



ADP National Employment Report: Private Sector Employment Increased by 278,000 Jobs in May; Annual Pay was Up 6.5%

ROSELAND, N.J. – June 1, 2023 – Private sector employment increased by 278,000 jobs in May and annual pay was up 6.5 percent year-over-year, according to the May [ADP® National Employment Report™](#) 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.

“This is the second month we’ve seen a full percentage point decline in pay growth for job changers,” said Nela Richardson, chief economist, ADP. “Pay growth is slowing substantially, and wage-driven inflation may be less of a concern for the economy despite robust hiring.”

May 2023 Report Highlights*

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

JOBS REPORT

Private employers added 278,000 jobs in May

Job growth is strong while pay growth continues to slow. But gains in private employment were fragmented last month, with leisure and hospitality, natural resources, and construction taking the lead. Manufacturing and finance lost jobs.

Change in U.S. Private Employment: **278,000**

Change by Industry Sector

- **Goods-producing:** **110,000**
 - Natural resources/mining 94,000
 - Construction 64,000
 - Manufacturing -48,000

- **Service-providing:** **168,000**
 - Trade/transportation/utilities 32,000
 - Information -15,000
 - Financial activities -35,000
 - Professional/business services -5,000
 - Education/health services -29,000
 - Leisure/hospitality 208,000
 - Other services 12,000

Change by U.S. Regions

• Northeast:	197,000
○ New England	76,000
○ Middle Atlantic	121,000
• Midwest:	139,000
○ East North Central	75,000
○ West North Central	64,000
• South:	-204,000
○ South Atlantic	-77,000
○ East South Central	-33,000
○ West South Central	-94,000
• West:	134,000
○ Mountain	-36,000
○ Pacific	170,000

Change by Establishment Size

• Small establishments:	235,000
○ 1-19 employees	116,000
○ 20-49 employees	119,000
• Medium establishments:	140,000
○ 50-249 employees	112,000
○ 250-499 employees	28,000
• Large establishments:	-106,000
○ 500+ employees	-106,000

PAY INSIGHTS

Pay gains slowed again in May

Last month brought a broad-based slowdown in pay increases. Job changers saw a gain of 12.1 percent, down a full percentage point from April. For job stayers, the increase was 6.5 percent in May, down from 6.7 percent.

Median Change in Annual Pay (ADP matched person sample)

• Job-Stayers	6.5%
• Job-Changers	12.1%

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

• Goods-producing:	
○ Natural resources/mining	6.6%
○ Construction	6.7%
○ Manufacturing	5.9%
• Service-providing:	
○ Trade/transportation/utilities	6.4%
○ Information	5.8%
○ Financial activities	6.7%
○ Professional/business services	6.2%
○ Education/health services	7.0%
○ Leisure/hospitality	8.4%

- Other services 6.4%

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

- **Small firms:**
 - 1-19 employees 5.4%
 - 20-49 employees 6.5%
- **Medium firms:**
 - 50-249 employees 6.8%
 - 250-499 employees 6.6%
- **Large firms:**
 - 500+ employees 6.6%

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 April total of jobs added was revised from 296,000 to 291,000. 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 June 2023 *ADP National Employment Report* will be released at 8:15 a.m. ET on July 6, 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.

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