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ADP National Employment Report: Private Sector Employment Increased by 179,000 Jobs in July

ROSELAND, N.J. – August 3, 2016 – Private sector employment increased by 179,000 jobs from June to July according to the July [ADP National Employment Report](#)®. Broadly distributed to the public each month, free of charge, the *ADP National Employment Report* is produced by the ADP Research Institute® 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.

July 2016 Report Highlights*

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

Total U.S. Nonfarm Private Employment: 179,000

- **By Company Size**
 - **Small businesses:** **61,000**
 - 1-19 employees 22,000
 - 20-49 employees 39,000
 - **Medium businesses:** **68,000**
 - 50-499 employees 68,000
 - **Large businesses:** **50,000**
 - 500-999 employees 16,000
 - 1,000+ employees 33,000
- **By Sector**
 - Goods-producing -6,000
 - Service-providing 185,000
- **Industry Snapshot**
 - Construction -6,000
 - Manufacturing 4,000
 - Trade/transportation/utilities 27,000
 - Financial activities 11,000
 - Professional/business services 59,000

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

- **Franchise Employment****
 - Franchise jobs 21,200

**Complete details on franchise employment can be found [here](#).

Payrolls for businesses with 49 or fewer employees increased by 61,000 jobs in July, down from 86,000 in June. Employment at companies with 50-499 employees increased by 68,000 jobs, up from last month's 56,000. Employment at large companies – those with 500 or more employees – increased by 50,000, up from June's 34,000. Companies with 500-999 employees added 16,000 and companies with more than 1,000 employees added 33,000 in July.

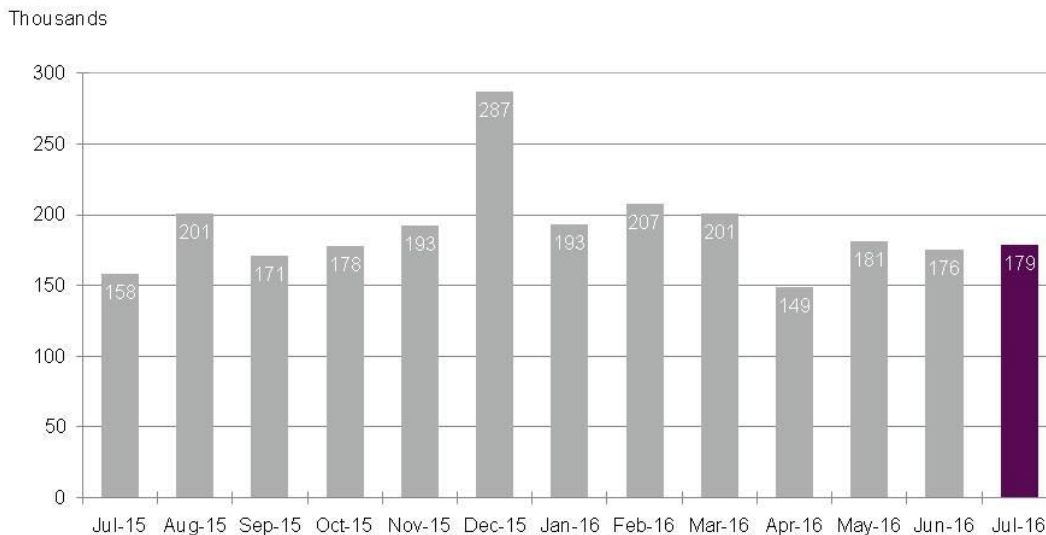
Goods-producing employment was down by 6,000 jobs in July, following June losses of 28,000. The construction industry lost 6,000 jobs, following June losses of 4,000 jobs. Meanwhile, manufacturing gained 4,000 jobs after losing 15,000 the previous month.

Service-providing employment rose by 185,000 jobs in July, fewer than June's 203,000 jobs. The *ADP National Employment Report* indicates that professional/business services contributed 59,000 jobs, down from June's 78,000. Trade/transportation/utilities increased by 27,000 jobs in July, down from 41,000 jobs added the previous month. Financial activities added 11,000 jobs, following last month's gain of 9,000 jobs.

"This month's employment number falls short of the 12-month average primarily because of slowing in small business hiring," said Ahu Yildirmaz, vice president and head of the ADP Research Institute. "As the labor market continues to tighten, small businesses may increasingly face challenges when it comes to offering wages that can compete with larger businesses."

Mark Zandi, chief economist of Moody's Analytics, said, "Job growth remains strong, but is moderating as the economy approaches full employment. Businesses are having a more difficult time filling open job positions, which are near record highs. The nation's biggest economic problem will soon be the lack of available workers."

Chart 1. Change in Total Nonfarm Private Employment



Sources: ADP, LLC; Moody's Analytics

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

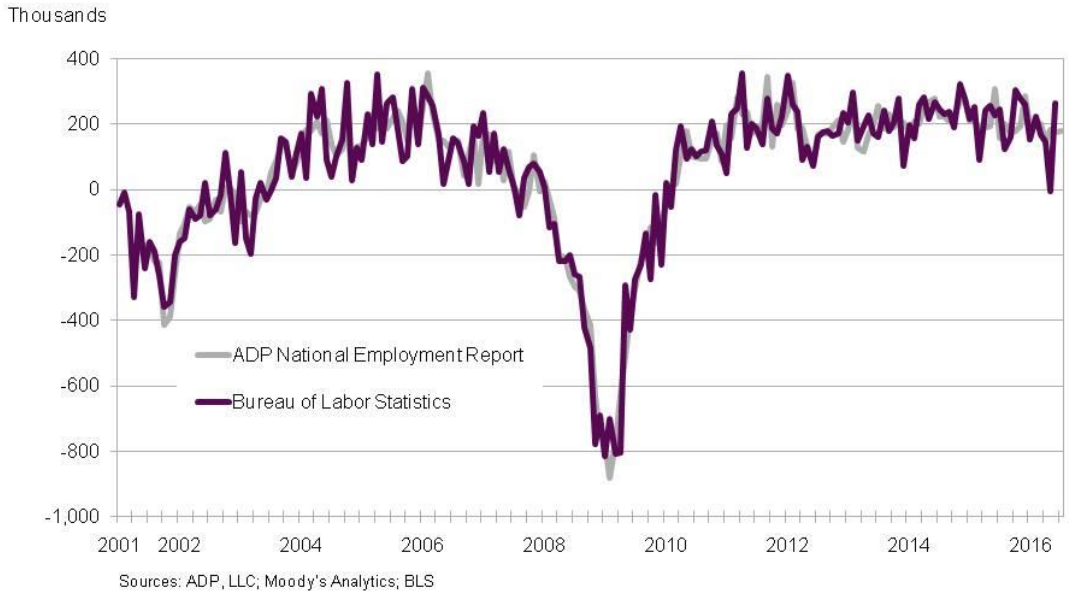


Chart 3. Change in Nonfarm Private Employment by Selected Industry

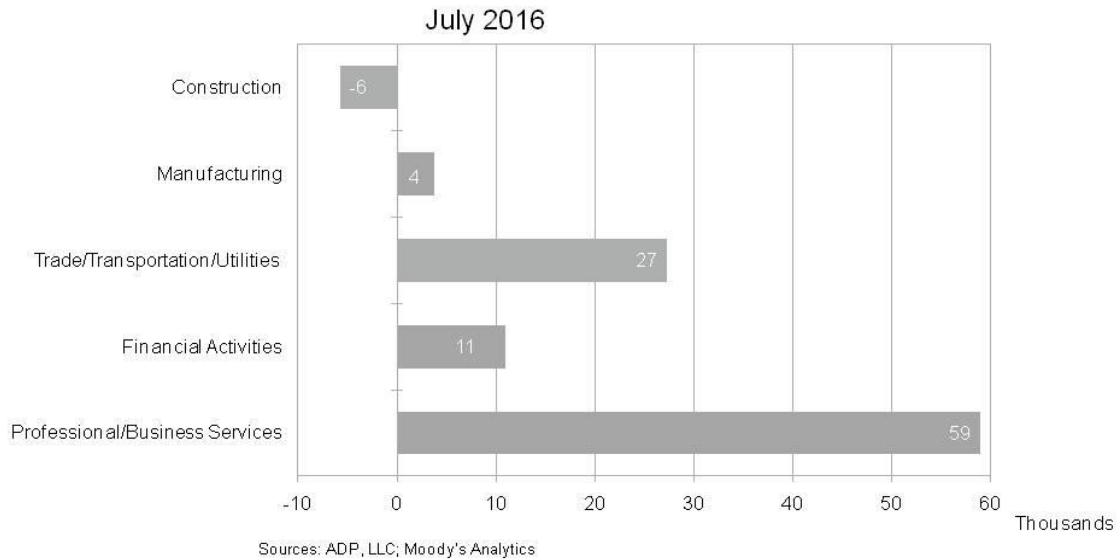
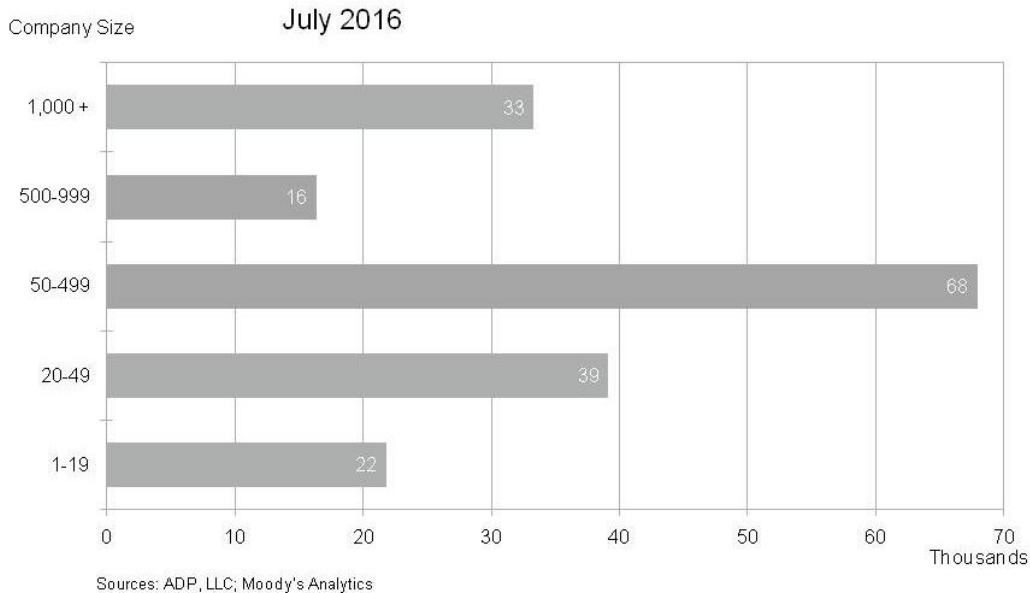


Chart 4. Change in Nonfarm Private Employment by Company Size



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.

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. The June total of jobs added was revised up from 172,000 to 176,000.

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 August 2016 *ADP National Employment Report* will be released at 8:15 a.m. ET on August 31, 2016.

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 data for this report 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 the [ADP National Employment Report: Development Methodology](#).

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 the proprietary analysis of 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 \$3.3 billion in 2014, employs approximately 10,200 people worldwide and maintains a presence in 35 countries. Further information is available at www.moodyanalytics.com.

About ADP (NASDAQ: ADP)

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