National Employment Report

ADP NATIONAL EMPLOYMENT REPORT: PRIVATE SECTOR EMPLOYMENT INCREASED BY 139,000 JOBS IN FEBRUARY

ROSELAND, N.J. – March 5, 2014 – Private sector employment increased by 139,000 jobs from January to February according to the February *ADP National Employment Report*®. Broadly distributed to the public each month, free of charge, the *ADP National Employment Report* is produced by ADP®, a leading global provider of Human Capital Management (HCM) solutions, in collaboration with Moody's Analytics. The report, which is derived from ADP's actual payroll data, measures the change in total nonfarm private employment each month on a seasonally-adjusted basis.

February 2014 Report Highlights*

View the *ADP National Employment Report* Infographic at www.adpemploymentreport.com.

Total U.S. Nonfarm Private Employment:	**139,000**
• **By Company Size**	
• **Small businesses:**	**59,000**
○ 1-19 employees	32,000
○ 20-49 employees	28,000
• **Medium businesses:**	**35,000**
○ 50-499 employees	35,000
• **Large businesses:**	**44,000**
○ 500-999 employees	1,000
○ 1,000+ employees	43,000
• **By Sector**	
• Goods-producing	19,000
• Service-providing	120,000
• **Industry Snapshot**	
• Construction	14,000
• Manufacturing	1,000
• Trade/transportation/utilities	31,000
• Financial activities	-2,000
• Professional/business services	33,000

* Sum of components may not equal total, due to rounding.

Goods-producing employment rose by 19,000 jobs in February, up from a downwardly-revised figure of 12,000 in January. Nearly all of the growth came from the construction industry which added 14,000 jobs over the month; this followed downwardly revised increases of 17,000 in the prior two months. Manufacturing eked out a small gain in February adding just 1,000 jobs. January's decline in manufacturing was upwardly revised to a loss of just 7,000 jobs.

Service-providing industries added 120,000 jobs in February, up from a downwardly-revised January figure of 116,000. The *ADP National Employment Report* indicates that professional/ business services contributed the most to growth in service-providing industries, adding 33,000 jobs. This was well below the average gains for the industry in 2013. Expansion in trade/transportation/utilities accelerated slightly after a poor showing in January, gaining 31,000 jobs in February. Financial activities employment fell for the second straight month after January's reading was downwardly revised to an 8,000 job loss. These two months have been the weakest for financial services employment since January and February of 2011.

"The U.S. private sector added 139,000 jobs in February, well below the average over the last 12 months," said Carlos Rodriguez, president and chief executive officer of ADP.

Mark Zandi, chief economist of Moody's Analytics, said, "February was another soft month for the job market. Employment was weak across a number of industries. Bad winter weather, especially in mid-month, weighed on payrolls. Job growth is expected to improve with warmer temperatures."

Chart 1. Change in Total Nonfarm Private Employment

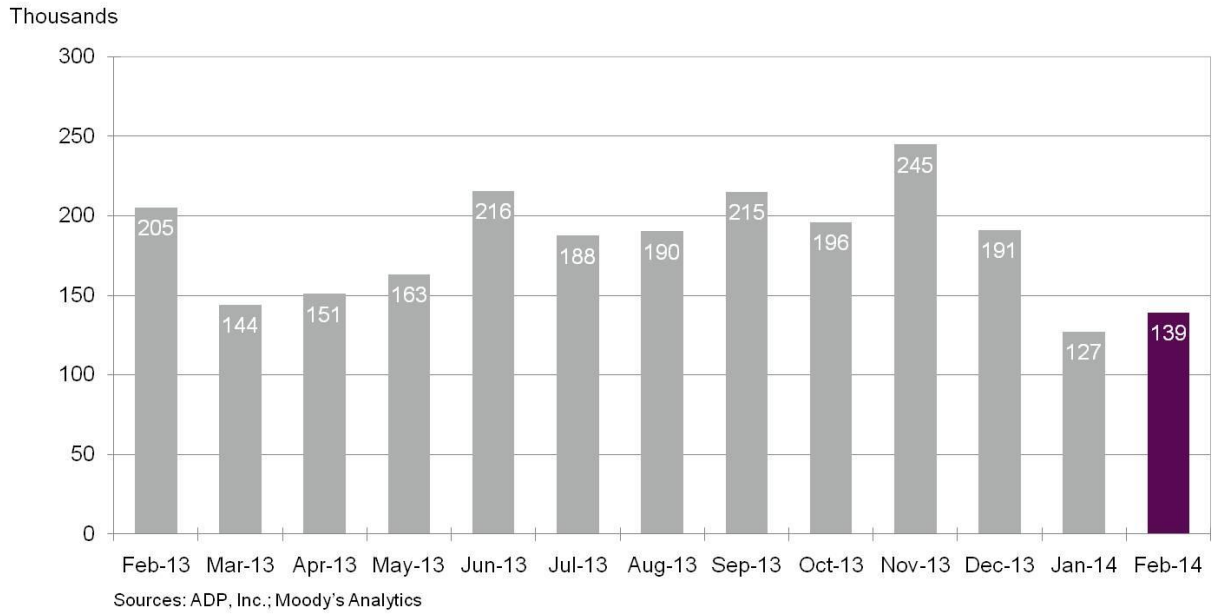


Chart 2. Historical Trend – Change in Total Nonfarm Private Employment

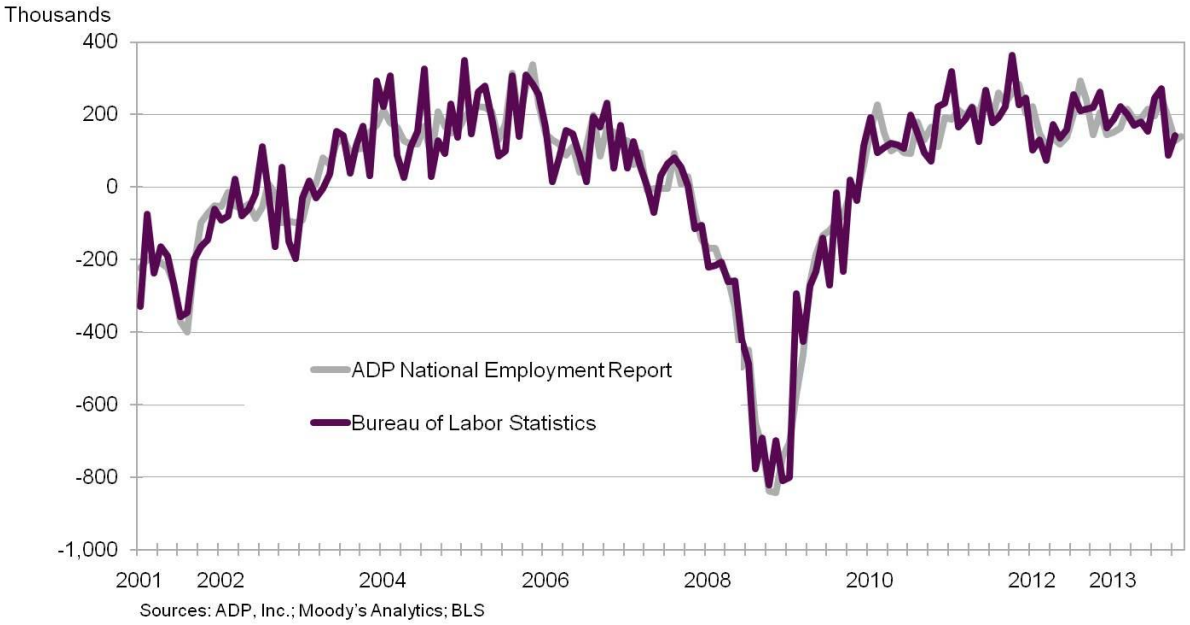


Chart 3. Change in Nonfarm Private Employment by Selected Industry

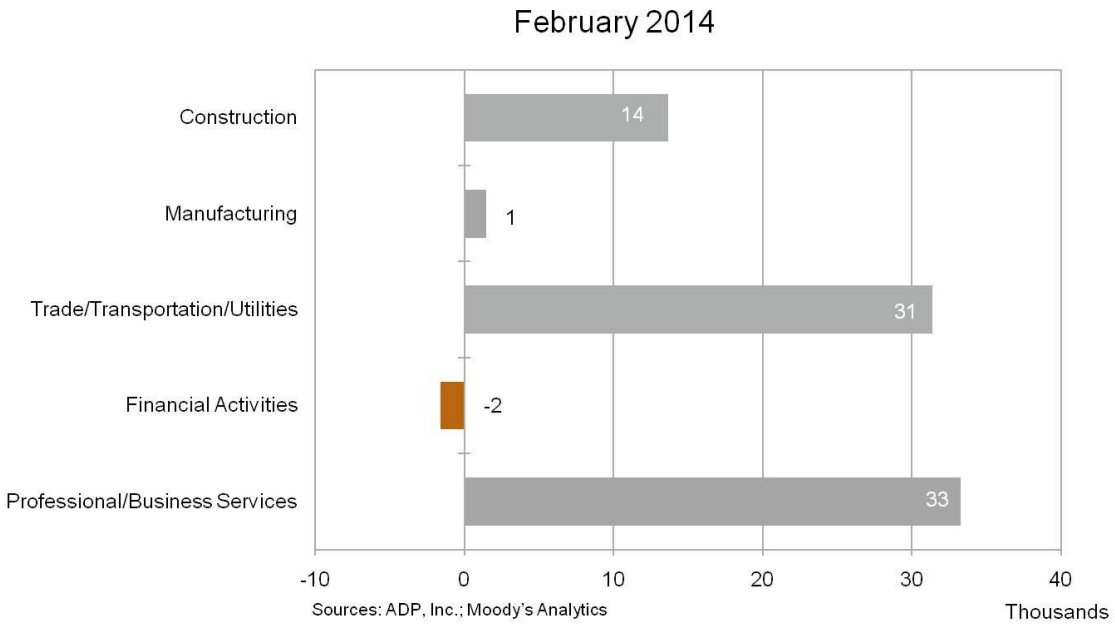
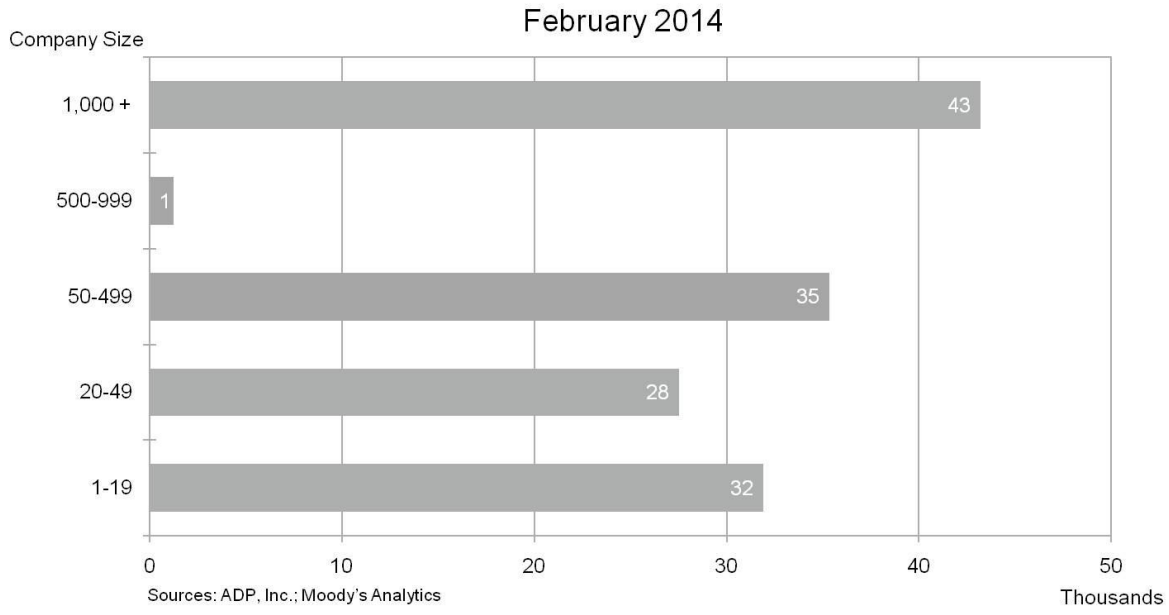


Chart 4. Change in Nonfarm Private Employment by Company Size



Note: All size data included in the ADP National Employment Report is based on size of business, defined as an entity with a unique Employer Identification Number, which may include multiple establishments.
Sum of components may not equal total due to rounding.

Payroll growth for businesses with 49 or fewer employees accelerated in February, adding 59,000 jobs. Though this month was improved from January, growth remains slower than previous months; the smallest gain for small businesses in 2013 was 71,000. Employment levels among medium-sized companies with 50-499 employees rose by 35,000 and employment at large companies – those with 500 or more employees – increased by 44,000. While this represented an acceleration in job growth for large firms, growth at mid-size firms was slower than it has been since April 2013.

The matched sample used to develop the *ADP National Employment Report* was derived from ADP payroll data, which represents 411,000 U.S. clients employing nearly 24 million workers in the U.S.

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

ADP®, in conjunction with ***Moody's Analytics***, has published the following scheduled annual revisions to the estimates of employment shown in the *ADP National Employment Report*:

- New regression coefficients and historical job growth estimates based on ADP data and revised payroll data through December 2013 from the Bureau of Labor Statistics;
- Incorporation of March 2013 industry and size class data from the Quarterly Census of Employment and Wages (QCEW) in the generation process; and
- Adjustments of historical job growth estimates consistent with QCEW data through March 2013 and the U.S. Bureau of Labor Statistics' annual benchmarking process.

Note: No revisions have been made to the methodology of computing the estimates of employment shown in the ADP National Employment Report. Annual revisions can be found by accessing the Historical Data File on www.adpemploymentreport.com.

***ADP Small Business Report®*:**
Due to the important contribution that small businesses make to economic growth, employment data that are specific to businesses with 49 or fewer employees is reported each month in the *ADP Small Business Report®*, a subset of the *ADP National Employment Report*.

February 2014 Small Business Report Highlights*

Total Small Business Employment:	**59,000**
• **By size:**	
○ 1-19 employees	32,000
○ 20-49 employees	28,000
• **By sector for 1-49 employees**:	
○ Goods producing	7,000
○ Service providing	52,000
• **By sector for 1-19 employees:**	
○ Goods producing	4,000
○ Service providing	28,000
• **By sector for 20-49 employees:**	
○ Goods producing	3,000
○ Service providing	25,000

* Sum of components may not equal total, due to rounding.

Additional information about small business employment, including charts on monthly job growth and employment levels along with historical data, is available at www.adpemploymentreport.com.

To obtain additional information about the *ADP National Employment Report,* including additional charts, supporting data and the schedule of future release dates, or to subscribe to the monthly email alerts and RSS feeds, please visit www.adpemploymentreport.com.

The March 2014 *ADP National Employment Report* will be released at 8:15 a.m. ET on April 2, 2014.

About the *ADP National Employment Report®*
The ADP National Employment Report® is a monthly measure of the change in total U.S. nonfarm private employment derived from actual, anonymous payroll data of client companies served by ADP®, a leading provider of human capital management solutions. The report, which measures nearly 24 million U.S. workers, is produced by the ADP Research Institute®, a specialized group within the company that provides insights around employment trends and workforce strategy, in collaboration with Moody's Analytics, Inc.

Each month, ADP issues the *ADP National Employment Report* as part of the company's commitment to adding deeper insights into the U.S. labor market and providing businesses, governments and others with a source of credible and valuable information. The *ADP National Employment Report* is broadly distributed to the public each month, free of charge.

The ADP Small Business Report is a monthly estimate of private nonfarm employment among companies in the U.S. with 1-49 employees and is a subset of the *ADP National Employment Report*. The data for both reports 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.

For a description of the underlying data and the statistical model used to create this report, please see "*ADP National Employment Report*: Development Methodology" at www.adpemploymentreport.com/docs/ADP-NER-Methodology-Full-Detail.pdf.

About Moody's Analytics
Moody's Analytics helps capital markets and risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services and research, including proprietary analyses from Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges. Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO), which reported revenue of $2.7 billion in 2012, employs approximately 6,800 people worldwide and has a presence in 28 countries. Further information is available at www.moodysanalytics.com.

About ADP
With more than $11 billion in revenues and more than 60 years of experience, ADP® (NASDAQ: ADP) serves approximately 620,000 clients in more than 125 countries. As one of the world's largest providers of business outsourcing and Human Capital Management solutions, ADP offers a wide range of human resource, payroll, talent management, tax and benefits administration solutions from a single source, and helps clients comply with regulatory and legislative changes, such as the Affordable Care Act (ACA). ADP's easy-to-use solutions for employers provide superior value to companies of all types and sizes. ADP is also a leading provider of integrated computing solutions to auto, truck, motorcycle, marine, recreational vehicle, and heavy equipment dealers throughout the world. For more information about ADP, visit the company's Web site at www.adp.com.

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