



ADP National Employment Report: Private Sector Employment Increased by 177,000 Jobs in August; Annual Pay was Up 5.9%

ROSELAND, N.J. – August 30, 2023 – Private sector employment increased by 177,000 jobs in August and annual pay was up 5.9 percent year-over-year, according to the August [ADP® National Employment Report™](#) produced by the ADP Research Institute® in collaboration with the Stanford Digital Economy Lab (“Stanford Lab”). The ADP National Employment Report is an independent measure and high-frequency view of the private-sector labor market based on actual, anonymized payroll data of more than 25 million U.S. employees.

The jobs report and pay insights use ADP’s fine-grained anonymized and aggregated payroll data to provide a representative picture of the private-sector labor market. The report details the current month’s total private employment change, and weekly job data from the previous month. Because the underlying ADP payroll databases are continuously updated, the report provides a high-frequency, near real-time measure of U.S. employment. This measure reflects the number of employees on ADP client payrolls (Payroll Employment) to provide a richer understanding of the labor market. ADP’s pay measure uniquely captures the earnings of a cohort of almost 10 million employees over a 12-month period.

“This month’s numbers are consistent with the pace of job creation before the pandemic,” said Nela Richardson, chief economist, ADP. “After two years of exceptional gains tied to the recovery, we’re moving toward more sustainable growth in pay and employment as the economic effects of the pandemic recede.”

August 2023 Report Highlights*

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

JOBS REPORT

Private employers added 177,000 jobs in August

Job growth slowed notably last month, driven heavily by leisure and hospitality. Job creation by hotels, restaurants and other employers in the sector fell to 30,000 in August after months of strong hiring.

Change in U.S. Private Employment: **177,000**

Change by Industry Sector

- **Goods-producing:** **23,000**
 - Natural resources/mining 5,000
 - Construction 6,000
 - Manufacturing 12,000

- **Service-providing:** **154,000**
 - Trade/transportation/utilities 45,000
 - Information 5,000
 - Financial activities 0

○ Professional/business services	15,000
○ Education/health services	52,000
○ Leisure/hospitality	30,000
○ Other services	7,000

Change by U.S. Regions

• Northeast:	59,000
○ New England	-3,000
○ Middle Atlantic	62,000
• Midwest:	-15,000
○ East North Central	-11,000
○ West North Central	-4,000
• South:	119,000
○ South Atlantic	54,000
○ East South Central	7,000
○ West South Central	58,000
• West:	13,000
○ Mountain	26,000
○ Pacific	-13,000

Change by Establishment Size

• Small establishments:	18,000
○ 1-19 employees	1,000
○ 20-49 employees	17,000
• Medium establishments:	79,000
○ 50-249 employees	74,000
○ 250-499 employees	5,000
• Large establishments:	83,000
○ 500+ employees	83,000

PAY INSIGHTS

Pay growth continued its slowdown in August

Job stayers saw a year-over-year pay increase of 5.9 percent, the slowest growth since October 2021. For job changers, pay growth also decelerated, to 9.5 percent. For the first time, all 50 states and Washington, D.C., experienced a slowdown in pay growth.

Median Change in Annual Pay (ADP matched person sample)

• Job-Stayers	5.9%
• Job-Changers	9.5%

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

• Goods-producing:	
○ Natural resources/mining	5.9%
○ Construction	6.0%
○ Manufacturing	5.5%
• Service-providing:	
○ Trade/transportation/utilities	5.8%
○ Information	5.4%
○ Financial activities	6.2%

- Professional/business services 5.8%
- Education/health services 6.5%
- Leisure/hospitality 6.9%
- Other services 5.8%

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

- **Small firms:**
 - 1-19 employees 5.1%
 - 20-49 employees 6.0%
- **Medium firms:**
 - 50-249 employees 6.2%
 - 250-499 employees 6.0%
- **Large firms:**
 - 500+ employees 6.0%

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 July total of jobs added was revised from 324,000 to 371,000. The historical data file, and weekly data for the previous month, is available at <https://adpemploymentreport.com/>.

ADP conducted a rebenchmarking of its employment data in August based on full-year 2022 results from the Quarterly Census of Employment and Wages (QCEW). This resulted in 7,000 jobs being added to the August ADP National Employment Report. ADP's full-year benchmarking will take place in February 2024 with the publication of the January 2024 report.

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 September 2023 *ADP National Employment Report* will be released at 8:15 a.m. ET on October 4, 2023.

About the **ADP® National Employment Report™**

The ADP National Employment Report is an independent measure 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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