



IN THE BUSINESS OF YOUR SUCCESSSM

Introducing the *ADP National Franchise Report*SM

June 20, 2013

HR. Payroll. Benefits.

What is the *ADP National Franchise Report*?

- The first-ever detailed view into monthly U.S. private sector franchise market data and trends
- Produced by ADP in collaboration with Moody's Analytics
 - Published by the ADP Research InstituteSM
- Natural extension of monthly *ADP National Employment Report*[®] and *ADP Small Business Report*[®]
- Released each month at 10:00 a.m. ET (TBD) on the third Wednesday following the release on the prior Wednesdays of the *ADP National Employment Report* and the *ADP Regional Employment Report*SM

Methodology and Sample Size

National Franchise Report methodology:

1. ADP processes payrolls for about half a million private establishments in the U.S. These establishments employ nearly 20% of private-sector workers. Moody's Analytics uses a portion of this anonymous and aggregated payroll dataset to determine employment trends of franchises.
2. Classification of franchisees and franchisors is based on the North American Industrial Classification system (NAICS) and on the 2007 Economic Census Franchise Report from the Census Bureau, the only comprehensive government report on franchise employment.
3. Removal of outliers
4. Creation of matched pairs that have reported employment in two consecutive months based on the mid-month reference week including the 12th of the month
5. The matched pairs are based on the individual franchise. Matched pairs are aggregated and matched-pair growth rates are calculated for each franchise industry.
6. Each industry's data are seasonally adjusted using monthly dummies
7. Moody's Analytics produces the levels and month-to-month growth for the whole franchise industry and the 15 industries listed on the following slides. Levels are benched to the 2007 Economic Census Franchise Report.

Sample Size:

The matched sample used to develop the *ADP National Franchise Report* is derived from ADP payroll data, which represents 15,000 Franchisors and Franchisees employing nearly 1 million workers in the U.S.

What does the *ADP National Franchise Report* measure?

What Does the Report Measure?

Changes in monthly franchise employment by industry

- Restaurants
- Accommodations
- Personal Services
- Personal Care Retailers
- Business Services
- Food Retailers
- Rental
- Leisure
- Education
- Real Estate
- Auto Parts and Dealers
- Gasoline Stations and Auto Repair
- Manufacturing
- Building Material and Garden Equipment
- Professional Services
- Other

What information will be provided?

What will the *ADP National Franchise Report* look like?

ADP National Franchise Report

- Each month, ADP will issue:
 - A main *ADP National Franchise Report* that will provide monthly employment changes in the U.S. franchise industry across key sectors
- The monthly report will point readers to **www.ADPemploymentreport.com** where they can access additional data

Mock Launch News Release



UNDER EMBRAGO UNTIL:
Thursday, June 20, 2013
9:00 a.m. ET

ADP RELEASES FIRST NATIONAL FRANCHISE REPORTSM; NUMBER OF U.S. FRANCHISE JOBS GROWS BY XX% IN MAY

Restaurants, Accommodations and Real Estate Industries Show Largest Job Increases in May

ROSELAND, N.J. – June 20, 2013 – Private-sector franchise jobs increased XX% during the month of May 2013, according to the first monthly ADP National Franchise ReportSM. This new report is produced by ADP, a leading provider of global human capital management solutions, in collaboration with Moody's Analytics, Inc. The ADP National Franchise ReportSM measure monthly changes in franchise employment and is derived from ADP's actual transactional payroll data to help determine franchise employment trends.

"During the month of May, franchise jobs increase for most of the employment industries measured, with restaurants, accommodations and real estate industries showing the largest increases" said Ahu Yildirimaz, senior director of the ADP Research InstituteSM. "Last month, these three industries generated a combined total of XX,000 private-sector franchise jobs – approximately one-third of all franchise jobs created in May."

On June 20, 2013, the ADP National Franchise ReportSM reported total U.S. franchise employment increased by a total of XXX,000 jobs from May to June.

May 2013 Report Highlights

Changes in Franchise Employment by Industry:

| | |
|--|---------|
| • Restaurants | X,000 |
| • Accommodations | X,000 |
| • Personal Services | X,000 |
| • Personal Care Retailers | X,000 |
| • Business Services | X,000 |
| • Food Retailers | X,000 |
| • Rental | X,000 |
| • Leisure | X,000 |
| • Education | X,000 |
| • Real Estate | X,000 |
| • Auto Parts and Dealers | X,000 |
| • Gasoline Stations and Auto Repair | X,000 |
| • Manufacturing | X,000 |
| • Building Material and Garden Equipment | X,000 |
| • Other | X,000 |
| • Total Employment: | XXX,000 |

The June 2013 ADP National Franchise ReportSM will be released at 10:00 a.m. ET on Wednesday, July 17, 2013. A full calendar of report issuance dates can be found at www.ADPEmploymentreport.com.



ADP National Franchise Reportsm

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