup>

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 12<sup>th</sup> 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](http://www.ADPemploymentreport.com)

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