



## **ADP® Workforce Vitality Report FAQs**

### **1. What is the new *ADP Workforce Vitality Report*?**

The new *ADP® Workforce Vitality Report*, which contains the *ADP Workforce Vitality Index*, is a comprehensive, quarterly measure of U.S. workforce dynamics that looks at key labor market indicators, such as employment growth, job turnover, wage growth and hours worked. The report is produced and published by the ADP Research Institute® in collaboration with Moody's Analytics Inc.

### **2. Why is ADP issuing the report?**

ADP is dedicated to providing the deepest insights to help employers make informed business decisions. As part of this effort, ADP has developed the new index to measure a broad range of U.S. labor market data on a quarterly basis in the largest U.S. states. The report is designed to provide employers with profound insights into the overall health and direction of the U.S. labor market. This research will enable ADP to highlight important Human Capital Management trends and developments within the U.S. workforce based on actual, empirical, anonymous data.

### **3. What exactly does the *Index* measure?**

The *ADP Workforce Vitality Index* reflects the total wage bill (total wages paid to all U.S. workers) that can track changes in the conditions of the U.S. workforce through the business cycle. The starting point for the index is Q3 2013. The *Index* is driven by five indicators, which allow ADP to draw interesting and meaningful conclusions.

These key labor market indicators and defined components will enable ADP to make compelling comparisons in the *ADP Workforce Vitality Report* and help identify “winners” and “losers” in the U.S. labor market.

### **4. What types of insight is the report expected to provide?**

The report is expected to provide a variety of distinct insights into the American labor market. These include, but are not limited to, total employment growth, change in the hours worked by current job holders, wage growth, wage fluctuations for those who change jobs, and the overall job turnover rate.

### **5. What is the format of the report?**

Each quarter, the report, through the *ADP Workforce Vitality Index*, will combine key labor market indicators including employment growth, job turnover, wage growth, and hours worked. The report will enable ADP to track whether the U.S. workforce is moving



in a positive or negative direction in eight industries, four major regions, and the 10 largest states.

**6. What is the methodology behind the report?**

To learn more about the methodology, go to <http://www.adp.com/workforcereport/> to view and/or download the methodology white paper.

**7. When will ADP issue the first report and when will subsequent reports be issued?**

The first *ADP Workforce Vitality Report* will be released in October, 2014. Subsequent reports will be issued on a quarterly basis. The exact dates and times can be found on the publishing calendar located at <http://www.adp.com/workforcereport/>.

**8. What data set will the report utilize?**

Based on actual anonymous and aggregated data derived from about 330,000 U.S. companies and approximately 24 million private-sector U.S. workers, the report will provide an unprecedented level of in-depth quarterly analysis of the American labor market.

**9. How does ADP safeguard employee data?**

Data analyzed in the *ADP Workforce Vitality Report* is both aggregated and anonymous. At ADP, there is no higher priority than the privacy and security of client data. By embedding multiple layers of protection into its products and business processes as well as infrastructure, ADP has ensured that security remains an integral part of its business operations.

**10. How will this report differ from existing reports by the ADP Research Institute®? How does it specifically differ from the *ADP National Employment Report*®?**

The *ADP Workforce Vitality Report* is designed to be a natural extension of both the monthly *ADP National Employment Report*® and *ADP Regional Employment Report*™. While these studies report on monthly employment changes, the workforce index covers a deeper and broader array of underlying labor market dynamics, such as wage growth, turnover rate, hours worked, demographics (such as age and gender), tenure, and full-time/part-time.

While the *ADP National Employment Report*® looks at employment changes across five industries, the *ADP Workforce Vitality Index* will take a deeper dive into quarterly private-sector employment data on a seasonally-adjusted basis looking at eight industries across four regions and in the 10 largest states. It will provide insight for leaders in both the public and private sectors around issues in Human Capital Management, employment trends, and workforce strategy by analyzing and benchmarking its unique client data set.

**11. How will the report differ from other existing U.S. labor market reports and indices?**



The *ADP Workforce Vitality Report* is based on actual, empirical data. It measures different combinations of key dimensions of the U.S. workforce including industries, firm size, wages, gender, age, and job tenure. No other existing reports provide as much detail and as many metrics on the state of the U.S. workforce.

In addition, the report will capture new indicators on job switchers (people who change jobs) and job holders (people who stay in the same job). It will provide compelling new insights into how the U.S. Labor Market is performing as a whole, as well as illuminate specific trends impacting different segments of the workforce.

**12. Are historical results available for the report?**

Historical results for the *ADP Workforce Vitality Report* will be made available from Q3 2013 on <http://www.adp.com/workforcereport/> on an ongoing basis.

**13. Will ADP sell access to the information in the *ADP Workforce Vitality Report* to ADP clients?**

No. Like ADP's other labor market reports, the *ADP Workforce Vitality Report* will be issued broadly and free of charge.

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