ADP Canada National Employment Report

Executive Summary

The ADP Research Institute®, working in close collaboration with Moody's Analytics, Inc., has created the monthly ADP Canada National Employment Report which will report nonfarm payroll employment changes in Canada. The report seeks to align with the employment numbers published by the Statistics Canada payroll employment report, the Survey of Employment, Payrolls and Hours (SEPH).

Much of the employment forecast generation process has been devoted to data processing and cleaning. This includes the raw data to be cleaned for outliers, anomalies, and inconsistencies. Once the data has been cleaned, matched pairs of clients that have reported employment in two consecutive months are created. Matched pairs are then aggregated into monthly cells made up of employment levels for the 14 NAICS super sectors.

After aggregating matched pairs by month, the data is then seasonally adjusted using the well-known X-12 ARIMA method. Deseasonalized trends for the industrial cells are recalculated with each new month of data. Then, a structural VAR model is used to estimate the monthly changes in payroll employment.

The report is driven by data of 2 million workers and other variables to help strengthen the data, such as Statistics Canada data as well as industry specific variables such as confidence indices, housing permits and merchandise exports.