ADP National Employment Report: Private Sector Employment Increased by 214,000 Jobs in February

ROSELAND, N.J. – March 2, 2016 – Private sector employment increased by 214,000 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® 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 2016 Report Highlights*

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

Total U.S. Nonfarm Private Employment:	**214,000**
• **By Company Size**	
• **Small businesses:**	**76,000**
○ 1-19 employees	37,000
○ 20-49 employees	38,000
• **Medium businesses:**	**62,000**
○ 50-499 employees	62,000
• **Large businesses:**	**76,000**
○ 500-999 employees	14,000
○ 1,000+ employees	62,000
• **By Sector**	
• Goods-producing	5,000
• Service-providing	208,000
• **Industry Snapshot**	
• Construction	27,000
• Manufacturing	-9,000
• Trade/transportation/utilities	20,000
• Financial activities	8,000
• Professional/business services	59,000

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

Payrolls for businesses with 49 or fewer employees increased by 76,000 jobs in February, in line with January's downwardly revised 75,000. Employment among companies with 50-499 employees increased by 62,000 jobs, down from January's downwardly revised 74,000. Employment at large companies – those with 500 or more employees – came in at 76,000, a big jump from January's 44,000. Companies with 500-999 added 14,000 jobs, while companies with over 1,000 employees gained 62,000 jobs.

Goods-producing employment rose by 5,000 jobs in February, just over a quarter of January's upwardly revised 19,000. The construction industry added 27,000 jobs, which was slightly above January's

upwardly revised 26,000. Meanwhile, manufacturing lost 9,000 jobs, the second largest drop in five years.

Service-providing employment rose by 208,000 jobs in February, up from a downwardly revised 174,000 in January. The *ADP National Employment Report* indicates that professional/business services contributed 59,000 jobs, up sharply from January's downwardly revised 38,000. Trade/transportation/utilities grew by 20,000, down from a downwardly revised 26,000 the previous month. The 8,000 new jobs added in financial activities were the least in that sector since August 2015.

"Large businesses showed surprisingly strong job gains in February, despite the continuation of economic trends that negatively impact big companies like turmoil in international markets and a strengthening dollar," said Ahu Yildirmaz, VP and head of the ADP Research Institute. "The gains were mostly driven by the service sector which accounted for almost all the jobs added by large businesses."

Mark Zandi, chief economist of Moody's Analytics, said, "Despite the turmoil in the global financial markets, the American job machine remains in high gear. Energy and manufacturing remain blemishes on the job market, but other sectors continue to add strongly to payrolls. Full-employment is fast approaching."

Chart 1. Change in Total Nonfarm Private Employment

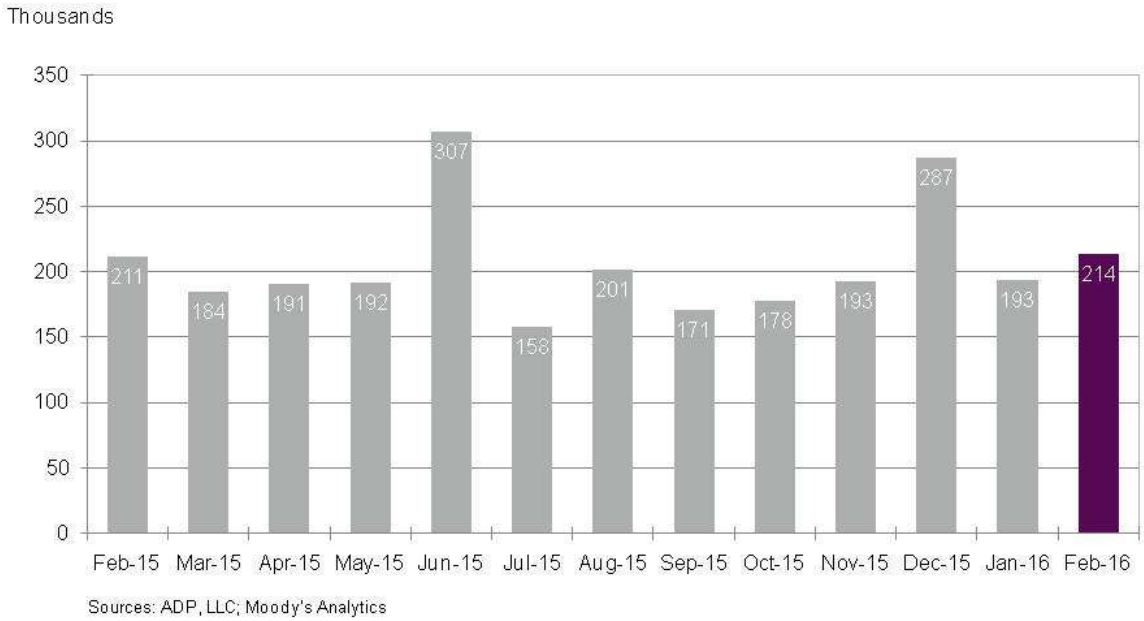


Chart 2. Historical Trend – Change in Total Nonfarm Private Employment

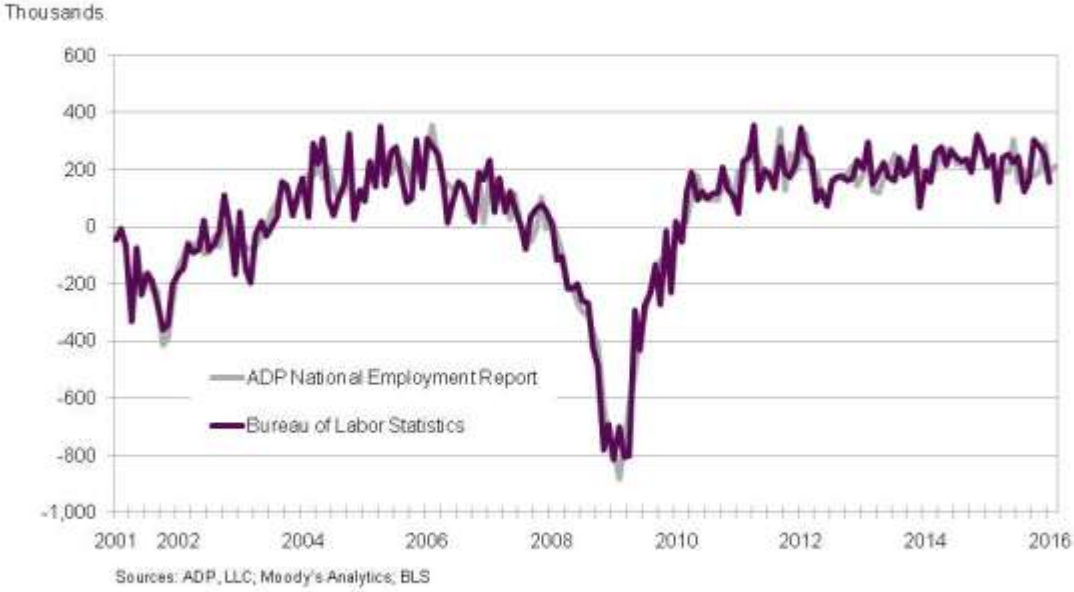


Chart 3. Change in Nonfarm Private Employment by Selected Industry

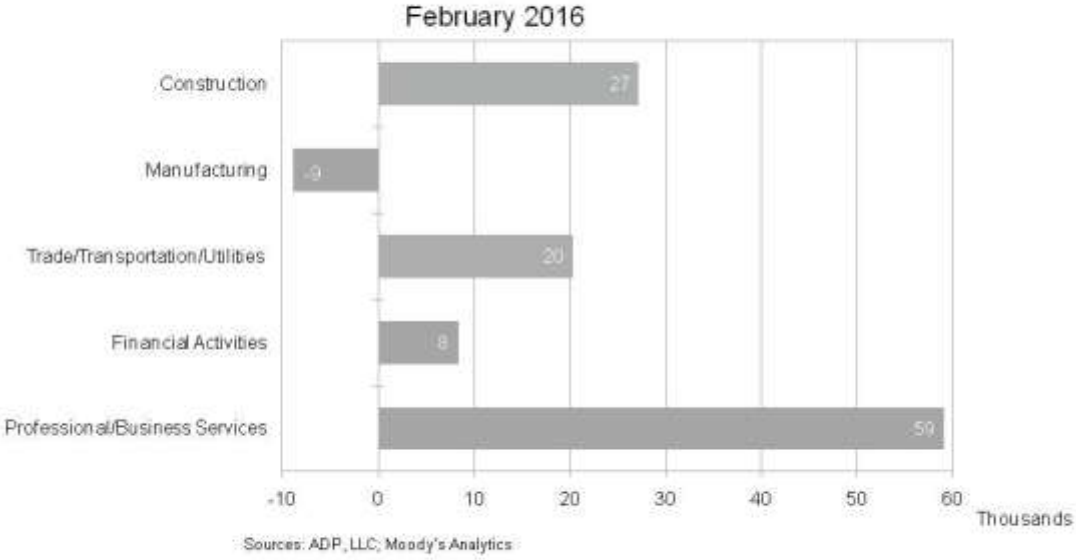
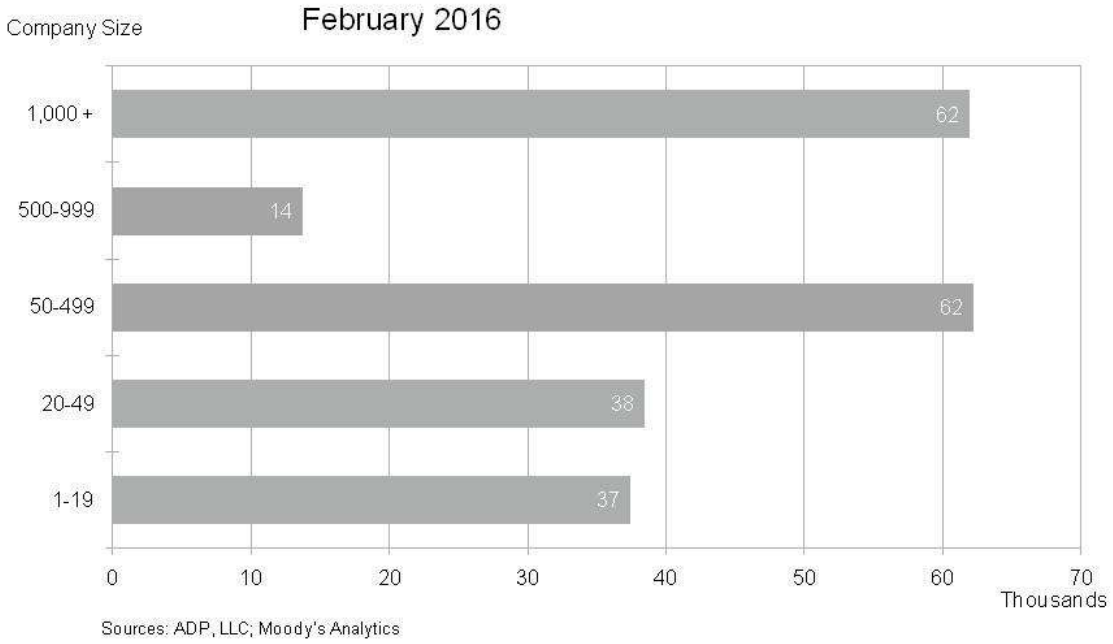


Chart 4. Change in Nonfarm Private Employment by Company Size



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.

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 January total of jobs added was revised from 205,000 to 193,000.

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 March 2016 *ADP National Employment Report* will be released at 8:15 a.m. ET on March 30, 2016.

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

In March ADP®, in conjunction with ***Moody's Analytics***, is publishing 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 2015 from the Bureau of Labor Statistics;
- Incorporation of March 2015 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 2015 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.

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 "*ADP National Employment Report*: Development Methodology" at http://adpemploymentreport.com/common-legacy/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 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.moodysanalytics.com.

About ADP (NASDAQ: ADP)
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