ADP Research Institute and Stanford Digital Economy Lab Unveil New Methodology for ADP National Employment Report

New data series will serve as independent indicator of U.S. workforce and feature high-frequency jobs and pay data; first report available August 31

ROSELAND, N.J., Aug. 23, 2022 /<u>PRNewswire</u>/ -- <u>ADP Research Institute</u> (ADPRI) and the <u>Stanford Digital</u> <u>Economy Lab</u> (the Lab) have developed a new methodology for the <u>ADP National Employment Report</u> (NER) that will provide a more robust, high-frequency view of the labor market with a focus on both jobs and pay. Using fine-grained data, this new measure will deliver a richer labor market analysis that will help answer key economic and business questions and offer insights relevant to a broader audience.

The jobs report and pay insights, based on the payroll transactions of over 25 million U.S. workers, will provide a representative picture of the U.S. labor market each month.

- Jobs Report -- Based on anonymized and aggregated payroll data of over 25 million U.S. employees, this independent measure will detail the current month's non-farm private employment change and deliver weekly job data from the previous month. Data will be broken out by industry, business establishment size, and U.S. census region. Historical data from the previous 12 years at both monthly and weekly frequencies will be benchmarked and available at launch.
- **Pay Insights** ADP's new pay measure uniquely captures the salaries of the same cohort of almost 10 million individual employees over a 12-month period. The new monthly measure will report median annual pay growth by industry, business establishment size, U.S. region, gender, and age. Quarterly reports focused on pay will expand on key areas of interest, such as bonuses, benefits, and gender gaps.

"As the labor market evolves, methods for measuring employment dynamics also need to evolve," ADP chief economist, Dr. Nela Richardson said. "Combining job and pay data in one report, coupled with high-frequency releases, will give us a clearer picture of the labor market. This real-time, independent assessment will provide business leaders, academia, economists and policymakers with a reliable read of the workforce. Our collaboration with the Stanford Digital Economy Lab will offer a stronger labor market indicator rooted in a new approach to the data. We look forward to the insights this report will deliver."

"We are in the midst of a fundamental transformation of our ability to measure and understand changes in the labor market," said Stanford Professor Erik Brynjolfsson, Director of the Lab and Senior Fellow at the Stanford Institute for Human-Centered AI. "Working with the ADP Research Institute, the Stanford Digital Economy Lab is developing real-time insights not only into job creation and loss, but also changes in pay at an unprecedented level of detail."

ADPRI and the Lab <u>announced</u> their collaboration in April. Aligning with ADPRI's mission, the Lab focuses on how artificial intelligence and other technologies are affecting the workforce, business, and society. The Lab is part of the <u>Stanford Institute for Human-Centered Artificial Intelligence</u> (HAI) and co-sponsored by the <u>Stanford Institute for Economic Policy Research</u> (SIEPR).

To subscribe to monthly email alerts or obtain additional information about the ADP National Employment Report, including employment and pay data, interactive charts, methodology, and a calendar of release dates, please visit <u>https://adpemploymentreport.com/</u>.

About the ADP National Employment Report

The ADP National Employment Report is a high-frequency measure of the change in U.S. nonfarm, private employment and pay derived from actual, anonymous payroll data of client companies served by ADP, a leading provider of human capital management solutions. The report is produced by ADP Research Institute in collaboration with the Stanford Digital Economy Lab.

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

About the ADP Research Institute

The ADP Research Institute delivers data-driven discoveries about the world of work and derives reliable economic indicators from these insights. We offer these findings as a unique contribution to improving the world of work and delivering actionable insights to the economy at large.

About ADP (NASDAQ: ADP)

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