



ADP National Employment Report: Private Sector Employment Increased by 106,000 Jobs in January; Annual Pay was Up 7.3%

ROSELAND, N.J. – February 1, 2023 – Private sector employment increased by 106,000 jobs in January and annual pay was up 7.3 percent year-over-year, according to the January [ADP® National Employment Report](#)TM produced by the ADP Research Institute® in collaboration with the Stanford Digital Economy Lab (“Stanford Lab”).

The jobs report and pay insights use ADP’s fine-grained anonymized and aggregated payroll data of over 25 million U.S. employees to provide a representative picture of the labor market. The report details the current month’s total private employment change, and weekly job data from the previous month. ADP’s pay measure uniquely captures the earnings of a cohort of almost 10 million employees over a 12-month period.

“In January, we saw the impact of weather-related disruptions on employment during our reference week,” said Nela Richardson, chief economist, ADP. “Hiring was stronger during other weeks of the month, in line with the strength we saw late last year.”

January 2023 Report Highlights*

View the *ADP National Employment Report* and interactive charts at www.adpemploymentreport.com.

JOBS REPORT

Private employers added 106,000 jobs in January

Employment was soft during our Jan. 12 reference week as the U.S. was hit with extreme weather. California was coping with record floods and back-to-back storms delivered ice and snow to the central and eastern U.S.

Change in U.S. Private Employment: **106,000**

Change by Industry Sector

- **Goods-producing:** **-3,000**
 - Natural resources/mining -2,000
 - Construction -24,000
 - Manufacturing 23,000

- **Service-providing:** **109,000**
 - Trade/transportation/utilities -41,000
 - Information 5,000
 - Financial activities 30,000
 - Professional/business services 8,000
 - Education/health services 12,000
 - Leisure/hospitality 95,000
 - Other services 0

Change by U.S. Regions

• Northeast:	42,000
○ New England	11,000
○ Middle Atlantic	31,000
• Midwest:	-40,000
○ East North Central	-41,000
○ West North Central	1,000
• South:	55,000
○ South Atlantic	36,000
○ East South Central	28,000
○ West South Central	-9,000
• West:	27,000
○ Mountain	31,000
○ Pacific	-4,000

Change by Establishment Size

• Small establishments:	-75,000
○ 1-19 employees	-70,000
○ 20-49 employees	-5,000
• Medium establishments:	64,000
○ 50-249 employees	99,000
○ 250-499 employees	-35,000
• Large establishments:	128,000
○ 500+ employees	128,000

PAY INSIGHTS

Pay growth was flat in January

Pay growth for job stayers held at 7.3 percent for the second month, with most industries little changed. One outlier was the information sector, where pay growth decelerated from 7 percent to 6.6 percent. For job changers, pay growth accelerated to 15.4 percent.

Median Change in Annual Pay (ADP matched person sample)

• Job-Stayers	7.3%
• Job-Changers	15.4%

Median Change in Annual Pay for Job-Stayers by Industry Sector

• Goods-producing:	
○ Natural resources/mining	7.9%
○ Construction	7.1%
○ Manufacturing	7.2%
• Service-providing:	
○ Trade/transportation/utilities	7.5%
○ Information	6.6%
○ Financial activities	7.4%
○ Professional/business services	6.7%
○ Education/health services	7.2%
○ Leisure/hospitality	10.1%

- Other services 6.8%

Median Change in Annual Pay for Job-Stayers by Firm Size

- **Small firms:**
 - 1-19 employees 5.5%
 - 20-49 employees 7.0%
- **Medium firms:**
 - 50-249 employees 7.6%
 - 250-499 employees 7.6%
- **Large firms:**
 - 500+ employees 7.7%

To see Pay Insights by U.S. State, Gender, and Age for Job-Stayers, visit [here](#):

* Sum of components may not equal total, due to rounding.

The December total of jobs added was revised from 235,000 to 253,000. The historical data file, and weekly data for the previous month, is available at <https://adpemploymentreport.com/>.

January's report presents the scheduled annual revision of the ADP National Employment Report, which updates the data series to be consistent with the annual Quarterly Census of Employment and Wages (QCEW) benchmark data for March 2022. In addition, this revision introduces some methodological changes, namely, in re-weighting of ADP data to match QCEW data, seasonal adjustment of weekly data instead of monthly data, and constructing the national aggregate from industry aggregates. The historical file was updated to reflect these revisions.

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 <https://adpemploymentreport.com/>.

The February 2023 *ADP National Employment Report* will be released at 8:15 a.m. ET on March 8, 2023.

About the ADP® National Employment Report™

The ADP National Employment Report is an independent estimate of the change in U.S. private employment and pay derived from actual, anonymized 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 making the world of work better and more productive by delivering actionable insights to the economy at large.

About ADP (NASDAQ – ADP)

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