



A more human resource.™

The ADP France Employment Report (FER) **Methodology—Executive Summary**

Working in close collaboration with Moody's Analytics, Inc. and its experienced team of labor market researchers, the ADP Research Institute® has created the monthly ADP France Employment Report® in order to estimate the employment numbers in France, align with the employment numbers published by the French National Institute of Statistics and Economic Studies (INSEE). While official nonfarm payroll employment data are published quarterly by the French National Institute of Statistics and Economic Studies (INSEE), forecasts of ADP employment changes for France will be generated and reported monthly. The ADP data contain all 16 industries reported by the INSEE each quarter.

Much of the employment forecast generation process has been devoted to data processing and cleaning. This includes removing duplicates and outlier observations and applying interpolation where needed. Once individual firm level data are cleaned matched pairs are created. Then the matched pairs are aggregated to generate time-series of monthly employment for each industry. The month-on-month growth rate is calculated for each month and each industry and they are seasonally adjusted in E-views using X13 seasonal adjustment module.

Finally, in order to predict the monthly employment changes in French labor market, a vector autoregressive (VAR) model which incorporates not only industry level ADP employment data but also INSEE employment data and monthly business confidence indices published by INSEE for manufacturing and business services industries to better capture both business cycles and labor market dynamics in French economy. The ADP France Employment Report publishes monthly seasonally adjusted changes in total employment in France as well as for selected industries.

###

