ADP NATIONAL FRANCHISE REPORT: TWO YEAR REVIEW
National Franchise Report®
Monthly Average for Last Two Years

↑ 22,900
Change in U.S. franchise employment

EMPLOYMENT GROWTH BY SELECTED INDUSTRIES*  
*Components represent selected industries only. Growth rates reflect change from prior month.

- Restaurants  
  ↑ 11,600 / 0.3%

- Auto Parts & Dealers  
  ↑ 4,500 / 0.4%

- Food Retailers  
  ↑ 600 / 0.3%

- Business Services  
  ↑ 1,400 / 0.3%

- Accommodations  
  ↑ 1,200 / 0.2%

- Real Estate  
  ↑ <100 / 0.1%
Overview

15 diverse industries

Franchise employment comprises a large share of some industries

Franchise market growth rate is strong

Top 6 = 90%

Source: ADP LLC, Moody’s Analytics
Franchise share of industry employment

- Automotive
- Food
- Leisure & Accommodations
- Education*
- Personal Products & Services
- Rental
- Real Estate
- Business Services*
- Professional Services*
- Home & Garden Retailers
- Manufactures*

* Franchises important only in sub-industries May 2014, 12 mo. avg.

Source: ADP LLC, Moody’s Analytics
These Franchise Industries Comprise 83% of Franchise Market

- **Food**: 53% (3.4% May Y/Y Growth Rate)
- **Automotive**: 21% (4.8% May Y/Y Growth Rate)
- **Business Services**: 6% (4.2% May Y/Y Growth Rate)
- **Personal Products and Services**: 2% (3.2% May Y/Y Growth Rate)
- **Education**: 1% (1.7% May Y/Y Growth Rate)

Source: ADP LLC, Moody's Analytics
For the last 5 months, the nation has averaged more than 190,000 new jobs each month.

Source: ADP LLC, Moody’s Analytics
The Franchise Market is an Integral Component of the U.S. Workforce

(average monthly jobs added last two years)

National: 220K

Small Business: 94K

Franchise: 23K

Source: ADP LLC, Moody’s Analytics
Larger companies were hit harder by the recession than smaller companies.

Since 2008, small companies have increased employment at the fastest rate.

Source: ADP LLC, Moody’s Analytics
## Franchise Market Growth Outpacing U.S. Total Employment and Small Business Market for Last Two Years

<table>
<thead>
<tr>
<th></th>
<th>2015*</th>
<th>2014**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise</td>
<td>3.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Small Business</td>
<td>2.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>National Employment</td>
<td>2.4%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

* 2015 growth reflects May 2015 versus May 2014

** 2014 growth reflects May 2014 versus May 2013

Source: ADP LLC, Moody’s Analytics
Women and Franchises: Some Good, Some Not So Good

Franchise

53% Female
47% Male

Non-Franchise

46% Female
54% Male

Income Relative to the Average within the Franchise

Average

0% 20% 40% 60% 80% 100% 120% 140%

Females
Males
Youth Rules in Franchises

Franchise:
- Baby Boomers: 25%
- Gen X: 19%
- Millennials: 52%
- Other: 5%

Non-Franchise:
- Baby Boomers: 33%
- Gen X: 27%
- Millennials: 35%
- Other: 5%

Income Relative to the Average within the Franchise:
- Millennials: 140%
- Gen X: 160%
- Baby Boomers: 160%

Average: 100%