



ADP National Employment Report: Private Sector Employment Increased by 242,000 Jobs in February; Annual Pay was Up 7.2%

ROSELAND, N.J. – March 8, 2023 – Private sector employment increased by 242,000 jobs in February and annual pay was up 7.2 percent year-over-year, according to the February <u>ADP® National</u> <u>Employment Report</u>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.

"There is a tradeoff in the labor market right now," said Nela Richardson, chief economist, ADP. "We're seeing robust hiring, which is good for the economy and workers, but pay growth is still quite elevated. The modest slowdown in pay increases, on its own, is unlikely to drive down inflation rapidly in the nearterm."

February 2023 Report Highlights*

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

JOBS REPORT

Private employers added 242,000 jobs in February

Job gains are solid and wage growth remains elevated. A particular area of weakness is with small establishments, which shed jobs every month since August 2022.

Change in U.S	. Private Employment:	242,000
Change by Ind	lustry Sector	
 Goods 	-producing:	52,000
0	Natural resources/mining	25,000
0	Construction	-16,000
0	Manufacturing	43,000
 Service 	e-providing:	190,000
0	Trade/transportation/utilities	3,000
0	Information	9,000
0	Financial activities	62,000
0	Professional/business services	-36,000
0	Education/health services	35,000
0	Leisure/hospitality	83,000
0	Other services	34,000

Change by U.S. Regions

•	Northeast:	37,000
	 New England 	2,000
	 Middle Atlantic 	35,000
•	Midwest:	-12,000
	 East North Central 	-35,000
	 West North Central 	23,000
•	South:	94,000
	 South Atlantic 	40,000
	 East South Central 	35,000
	 West South Central 	19,000
•	West:	128,000
	 Mountain 	29,000
	o Pacific	99,000

Change by Establishment Size • Small establishments:

•	Small	establishments:	-61,000
	0	1-19 employees	-56,000
	0	20-49 employees	-5,000

•	Medium establishments:	148,000
	 50-249 employees 	77,000
	 250-499 employees 	71,000

•	Large establishments:	160,000
	 500+ employees 	160,000

PAY INSIGHTS

Pay growth slowed in February
Pay growth for job stayers slowed to 7.2 percent in February, the slowest pace of gains in 12 months. Pay growth decelerated for job changers, too, falling to 14.3 percent from 14.9 percent.

Median Change in Annual Pay (ADP matched person sample)

•	Job-Stayers	7.2%
•	Job-Changers	14.3%

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

Goods-producing:

	Natural resources/mining	7.8%
0	Construction	7.1%
0	Manufacturing	7.1%

• Service-providing:

* * * *	c providing.	
0	Trade/transportation/utilities	7.4%
0	Information	6.5%
0	Financial activities	7.3%
0	Professional/business services	6.5%
0	Education/health services	7.2%
0	Leisure/hospitality	10.1%
0	Other services	6.8%

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

Small firms:

0	1-19 employees	5.6%
0	20-49 employees	7.1%

Medium firms:

0	50-249 employees	7.5%
0	250-499 employees	7.4%

Large firms:

o 500+ employees 7.5%

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

The January total of jobs added was revised from 106,000 to 119,000. The historical data file, and weekly data for the previous month, is available at https://adpemploymentreport.com/.

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 March 2023 ADP National Employment Report will be released at 8:15 a.m. ET on April 5, 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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^{*} Sum of components may not equal total, due to rounding.

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