

Enhancements to *ADP National Employment Report*[®]

Frequently Asked Questions

1. Why has ADP Research Institute made enhancements to the *ADP National Employment Report*?

The ADP Research Institute is dedicated to generating data-driven discoveries about the world of work, and to deriving reliable economic indicators from these discoveries. Launched in 2006, the *ADP National Employment Report*[®] is a monthly measure of the change in total U.S. non-farm private employment derived from actual, aggregated and anonymized payroll data, which represents nearly 460,000 U.S. ADP clients employing more than 26 million workers in the U.S.

The ADP National Employment Report[®] methodology is further enhanced in order to be more closely aligned with the U.S. Bureau of Labor Statistics (BLS) employment estimates.

2. What are some of the specific enhancements that have been made to the ADP National Employment Report?

Beginning with its March 4, 2020 report, the ADP National Employment Report's methodology was updated to:

- Include additional sample data from large size companies. The total sample has been expanded by about 2 million employees
- Improve reporting by company size with enhanced benchmark data
- Re-evaluate and improve the model to enhance precision and further correlate with the BLS employment estimates. Enhancements to the model specification can be summarized as:
 - Enhanced sector growth estimates by incorporating accurate weight distributions for firm size within each sector.
 - A moving average of the first and second lags of the BLS employment data points for predictions in each industry.
 - August employment predictions adjusted to account for the underestimation of employment by BLS during this month.
 - Includes variables for selected industries to account for external environmental factors which affect employment growth, such as heating/cooling degree days, regional snowfall index and cost of natural disasters

3. What if any impact does the increased size of the data set have on year-over-year or other comparisons with the historical data?

The inclusion of additional ADP sample data does not directly change the estimated employment data or ability to compare with historical data, as the *ADP National Employment Report* methodology is using matched pairs of employment growth which prevents the sample size fluctuations from affecting employment trends over time. Additional information about the creation of the matched pairs can be found at [the ADP NER Methodology](#).

4. What changes have been made to improve the distribution of employment by company size?

The process for producing employment changes by company size has not changed and is still based on generating matched pair growth rates from ADP sample data. However, the external data used in benchmarking and aligning employment levels by company size has changed. Quarterly Census of Employment and Wages (QCEW) data through March are still used to set benchmark industry employment, but company size employment levels are now benchmarked using a combination of data from BLS' Business Employment Dynamics program along with Census' Statistics of U.S. Businesses.

5. Is revised historical data available for the enhanced ADP National Employment Report?

Yes. We have made this revised historical data publicly available for download from our website located at <http://ADPEmploymentreport.com>.

6. Have any changes been made to the *ADP National Employment Report* announcement schedule?

The ADP National Employment report is released at 8:15 a.m. ET on the Wednesday preceding the BLS Employment Situation Report announcement, but this may change based on the BLS's official calendar. The calendar of reports can be found [here](#).

7. Where can I learn more about the enhanced *ADP National Employment Report* and how to review the findings?

More information about the newly enhanced *ADP National Employment Report* can be found at <http://ADPEmploymentreport.com>.